

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

**UNSTARRED QUESTION No. 2056
TO BE ANSWERED ON FRIDAY, DECEMBER 21, 2018
AGRAHAYANA 30, 1940 (SAKA)**

ILLEGAL TRANSFER OF MONEY

2056: SHRIMATI VEENA DEVI:

PROF. PREM SINGH CHANDUMAJRA

Will the Minister of FINANCE be pleased to state:

- a) whether several India-based MNCs have transferred money as royalty to their company abroad during the past few years;
- b) if so, the details thereof;
- c) the average percentage of amount of annual foreign capital investment permissible to be transferred as royalty;
- d) the names of ten major industries in the country from where money in the form of royalty is transferred abroad; and
- e) the total amount in the form of royalty transferred to foreign countries during the year 2015-2016, 2016-2017 and 2017-2018?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI SHIV PRATAP SHUKLA)

(a) and (b) India-based MNCs transfer money as royalty to their parent company abroad depending upon the nature of business and agreement thereof. Data in respect of the same is not maintained separately.

(c) The Government of India, vide Press Note 8 (2009), permitted payments for royalty, lumpsum fee for transfer of technology and payments for use of trademark/brand name on the automatic route, i.e. without any approval of the Government of India.

(d) The major industries from where money in the form of royalty is transferred abroad are – (i) Automobile and Auto parts; (ii) IT and IT Enabled Services; (iii) Petroleum and Petrochemicals; (iv) Power and energy; (v) Electronics including Computer Hardware; (vi) Engineering goods; (vii) Cement; (viii) Mining and Construction; (ix) Wholesale Trading; and (x) Food Processing.

(e) The data on total amount in form of royalty transferred to foreign countries is not maintained. The data available in respect of royalty paid to a foreign company or non-residents other than a company extracted from income tax returns available for last three assessment years is tabulated below:

Assessment Year	Amount in Rs. (crores)
2015-16	16,553.39
2016-17	22,728.70
2017-18	27,002.19
