
Desai Says Vodafone Case Shows 'There's Rule of Law' in India

By Rajhkumar K Shaaw - Jan 20, 2012

Nishith Desai, managing partner at Mumbai-based law firm Nishith Desai Associates, comments after [India's](#) Supreme Court today ruled that [Vodafone Group Plc \(VOD\)](#) isn't liable to pay tax on its 2007 acquisition of Hutchison Whampoa Ltd.'s wireless operations in the South Asian country.

Desai spoke in an interview with Bloomberg UTV today.

"We are all excited because this establishes that there's rule of law in this country.

"About 80 to 90 percent of the large foreign companies are trapped into tax litigations.

"Now there's a situation where the government has to refund the tax collected with interest. That means you are also inflating India's budget. We must do a thorough scrutiny how much tax is under controversy and how much tax we are collecting in this fashion.

"At least now, there's relief that people can legitimately plan their affairs. I hope the tax department won't bring any amendment with retrospective effect."

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