

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3489
ANSWERED ON:14.12.2012
TAXES ON MERGERS
Viswanathan Shri P.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has amended/proposes to amend the Income Tax law of the country to effect charging of taxes on companies for mergers retrospectively;
- (b) if so, the details and current status thereof; and
- (c) if not, the reasons therefor ?

Answer

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

(a) & (b) The finance Act, 2012 has brought in clarificatory amendments, with retrospective effect, in sections 2, 9 and 195 of the Income-tax Act to clarify the relevant provisions of source rule of taxation to deal with the avoidance of tax on capital gains arising from indirect transfer of capital assets situated in India. The Government had constituted a committee to examine, inter alia, the above retrospective amendment and the committee has submitted its report on 31.10.2012.

(c) Does not arise in view of the above.