

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1791
ANSWERED ON:12.12.2003
TAXES ON FOREIGN TELECASTING COMPANIES
VILAS BABURAO MUTTEMWAR

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government propose to review the policy with regard to the foreign telecasting companies on the emerging issues in non resident taxation following their claims for exemption from payment of taxes since they do not have a permanent establishment in the country;
- (b) if so, the existing provisions in this regard and whether any of these companies are being taxed on the incomes generated by them from advertisements, subscription fee from cable operators etc.;
- (c) if so, the details thereof;
- (d) whether any revised guidelines have been finalized by the Government in this regard; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK):

- (a) No, Sir. There is no proposal with the Government to review the policy with regard to the foreign telecasting companies.
- (b) The Foreign Telecasting Companies are taxed in India as their activity in India constitutes a business connection in terms of the Income Tax Act or a permanent establishment in terms of Double Taxation Avoidance Agreements. The telecasting companies are being taxed in India in respect of their income from advertisement and subscription fee from cable operators.
- (C). In terms of the IT. Act, the taxes are required to be deducted at source on remittances made by cable operators and advertisers to the Foreign Telecasting Companies.
- (D) No, Sir. No revised guidelines have been finalised by the Government.
- (E) Not applicable, in view of (d) above.