

## Spanco gets notice for service tax evasion of Rs 27 crore

The service tax department has detected a case of tax evasion running into nearly Rs 27 crore. A senior official of the service tax department said the case is murkier, considering that it is an issue in which the company has defaulted on depositing service tax after collecting it from clients.

The tax department has sent a notice to Spanco, a Mumbai-based company, which is in the business of providing technology infrastructure. The notice was addressed to group company Spanco BPO.

In a written reply, Spanco admitted that it has received a notice from the service tax department and that it has been dealing with it.

"We have taken up the issue with the commissioner of service tax and the tribunal. We are in constant touch with the department and the issue is likely to be resolved in the coming week," Spanco stated.

Service tax officials told ET that this is a fit case for prosecution in view of the fact that once tax is collected, it belongs to the government and the company is bound to deposit it with the department within one month of collecting the tax.

*(Economic Times)*