

**No.402/92/2006-MC (25 of 2009)**  
**Government of India / Ministry of Finance**  
**Department of Revenue**  
**Central Board of Direct Taxes**  
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New Delhi dated 30<sup>th</sup> October 2009

**PRESS RELEASE**

The Income Tax department has issued a detailed notice today under section 201(1) and 201(1A) of the IT Act 1961 to Vodafone International Holdings BV(VIH BV) requiring it to show cause as to why it should not be held that the Department has competent jurisdiction to proceed against it for the default of non-deduction of tax at source from the payment of USD 11.2 billion made on 8<sup>th</sup> May 2007 to Hutchison Telecommunications International Ltd (HTIL) for transfer of interest in the Indian company Hutch Essar Ltd (HEL).

An earlier notice issued in the matter to VIH BV was challenged before the Hon'ble High Court of Bombay in a writ petition, which was dismissed with costs on 3<sup>rd</sup> December 2008. VIH BV filed a special leave petition before the Hon'ble Supreme Court of India against the order of the High Court. On 23<sup>rd</sup> January 2009, the apex court dismissed the appeal of VIH BV with the direction that they should subject themselves to the jurisdiction of the assessing officer with the liberty to "Question the decision of the authority on the preliminary issue before the High Court, in the event the same is decided against it".

The date fixed for compliance of the notice is 16<sup>th</sup> November 2009.

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