

TAXTIME

NEWSLETTER

DIRECT TAX NEWS

VEDANTA SETTLES RETROSPECTIVE TAX DISPUTE



Billionaire Anil Agarwal-led Vedanta and its 14 related group entities have settled ₹20,495-crore disputes related to retrospective tax levied in March, 2015.

The government recently made amendments to the Income Tax Act which nullified the retrospective tax. Following this, Vedanta, along with its related group entities, filed the required statutory forms to settle the dispute and it was accepted by the jurisdictional commissioner, Vedanta said in a statement on Monday.

Vedanta has also withdrawn the income tax appeal pending before the Delhi Bench of the Income Tax Appellate Tribunal and writ petition filed before the Delhi High Court.

It also filed the application seeking withdrawal of the claim and termination of the arbitral proceedings pending before the Permanent Court for Arbitration in the International Court of Justice. No further proceedings or claims will be initiated in any court or tribunal whether in India or overseas, the company declared.

US SENATE DRAFT OF BUDGET BILL TWEAKS CORPORATE TAX PROVISIONS



US Senate Finance Committee Chairman Ron Wyden (D-Ore.) on December 11 unveiled his version of the House's approved budget bill for consideration in the Senate. The Senate draft revises some corporate tax provisions adopted in the House version of the bill, including the corporate minimum tax and new interest limitation rule.

For instance, the Senate draft retains the 15% corporate alternative minimum tax on "book income." However, it adds a carve-out for defined benefit plans, which had been sought by business groups. This new adjustment to financial statement income for purposes of calculating the book tax would join other exemptions already included in the House bill, such as for research and development (R&D) and clean energy credits.

On the other hand, the global minimum tax provisions in the bill, i.e., the global intangible low-taxed income (GILTI) amendments to comply with the OECD global tax pact, are largely consistent with the House bill.

AFTER PAPAD, CHEESE BALLS ANOTHER FOOD ITEM TO TRIGGER GST DISPUTE



After ice cream, papad and paratha, cheese balls is another food item that triggered the dispute of goods and services tax (GST). The dispute has for now been settled by the appellate authority for advance ruling in Uttar Pradesh.

Savencia Fromage and Dairy Pvt Ltd, the petitioner argued for inclusion of cheese ball under cheese, which attracts 12 percent GST while GST authorities and the Authority for Advance Ruling (AAR) in Uttar Pradesh kept it under 18 percent tax rate because it does not come under specified food items.

After losing its case in AAR, the company approached a higher tribunal Appellate Authority for Advance Ruling (AAAR) in the state and appealed that cheese balls cannot be formed without cheese as cheese constitutes 55 percent of product's volume so cheese balls should be included under cheese and attract 12 percent GST. The AAAR agreed with the company's argument and reversed the order of 18 percent GST on cheese balls by AAR.

CENTRE REVOKES GST EXEMPTION; REVIEW IT, SAYS UBER



Amid concerns on its effects on riders and auto drivers, Uber India has asked the Central Government to reconsider its decision to levy Goods and Service Tax (GST) on app-based auto rides. The app-based cab and rickshaw service asked that the decision be reconsidered, citing difficulties for both riders and drivers. A statement released by Uber said, "This tax will lead to a rise in platform fares and a corresponding drop in demand. Riders and drivers will both lose out in this scenario."

"Lakhs of auto drivers across India rely on Uber and other applications to earn a living. Riders, especially women and the elderly, like booking an auto via an app because of the safety and convenience that comes with it. But they also value affordability," an Uber spokesperson had stated.

The company further stated that the shift towards street-hailed autos means that the revenue generated on taxing app-based autos would be "marginal, at best." The decision to tax app-based auto rides had come in only a few days after the Karnataka Transport Department announced a hike in fares for auto drivers. The revoking of Goods and Services Tax exemption on app-based auto services will come into force from January 1, 2022.

TODAY'S QUOTE

*"Everything you've ever wanted is
on the other side of
Fear"*

— George Addair

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