

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5064
ANSWERED ON:24.04.2015
TRANSFER PRICING CASES
Patole Shri Nanabhau Falgunrao

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Government has decided to abide by the verdict given by the courts /highcourts to companies in connection with Transfer Pricing cases particularly Vodafone Transfer Pricing case;
- (b) If so, the details thereof and the reasons therefore; and
- (c) The steps taken by the Government to compensate the financial loss accrued in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAY ANT SINHA)

(a) & (b) : The Government has accepted the order of the Bombay High Court in the Vodafone transfer pricing case, relating to issue of shares at premium, after carefully examining the order and finding merit in the same. The Government has also decided to accept similar orders of High Courts or other courts on the same issue and not litigate the matter further.

(c): Since in view of the judgment of the Bombay High Court there was no income liable to tax arising from the impugned transactions, there was no financial loss to the Government.