

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:779

ANSWERED ON:25.02.2011

TAKEOVER OF FOOD COMPANY

Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Dharmshi Shri Babar Gajanan

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

- (a) whether the Union Government has initiated enquiry into alleged tax evasion and flouting of buyout norms in the takeover of a food company in India by a United States based food company;
- (b) if so, the details thereof and number of such type of cases came into the notices of the Union Government during the last three years;
- (c) whether there is any proposal to investigate all such cases;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

**Answer**

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

(a)&(b): The Government has initiated enquiry to ascertain the factual details of the acquisition of a food company by a United States based food company which has inter-alia resulted into change in control and ownership of the Indian subsidiaries. The focus is to examine if there is any tax liability arising out of this acquisition in India.

(c),(d) & (e): Cross-border mergers & acquisitions having revenue implications in India are monitored in order to undertake suitable action in accordance with the law, as and when necessary.