

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

**LOK SABHA
UN-STARRED QUESTIONS NO. 2292
TO BE ANSWERED ON *Friday, May 6, 2016*
*Vaisakha 16, 1938 (Saka)***

TAX EVASION BY MNCS

†2292. SHRI RAM TAHAL CHOUDHARY:
SHRIMATI SAKUNTALA LAGURI:
SHRI SADASHIV LOKHANDE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the multinational companies in the country are guilty of tax evasion;
- (b) the reaction of the Government in this regard;
- (c) the number of cases of tax evasion by multinational companies detected during the last three years along with the amount of tax involved in the said cases; and
- (d) the action taken thereon by the Government along with the outcome thereof?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(JAYANT SINHA)**

(a) to (d): Madam, no separate data regarding Direct and Indirect tax evasion by Multi-National Companies in the country is maintained.

Appropriate action against tax evasion, including tax evasion by multinational companies, is an on-going process. Such appropriate action under direct taxes law includes searches, surveys, assessment of income, levy of tax & penalty and filing of prosecution complaints before criminal courts, wherever applicable. However, disclosure of information regarding specific taxpayers is prohibited except as provided in section 138 of the Income-tax Act, 1961.

Further 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 two apex agencies, viz, the Directorate General of Central Excise Intelligence (DGCEI) and the Directorate General of Revenue Intelligence (DGRI). Besides, regular steps are taken to improve anti-evasion and anti-smuggling performance. Third party information is being utilized to detect evasion of tax.
