

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:777

ANSWERED ON:24.07.2015

Tax Evasion by Foreign Companies

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Will the Minister of FINANCE be pleased to state:

- (a) the details of foreign companies operating in the country, State-wise including Andhra Pradesh along with the revenue/profits earned and taxes paid by them during the last three years and the current year;
- (b) whether the above said companies have defaulted on payment of taxes during the said period, if so, the details of such companies during the said period, company-wise, year-wise;
- (c) the details of losses of revenue to the exchequer during the said period; and
- (d) the punitive action taken by the Government against the companies to recover the outstanding taxes along with the steps taken to check such practices?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a): A total number of 8354 foreign companies are being assessed to tax under various tax jurisdictions in India. Total number of foreign companies assessed to tax in India, jurisdiction wise, is provided in Annexure – A. The details of revenue / profit earned and taxes paid by them during the last three years and the current year are being compiled.

(b): There have been instances where certain foreign companies have failed to pay the taxes due from them. The company wise and year wise details of such companies that have failed to pay the taxes due from them during the said period are being compiled.

(c) & (d): Necessary actions and proceedings under the Income-tax Act, 1961 for ensuring tax compliance by the foreign companies are undertaken, wherever so required, to ensure that any loss of revenue to the exchequer is prevented. These include initiating proceedings of assessment and reassessment for determination of taxable income, proceedings for levy of penalty in cases of failure to accurately declare taxable income or to pay the tax due on such income, and proceedings for recovery of unpaid tax, including by way of attachment of assets of the defaulting company and their appropriation. Further, in cases where it is suspected that the assets of a company may be alienated or moved out of India to thwart later recovery in a case where a tax demand is likely to arise, assets are provisionally attached to prevent their alienation or movement out of India.
