

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4098  
ANSWERED ON:05.09.2012  
TAX EVASION BY FOREIGNERS  
Choudhary Shri Harish;Sinh Dr. Sanjay

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

- (a) whether foreigners, having assets and business in India, are evading taxes by fudging figures of their profit and thereby causing loss of revenue;
- (b) if so, the details thereof and the action taken by the Government in this regard;
- (c) if not, the details of income tax collected therefrom during each of the last three years; and
- (d) the steps taken by the Government to improve collection in this regard?

**Answer**

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

(a)& (b) Madam, all cases of tax evasion by foreigners having assets and business in India are dealt with as per the extant provisions and suitable action is taken in accordance with Law. (c) The total taxes paid by the non-residents year-wise are as under:-

i. F.Y. 2009-10-Rs. 16197.82 Cr.

ii. F.Y. 2010-11-Rs. 21509.19 Cr.

iii. F.Y. 2011-12- Rs. 27442.5 Cr. (d) Madam, the Government is taking following steps to improve tax collection from non-residents:

I. Efforts being taken to widen the tax base through:-

# Monitoring the activities of Liaison Offices (LOs);

# Monitoring the FIPB proposals;

# Verification of the tax deducted at source in respect of remittances made abroad.

II. Investigating the cases of mergers & acquisitions, direct & indirect transfer of capitals having revenue potential.

III. By emphasizing the importance of payment of taxes through interactive seminars.

IV By taking coercive action, whenever required, as prescribed in Law.