

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5780
ANSWERED ON:30.04.2010
OVERSEAS INVESTMENT
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Will the Minister of FINANCE be pleased to state:

- (a) Whether the rich are investing in foreign countries in order to avoid taxes in India;
- (b) if so, the facts thereof;
- (c) whether the Government have taken any steps to stop such investment in foreign countries; and
- (d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b) There is no empirical evidence in possession of the Income Tax Department to suggest a discernible trend that the rich Indians are investing in foreign countries in order to avoid taxes in India.

However, as and when specific information about undisclosed investments in foreign countries by any Indian resident/entity comes to the notice of the Income Tax Department, appropriate action under the provisions of the Law is taken to bring to tax such undisclosed income/assets.

(c) to (d): Does not arise in view of (a) & (b) above.