

- (3) The prices for use of VIP suites at UK airports range from UK £400 to UK £1000 depending on the size of the delegation.
- (4) In case the VIPs are going through VIP suites, they are exempt from security search. However, if the VIPs go through normal channels, they are subject to usual check procedures.
- (5) In addition, there is also a Royal Suite, the use of which is controlled by the Protocol Directorate of the UK Foreign Office.
- (b) Yes, Sir. The matter has been taken up with Ministry of External Affairs.
- (c) No, Sir. There is no charge for these lounges in India as these are given to entitled categories of foreign dignitaries as a courtesy and a privilege that cannot be bought.
- (d) In respect of United States of America only Cabinet rank dignitaries are given VIP Lounge facility. There is no system of a separate "Reserved Lounge" for other senior officials nor are VIP lounges available against payment.

The prices for use of VIP suites at UK airports range from UK Pound 400 to 1000 depending on the size of the delegation.

#### **Evasion of tax in merger and acquisition deals**

\*105. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that there are many cases of merger and acquisition deals for possible tax evasion in the country, like Vodafone-Hutchison deal, that have come under Government's scanner; and
- (b) if so, the details in this regard and the action proposed against such erring companies by Government, so far?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) and (b) A few cases relating to cross border merger and acquisition deals have been identified for further examination by the Department. These deals are being examined for possible tax implications. Some of such cases are:

- (i) Deal of Vodafone International Holding BV with Hutchison Telecommunication for acquiring Hutchison Telecommunication India Pvt. Ltd.
- (ii) Deal of Sanofi Pasteur Holding with Merieux Alliance and Groupe Industriel Marcel Dassault for acquiring Shantha Biotechnics Ltd.
- (iii) Deal of New Cingular Wireless Services Inc with AT&T Mauritius for acquiring Idea Cellular Ltd.

(iv) Deal of SKR BPO Services Pvt. Ltd. with Barclays (H&B) Mauritius Ltd. for acquiring Intelnet Global Services Pvt. Ltd.

(v) Transfer of stake in GE Capital International Services/Genpact India.

2. Action has already been taken in the following cases:

(a) An order was passed u/s 201 and 201(1A) of the Income Tax Act on 22.10.2010 determining the tax liability of Vodafone International Holding BV at Rs 11,218 crores.

(b) In the case where New Cingular Wireless Services Inc and MMM Holdings sold their shares in AT&T Cellular Private Limited, Mauritius to TATA Industries Ltd for USD 150 Million no tax deduction at source was done by TATA Industries Ltd. Accordingly, an order dated 28.3.2008 was passed under Sec. 201 (1) and 201 (1A) of the Income Tax Act, raising demand on Tata Industries Ltd of Rs.34,92,40,875/- plus interest of Rs. 10,47,72,263/- (in all Rs. 45.40 crores) with one month. This entire demand of Rs. 45.40 crores was paid by Tata Industries.

(c) In the case of the deal of Sanofi Pasteur Holding with Merieux Alliance (MA) and Groupe Industriel Marcel Dassault (GIMD) for acquiring Shantha Biotechnics Ltd, Sanofi did not deduct tax at source before making payment of Euro 550 million to MA/GIMD. Accordingly, order u/s 201(1)/(1 A) was passed on 25.05.2010 in the case of Sanofi treating it as an 'assessee in default' and a demand of Rs. 648.54 Crores was raised which included tax liability of Rs. 594.99 Crores and interest of Rs. 53.54 Crores.

3. As and when any tax evasion relating to mergers and acquisitions is detected, appropriate action is undertaken in accordance with the provisions of Income Tax Act, 1961.

#### **Functioning of ASHAs in Haryana**

\*106. SHRI SHADI LAL BATRA: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether Government has appointed professionals to monitor National Rural Health Mission (NRHM);

(b) if so, the details thereof;

(c) the number of Accredited Social Health Activists (ASHAs) presently working in the country, State-wise particularly in the State of Haryana;

(d) whether any assessment has been made in regard to the functioning of ASHAs; and