

## TRANSFER PRICING IN INDIAN INTERNATIONAL TAXATION

JABIULLA<sup>1</sup> & BASAVARAJ C.S<sup>2</sup>

<sup>1</sup>Research Scholar, Department of Post-Graduate Studies & Research in Commerce,  
Gulbarga University, Kalaburagi, Karnataka, India

<sup>2</sup>Professor, Department of Post-Graduate Studies & Research in Commerce,  
Gulbarga University, Kalaburagi, Karnataka, India

### ABSTRACT

Transfer Pricing plays an important role in international trade and commerce, the growth in number and size of MNCs has brought a number of opportunities, a part from faster economic development. At the same time, the MNCs have also brought a number of problems to face. The scope of MNCs has widened in recent years so much that now more than 60% of the international transactions of the globe belong to MNCs. This has constrained the governments to keep in place proper mechanism to plug the leakage of tax revenue as a result of manipulative pricing policies adopted by these related parties (MNCs).

The study shows that the business and industry in India is comfortable about the specific and general issues studied in the paper. However, as regards to audit procedure, time period of 8 years to maintain documents and cooperation of Transfer Pricing authorities while dealing with assesseees there is negative response and hence, these issues need thorough investigation and necessary modification in the structural aspects of the provisions under study. If this suggestion is implemented the Indian Transfer Pricing provisions positively contribute to the growth of the international trade.

**KEYWORDS:** Business, Industry, Audit Procedure, Transfer Pricing, International Trade, Multinational Enterprises