

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

**LOK SABHA
UNSTARRED QUESTIONS NO. 3368
TO BE ANSWERED ON FRIDAY, AUGUST 04, 2017
SHRAVANA 13, 1939 (SAKA)**

MULTI-NATIONAL COMPANIES

3368: SHRI LALLU SINGH:

Will the Minister of Finance be pleased to state:

- (a) whether Multi-National Companies (MNCs) are evading taxes by taking benefit of loopholes in the existing laws;
- (b) if so, the reaction of the Government thereto;
- (c) whether the Government has assessed the financial loss suffered by the country due to tax evasion on account of the aforesaid reasons; and
- (d) if so, the amount of tax evaded by such companies during the last three years and current year?

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

(a) & (b):

Direct Tax

Appropriate action against tax evasion, including by Multinational Companies (MNCs), is an on-going process. Such appropriate action under direct tax laws includes searches, surveys, assessment of income, levy of tax, penalty and filing of prosecution complaints before criminal courts, wherever applicable.

Indirect Tax

Modus Operandi circulars are issued, from time to time, regarding evasion of Central Excise, Customs Duty & Service Tax to field formations, whenever any new Modus Operandi comes to the notice of the Government. Besides, regular steps are taken to improve anti-evasion and anti-smuggling performance. Third party information is also utilized to detect evasion of tax.

(c) & (d):

No separate data regarding direct tax and indirect tax evasion by Multi-National Companies in the country is maintained. However, the undisclosed income admitted during search & seizures action

by Income Tax Department and the details of Indirect tax evasion detected by CBEC during the last three years and the current year are as under:

Direct Tax

The undisclosed income admitted during search & seizures.

[Rs. in crore]

Financial Year	Number of groups searched	Total assets seized	Undisclosed income admitted u/s. 132(4) of the Income-tax Act, 1961
2014-15	545	761.70	10288.05
2015-16	447	712.68	11226.24
2016-17	1152	1469.45	15660.94
*2017-18 (upto June, 2017)	102	103.02	2677.63

*Figures are provisional

The details of Surveys undertaken.

(Rs. in crore)

Financial Year	No. of surveys conducted	Undisclosed income detected.
2014-15	5035	12820.33
2015-16	4428	9699.85
2016-17	12526	13715.91
2017-18 (upto May, 2017)	202	150.27

After the search/survey or other modes of investigation/enquiries, total income of a taxpayer including undisclosed income is determined through a quasi-judicial process of assessment. Such assessments are subject to appeals provided under the law.

Indirect Tax

CUSTOMS DUTY

(Rs. in crore)

Year	Outright Smuggling Cases (Value of goods seized)	Commercial Fraud cases detected (Duty evasion detected)	Duty Recovered

	No. of cases	Value of goods seized	No. of cases	Duty evasion detected	
2014-15	20218	1793.42	1926	4470.34	1188.87
2015-16	38259	2048.23	3198	3609.84	1198.65
2016-17	40146	3527.02	2501	1835.09	1393.86
2017-18 (upto June)	8652	645.41	671	476.92	422.93

CENTRAL EXCISE

(Rs. in crore)

Year	Detection		Recovery	
	No. of Cases	Amount	No. of cases	Amount
2014-15	2138	4331.5	1594	539.53
2015-16	2366	5296.8	1642	803.78
2016-17	2122	5772.95	1480	794.66
2017-18 (upto June)	300	3553.03	239	129.35

SERVICE TAX

(Rs. in crore)

Year	Detection		Recovery	
	No. of cases	Amount	No. of cases	Amount
2014-15	6454	9840.51	8585	4552.35
2015-16	5691	16227.65	6661	3086.07
2016-17	8085	17845.66	9616	5313.29
2017-18 (upto June)	1421	3275.13	1536	688.18
