

Tax holiday for Maharashtra

2399. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that the State Government of Maharashtra in its endeavour to attract investors in the Vidarbha region is giving various incentives to the entrepreneurs;

(b) if so, the details thereof;

(c) whether Government propose to extend technical and financial help in the form of tax holiday etc. to Maharashtra in its endeavour; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The information about such endeavour of the State Government is not maintained by this Ministry.

(c) and (d) No, Sir. Profit linked and area based exemptions are inequitous, economically inefficient, lead to revenue loss; increase compliance cost and enhance administrative burden. The stated Government policy in this regard is therefore to move away from profit linked deductions and area based tax concessions.

Violations of takeover regulations by Bharti Airtel Ltd.

2400. SHRI JAI PRAKASH NARAYAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether there have been violations of takeover regulations by the promoters of Bharti Airtel Limited;

(b) if so, the details thereof;

(c) the action taken by the Company Law Board (CLB) on the said violations by Bharti;

(d) whether SEBI has been looking into the issue for the last five years and is yet to arrive at a conclusion in the matter;

(e) if so, the reasons for such a long delay by SEBI and its officials;

(f) the action taken by Government on SEBI for not adhering to the time-frame by which such cases are to be acted upon; and

(g) the time-frame by which SEBI will announce its verdict on the violations of takeover code?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) SEBI had received complaints with regard to alleged violation of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 by the Promoter Group of Bharti Airtel Limited (BAL). In the said matter, it was stated that shareholding of the promoter group of BAL had increased from 60.91% to 67.03% between the period June, 2007 and September 30, 2008. Further, in the said complaints, it was, *inter-alia*, alleged that Pastel Limited (Pastel) acted as a Person Acting in Concert (PAC) with Bharti Telecom Limited (BTL) and Indian Continental Investment Limited (ICIL) for purpose of acquisition of 6.27% shareholding of BAL by ICIL and the acquisition of 6.27% shareholding in BAL by ICIL attracted the obligation under regulation 11(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred as "Takeover Regulations").

Pursuant to the above, SEBI sought comments from the concerned entities. The replies received from the concerned entities were examined. After examination and taking in to consideration relevant case laws, it was observed that allegations do not stand established, *inter-alia*, on account of the following:

- (a) As per regulation 2(1)(e)(1) of the Takeover Regulations, two persons can be termed as PAC, if for a common objective or purpose of substantial acquisition of shares or voting rights or gaining control of the target company, pursuant to an agreement or understanding (formal or informal), directly or indirectly, co-operate by acquiring or agreeing to acquire shares or voting rights in the target company or control of the target company.
- (b) In view of the facts and circumstances of the case, Pastel does not appear to share common objective or purpose with BTL or ICIL with regard to acquisition of shares/voting rights/control of BAL, therefore, its holding cannot be taken together with shareholdings of BTL and

ICIL for the purpose of acquisition of shares of BAL made by ICIL.

- (c) The “promoter and promoter group” does not figure in the list of entities which are considered as “deemed PAC” as per regulation 2(1) (e) (2) of the Takeover Regulations. Accordingly the matter was concluded on November 26, 2012
- (c) Takeover regulations do not fall within the jurisdiction of CLB.
- (d) to (g) Does not arise in view of reply (a) and (b) above.

**Decision of Empowered Committee regarding
payment of CST claim**

2401. SHRI NATUJI HALAJI THAKOR: Will the Minister of FINANCE be pleased to state:

- (a) the decisions/recommendations of the Empowered Committee regarding the payment of CST claims for the years 2010-11, 2011-12 and 2012-13;
- (b) whether the Central Government has accepted the decisions/recommendations of the Empowered Committee regarding the payment of CST claims for the years, 2010-11, 2011-12 and 2012-13;
- (c) if so, by when the pending CST claims of the State would be released; and
- (d) if not, the reasons, therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Empowered Committee of State Finance Ministers in its meeting held on 28th and 29th January, 2013 in Bhubneshwar has suggested for the payment of 100% CST compensation for the years 2010-11, 75% CST compensation for year 2011-12 and 50% CST compensation for the year 2012-13 to be worked out as per the 22nd August 2008 guidelines.

- (b) No, Sir.
- (c) and (d) In view of above does not arise.