

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:11  
ANSWERED ON:22.02.2013  
TAX LIABILITY OF BRITISH TELECOM COMPANY  
Singh Shri Sukhdev

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

- (a) the present status of tax liability issue related to a British firm`s acquisition of assets of another telecom firm;
- (b) whether Government has appointed any panel in this regard;
- (c) if so, the details thereof;
- (d) whether the said panel has submitted its report to the Government; and
- (e) if so, the details thereof and the follow-up action taken by the Government thereon?

**Answer**

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

(a) The Assessing Officer has issued a letter on 03.01.2013 to Vodafone International Holdings BV (VIHBV) stating that it is required to pay the tax demand of Rs. 11217,94,68,800/- created by order under section 201(1) and 201(1A) of Income-tax Act, 1961 dated 22.10.2010, along with interest. Subsequently, VIHBV has made a request to settle the issue in an amicable manner, which is under consideration.

(b) & (c) No panel has been appointed by the Government in this regard. However, `the applicability of the amendment on taxation of all non-resident

transfer of assets where the underlying asset is in India, in the context or non-resident taxpayers` was included in the terms of reference of the Expert Committee on General Anti Avoidance Measures (referred to as Committee1 hereafter), constituted by the Department of Revenue on 17.07.2012 The Committee consisted of Dr, Parthasarathi Shome, Chairman of the Committee and three members, Shri N. Rangachary, former Chairman of Insurance Regulatory and Development Authority (IRDA) and Central Board of Direct Taxes (CBDT), Dr. Ajay Shah, Professor in National Institute of Public Finance and Policy (NIPFP) and Shri Sunil Gupta, Joint Secretary, Tax Policy and Legislation, Department of Revenue.

(d) & (e) The Committee has submitted its report which is being exarrined by the Government.