

Vodafone says it is willing to settle tax dispute

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UK-based telecom firm Vodafone on Thursday said it is prepared to settle the tax issues with the government and pay tax if the interest and the penalty are waived off.

While making it clear that the company does not want any controversy, Vodafone non-executive Chairman Analjit Singh told media persons that it is exactly an option.

"I don't know if its viable," he said

"We have made our public position very clear that Vodafone is completely ready to discuss the matter. Vodafone is not a company, (that is) confrontationist (or) controversial. This is not Vodafone's business, its business is telecom," he was quoted PTI as saying.

The Income Tax Department had raised a Rs 11,218-crore tax demand (including Rs 7,900-crore of tax and the remaining interest) from Vodafone for its acquisition of Hutchison stake in Hutchison Essar in 2007 through a deal in Cayman islands.

But the Supreme Court struck down the tax claim. Following the judgment, the Government in the Finance Bill, 2012, proposed amendments in the Income Tax Act, 1961, with retrospective effect that would bring overseas mergers and acquisitions involving Indian assets into the tax net.

Vodafone group chief financial officer Andy Halford this week had said the company was considering making a provision to cover the legal risks emanating from the tax dispute.

"We have been very clear in saying that no decision on any potential provision will be made until November," the company said in an emailed statement on 17 September.