

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4211  
ANSWERED ON:18.08.2000  
PAYMENT OF TAX BY FOREIGN TV CHANNELS  
SRINIVASULU KALAVA

**Will the Minister of FINANCE be pleased to state:**

- (a) the details of the instructions issued by the CBDT in 1996 regarding payment of tax by foreign TV Companies on presumptive profit rate; and
- (b) the steps taken by the Government to ensure that foreign TV firms pay tax on actual revenue earnings and not evade tax on the basis of 1996 circular?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR)

(a) According to the guidelines issued by the Central Board of Direct Taxes in 1996, taxable income of the foreign telecasting companies in India is determined at 10% of their gross receipts in India excluding the amount retained by the advertising agents and the Indian agents. The guidelines provided for the presumptive profit rate in the absence of country-wise accounts maintained by the foreign telecasting companies.

(b) The aforesaid guidelines are being reviewed in the normal course and such a review is in no way based on any question of tax evasion per se.