

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2015 (CONTD.)**

### **31 INCOME TAX MATTERS**

The Director General of Income Tax (Exemptions) had withdrawn the Income Tax Exemption granted to the Company u/s 10(23C)(iv) of the Income Tax Act, 1961 from the Assessment Years 2009-10 and onwards as per the amended proviso of Section 2(15) of the Income Tax Act, 1961 effective from 1.4.2008.

The company had contested the withdrawal of exemption in the Hon'ble High Court of Delhi. The Hon'ble High Court delivered its judgement on 22.1.2015 in favour of the company and accordingly the Chief Commissioner of Income Tax(Exemptions) vide order dated 2nd March 2015 restored the income tax exemption u/s 10(23C)(iv) of the Income Tax Act, 1961 w.e.f. Assessment Years 2009-10 and onwards.

Pending restoration of the exemption, the Income Tax Department had completed assessments for the Assessment Years 2009-10 to 2011-12 and raised total demands of Rs. 1,558,986,000 against which Rs.131,900,000 was paid under protest and TDS refunds of Rs 646,463,679 were adjusted. The Income Tax Department has since reassessed the income for these years as well as the Assessment Year 2012-13 by giving the benefit of exemption u/s 10(23C)(iv) of the Income Tax Act. Action is in hand to obtain the refunds of Rs. 778,363,679 from the Income Tax Department.

As the exemption has been restored, no provision for deferred tax as per Accounting Standard-22, has been made. The adjustment of TDS refunds and amounts paid by the company, amounting to Rs 778,363,679 (Rs 131,900,000 and Rs 646,463,679) has been reflected in the accounts under the head " Income Tax Recoverable".