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Government of India / Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes  
New Delhi  
Dated 30th October 2009

**PRESS RELEASE**

IT issues TDS default notice to Vodafone International Holdings for payment of USD 11.2 bn

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 8th 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 16th November 2009.