

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION No. 3277
TO BE ANSWERED ON FRIDAY, THE 4TH AUGUST, 2017
13, SHRAVANA, 1939 (SAKA)**

PLACE OF EFFECTIVE MANAGEMENT RULES

3277. SHRI KONAKALLA NARAYANA RAO:

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

- (a) whether the Government issued new tax rules/ long waited Places of Effective Management (POEM) Rules for foreign firms to pay taxes in India in order to target shell companies;
- (b) if so, the details thereof; and
- (c) the details of Indian shell companies and foreign shell companies that are operating in India during the last three years?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)**

(a)&(b) Yes sir. Necessary guidelines have been issued in this regard vide Circular No 06 of 2017 dated 24th January, 2017 and Circular No 08 dated 23rd February, 2017.

(c) During financial years 2013-14 to 2015-16, investigations by the Income-tax Department led to detection of more than 1155 companies/ entities which were used as conduits by over 22,000 beneficiaries.

Further, the Registrars of Companies have removed 1,62,618 companies from the register of companies as of 12.07.2017.”
