

debt has been minimal. The prudent financial sector policies, including stringent capital adequacy norms and non performing asset norms have helped India in maintaining relative stability in its currency and arresting excessive volatility in capital movement.

While it may be difficult to establish a direct correlation between East Asian Crisis and FDI inflow into India, it may be stated that FDI inflow into India during 1998, excluding Global Depository Receipts (GDRs), was Rs. 13265 crore in 1998 against Rs. 12989 crore in 1997. The inflow could have been higher but for the aforesaid reasons apart from other international and national factors faced by several global investors due to their huge exposure in East Asian market.

(c) and (d) The Ninth Five Year Plan (1997-2002) gives due recognition to FDI as a dependable resource to bridge the Investment and Savings gap. The total requirement of FDI for this purpose has been assessed at US\$ 24 billion, during the Ninth Plan.

57. 41 *Jantim*
Tax Evasion by Multinational Companies

*151. SHRI JANG BAHADUR SINGH PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether a number of multinational companies (MNCs) are involved in tax evasion to the tune of hundreds of crores of rupees;

(b) if so, the details of such MNCs and the amount of tax evasion;

(c) the *modus operandi* adopted by those MNCs in the evasion of taxes; and

(d) the action taken by the Government against them including recovery of the tax so evaded by them?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (d) During certain surveys carried out by the field formations of the Income Tax Department, it was found that a large number of foreign companies were paying a substantial part of the salaries and the allowances to the expatriate employees in their home country, but they were not deducting the Income Tax due on such amounts. After initial surveys, several of the Foreign Companies voluntarily came forward and declared the amounts due

on payments made to their expatriate employees in their home countries. During the course of these surveys, as also through voluntary disclosures by foreign companies, it has been found that a total of 82 foreign companies (list enclosed as statement) had failed to deduct tax on the component of the salary paid to the expatriate personnel in the home country. The total amount of tax, along with interest due, which has become payable as a result of this is Rs. 484 crores, out of which Rs. 478 crores has already been recovered.

Statement

Sl. No.	Name of the Company
1	2
1.	All Nippon Airways Co. Ltd.
2.	Anntsu Corporation
3.	Ishi Kawajima Harima Heavy Ind. Co. Ltd.
4.	Denso India
5.	Fuji Bank Ltd.
6.	Electrical Power Development Corporation
7.	Japan Broadcasting Corporation
8.	Ericsson Communication Pvt. Ltd.
9.	Alcatel Modi Network Systems
10.	Alcatel South Asia Pacific Ltd.
11.	Cegelec India Ltd.
12.	Cegelec India Ltd. (Noida Office)
13.	Hundai Engg. & Construction Co.
14.	Daewoo Motors India Ltd.
15.	Banque Pariba
16.	Aeroflot
17.	The Bank of Tokyo

1	2	1	2
18.	The Sakura Bank Ltd.	43.	Hitachi Corporation India Trd. Pvt. Ltd.
19.	Japan Airlines	44.	Tokyo Motors Corporation
20.	Sanwa Bank Ltd., New Delhi	45.	Sony India Pvt. Ltd.
21.	National Panasonic	46.	Sony Gulf
22.	Nissho Iwai Corporation	47.	Sony Corporation Ltd.
23.	Mitsubishi Corporation	48.	SWS India Holding Ltd.
24.	LG Electronics	49.	Sumi Motherson Innovative Engineering Ltd.
25.	Samsung Electronics	50.	Sumi Motherson Integrated Technologies Ltd.
26.	The Commercial Bank of Koria Ltd.	51.	Motherson Sumi Systems Ltd.
27.	The Bank of Nova Scotia	52.	NEC Corporation
28.	Nokia Pvt. Ltd.	53.	Marubeni Corporation, New Delhi
29.	Lufthansa Airlines	54.	YKK India Pvt. Ltd.
30.	Japan Radio Co. Ltd.	55.	Mitsui Construction Co. Ltd.
31.	Asahi Glass Co. Ltd.	56.	Mitsui Kensetsu India Pvt. Ltd.
32.	Casio Bharti Mobile Communication Ltd.	57.	TS Tech Co. Ltd.
33.	Fujitsu Ltd.	58.	Sumitomo Corporation
34.	Itochu Corporation	59.	Sandan Vikas (India) Ltd.
35.	Chori Co. Ltd.	60.	Toshiba Corporation
36.	Escorts Yamaha Motors Ltd.	61.	Marubeni Corporation Project Office
37.	Fuji Photo Film (Singapore)	62.	Marubeni India Pvt. Ltd.
38.	Hitachi Cables Ltd.	63.	Mitsui Marine & Fine Insurance Co. Ltd.
39.	Exedy Ceekay Ltd.	64.	Terumo Corporation
40.	Honda Motor Co.	65.	Mitsubishi Electric Corporation India Liaison Office
41.	Kenwood	66.	Showa Corporation (Mumbai)
42.	Juky Singapore		

1	2
67.	Morirqko Company Ltd.
68.	Mitsui & Co.
69.	KEIHN Corporation
70.	Subros Ltd.
71.	Sumitomo Electric Industries Ltd.
72.	Riso Kagako Corporation
73.	Kenwood Corporation
74.	Lumax Industries Ltd.
75.	Yasuda Fire & Marine Insurance Co. Ltd.
76.	Matsushita Television & Audio India Ltd.
77.	Satake Corporation
78.	Matsushita Electric Work Ltd. (National Panasonic)
79.	Nissho Lwai Corporation (Bombay Office)
80.	Toyota Tsusho Corporation
81.	Pioneer Electric Corporation
82.	Sumitomo Electric Ind. Ltd.

[Translation] *Public Sector Industrial Sick units*
Closure of sick PSUs 41-42

*152. SHRI SHAILENDRA KUMAR :
SHRI BHERU LAL MEENA :

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have decided to privatise and wind up chronically sick Public Sector Undertakings during the current year and have also advised the State Governments to privatise chronically loss making State PSUs;

(b) if so, the details of the proposals finalised/under consideration;

(c) the list of the Central PSUs proposed for privatisation/closure during the current year;

(d) the guidelines prepared by the Government to protect the interests of employees working therein; and

(e) the present status regarding implementation of the decision?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (e) The Government have not taken any decision to completely privatise or wind up any sick Central PSU in the current year. State PSUs are under the respective State Governments and Central Government is concerned only with CPSUs. The Government is committed to protect the interest of the workers in all cases.

Incentives to the Exporters

*153. SHRI KANTILAL BHURIA : Will the Minister of COMMERCE be pleased to state:

(a) the details of incentives provided to the exporters during the last two years, State-wise;

(b) whether there is any proposal under consideration of the Government to launch a new scheme to promote the export; and

(c) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) With a view to increasing the competitiveness of Indian exports, various steps have been taken during the last two years. They include reduction in interest rate on export credit from 11% to 9%, strengthening of existing export incentive schemes, simplification of procedures, reduction in threshold limit under the export promotion capital goods scheme for some sections and providing necessary impetus to the tourism sector in the Exim Policy. However, these measures are generally no State specific but are applicable to all eligible exporters.

(b) and (c) Various suggestions are being received for formulating strategies for boosting exports during the financial year 1999-2000. These suggestions are being examined and shall be suitably reflected in the Exim Policy to be announced soon.