

**Government of India
Ministry of Finance
Department of Revenue**

**Lok Sabha
Unstarred Question No. †1623**

TO BE ANSWERED ON FRIDAY, THE 27TH JULY, 2018/ SHRAVANA 5, 1940 (SAKA)

Income Tax on NRIs

†1623. SHRI P.R. SUNDARAM:

DR. J. JAYAVARDHAN:

SHRI MOHITE PATIL VIJAYSINH SHANKARRAO:

SHRI SATAV RAJEEV:

DR. HEENA VIJAYKUYMAR GAVIT:

SHRI DHANANJAY MAHADIK:

Will the Minister of finance be pleased to state:

- (a) Whether Non-resident Indians (NRIs) pay income tax to the Government only on their income in India, if so, the details thereof;
- (b) whether hundreds of NRIs have been either summoned or served notices by the income tax department who are holding assets and earnings disproportionately, if so, the details thereof and the outcome thereon;
- (c) Whether the Government attention is drawn to NRIs giving up Indian addresses to escape scrutiny by tax authorities, if so, the details thereof; and
- (d) The corrective steps taken by the Government to stop NRIs from indulging such loopholes?

Answer

Minister of State in Ministry of Finance (Sh. Shiv Pratap Shukla)

- (a) Yes, NRIs pay income tax to the Government on their income in India according to the provisions of section 5(2) read with section 9 of the Income-tax Act, 1961. The NRIs are taxable on their income that accrues or is received in India, as in the case of other non-residents.

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(b) Assesseees including, non resident assesseees are served notices/summons under the Income-Tax Act, 1961 consequent to the initiation of various proceedings under the Income-Tax Act, 1961, including, for assessment of income, collection and recovery and taxes, whenever required. Where information is received indicating holding of assets by NRIs, necessary enquiry is made to examine whether the assets have been disclosed in any returns of income and whether the assets would have been acquired from income chargeable to tax in India. Appropriate taxes are levied if any escapement of income is noticed in the proceedings under the Income-Tax Act, 1961. Proceeding for the imposition of penalty are also initiated in appropriate cases as per the Income-Tax Act, 1961.

(c) & (d) The persons are liable for taxation on income /transactions originated/ attributed to India irrespective of their addresses. Giving up of Indian addresses may not result in escaping scrutiny by the Department. Specific cases of NRIs giving up Indian addresses solely for this purpose have not been noticed.

Prompt action is initiated in all cases where information is received regarding possible undisclosed income or assets of NRIs.
