

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1589  
ANSWERED ON:04.03.2011  
NIZAM JEWELLERY TRUST  
Kodikunnil Shri Suresh

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

- (a) whether the Nizam Jewellery Trust has paid Rs.15.45 crores as income tax;
- (b) if so, whether the High Court has ordered the Government to restrict the liability of the trustees; and
- (c) if so, the full details of the demands of Government and the responses of the aggrieved people?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a)&(b) Yes Sir.

(c) The Nizam`s Jewellery Trust represented that it is not bound to pay the entire tax demand raised by the Income Tax Department It represented that the demands should be raised in proportion to the shares the respective beneficiaries received. The High Court of Andhra Pradesh had also directed the Income Tax Department to recover the taxes relatable to beneficiary interest of the of the beneficiaries of the Trust. This was subsequently reversed in a review petition filed by the Income Tax Department. The Trust has appealed against the orders in an SLP filed before the Supreme Court. The Income Tax Department has raised a further demand of Rs.8.99 crores, which has been kept in an account under lien to the Income Tax Department pending final settlement.