

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1012
ANSWERED ON:30.07.2010
TAX DUES AGAINST TELECOM COMPANY
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Will the Minister of FINANCE be pleased to state:

- (a) the details of tax liability quantified by the Income Tax Department on each telecom company for acquiring majority stakes in other telecom company during the last three years;
- (b) whether any notice has been issued to such companies in this regard and other cases of financial irregularities;
- (c) if so, the details thereof alongwith response received thereto during the same period company-wise;
- (d) the details of recovery made from each such companies during the same period: and
- (e) the measures taken or proposed to be taken in this direction in future?

Answer

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

- (a) The income Tax Department does not separately quantify tax liability on a company on acquiring majority stake in any other company, because such action is a part of scrutiny assessment procedure in the case of the company concerned for quantification of the taxable income. Thus, there is no centralized data regarding tax liability quantified on telecom companies for acquiring majority stakes in other telecom company.
- (b) & (c) No separate database is maintained regarding issue of notices to the assesseees and therefore, the information can only be collected by examining the cases of each such company for various years.
- (d) The details of recovery made from companies into a particular sector are also not centrally maintained. However, the details of recovery out of outstanding demand of some of the well known cases (which had outstanding demand above Rs. 10 crore as on 31.03.2009) as available with the department is given below:-

(Rs. In Lakhs)

Sl. No.	Name	Cash collection during F.Y. 2009-10
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1	Vodafone Bssar Ltd	300
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2	Vodafone Essar Gujarat Ltd (Previously Fascal Ltd)	15211
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3	Bharat SancharNigam Ltd	137893
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(e) Apart from the statutory measures taken for recovery of outstanding tax dues as prescribed under the Income Tax Act (including attachment of bank account, attachment and sale of immovable property etc.), the following special measures are also being taken to expedite recovery of direct tax arrears:-

(i) Monitoring of recovery of amount in large cases by a Task Force.

(ii) Identification of cases involving substantial amount pending before Commissioners (Appeals) and (TAT and requesting these authorities to dispose off such appeals early so that the amount can be collected during current financial year itself.

(vi) Monitoring of all outstanding arrear above Rs.10 crore by CBDT along with the Directorate of Income Tax (Recovery).