

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3561
ANSWERED ON:14.12.2012
TAX COLLECTION FROM NRIS
Ganpatrao Shri Jadhav Prataprao;Singh Shri Ratan

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken steps for improvement in tax collection from the Non-Resident Indians (NRIs);
- (b) if so, the details thereof and the manner in which collection is proposed to be improved; and
- (c) the success achieved so far thereon?

Answer

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

(a) & (b) Madam, the tax collection from non-residents are being improved through collection out of arrear and current demand and regular monitoring of advance tax collection. The withholding tax provisions relating to non-residents have also been strengthened by amendment of Section 195 of the Income-tax Act, 1961, by Finance Act, 2012. Further, the Government is taking following steps to improve tax collection from non-residents, including Non-Resident Indians (NRIs): I. Efforts being taken to widen the tax base through:-

Monitoring the activities of Liaison Offices;

Monitoring the Foreign Investment Promotion Board 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.

(c) No separate details of collection in respect of NRIs are maintained. However, the details of total tax collection by the Directorate General of International Taxation and Transfer Pricing, dealing with taxation of non-residents, are as under:-

S.No. Financial Year Net collection (Rs. In crore.)

1	2009-10	16197.82
2	2010-11	22484.99
3	2011-12	27442.50