

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3058  
ANSWERED ON:19.08.2011  
EVASION OF TAX BY PHARMACEUTICAL COMPANIES  
Anuragi Shri Ghansyam ;Bali Ram Dr.

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

- (a) the category-wise details of tax evaded by Pharmaceutical companies during each of the last three years, region/zone-wise;
- (b) whether the Government has served notices to such companies;
- (c) if so, the details thereof and response thereto, company-wise;
- (d) if not, the reasons therefor; and
- (e) the steps taken for early recovery of the amount outstanding against them?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI S.S. PALANIMANICKAM

(a) to (e) So far as evasion of direct taxes are concerned, the Income tax Department conducts search, seizure and survey operations based on the credible information on persons which includes individuals, hindu undivided families (HUFs), firms, companies, association of persons (AoPs), body of individuals (Bols), local authorities and any artificial juridical person who are in possession of any money, bullion, jewellery or any other valuable article or thing which represents wholly or partly income or property which has not been or would not be disclosed for the purpose of Direct Tax laws. The Income tax Department does not maintain category-wise/ company wise/region wise statistics pertaining to tax evasion as these operations are conducted on groups which are spread over various sectors/regions all over the country. Appropriate action as per law is taken to recover outstanding taxes.

So far as indirect taxes are concerned, the information relating to evasion of tax by Pharmaceutical companies is being collected and will be laid on the Table of the House.