

TAXTIME

NEWSLETTER

DIRECT TAX NEWS

I-T DEPT ATTACHES ₹1,000 CR ASSETS ALLEGEDLY LINKED TO AJIT PAWAR



The Income Tax Department has attached assets worth ₹1,000 crore allegedly linked to Maharashtra Deputy Chief Minister Ajit Pawar and his family members as part of an ongoing investigation into the Minister's financial dealings.

The assets have been seized under the Benami Transactions (Prohibition) Act, 1988. This includes land in different parts of the country, a sugar factory, a residential property in South Delhi, an office in Mumbai's upmarket area and a resort in Goa. While there was no official statement from the tax department, BJP leader Kirit Somaiya tweeted that the assets include sugar factory at Jarandeshwar estimated to be worth ₹600 crore, a South Delhi flat for ₹20 crore, Nirmal office of Parth Pawar for ₹25 crore and a Goa Resort "Nilaya" worth ₹250 crore.

"These properties are owned by Ajit Pawar's son, his wife, his mother, his sister and son-in-law," Somaiya claimed.

CAIRN DROPS LITIGATIONS AGAINST GOVT TO GET ₹7,900-CR TAX REFUND

UK-based Cairn Energy PLC on Wednesday said it has agreed to drop litigations to seize Indian properties in countries ranging from France to the UK as it has accepted the Indian government's offer to settle tax dispute relating to the levy of taxes retrospectively.

Meeting the requirements of new legislation that scraps levy of retrospective taxation, the company has given required undertakings indemnifying the Indian government against future claims as well as agreeing to drop any legal proceedings anywhere in the world.

The government now has to accept this and issue Cairn Form-II, that will commit it to refund the tax collected to enforce the retrospective tax demand. After the issue of Form-II, Cairn will withdraw legal proceedings and will get a refund of ₹7,900 crore.



UK ANNOUNCES TAX BREAKS FOR BUSINESSES IN 2022 BUDGET



With the UK corporate tax rate set to rise 25 percent from April 2023, the UK Government has announced various tax proposals that are intended to support businesses and the UK economy, in the newly released 2022 Budget.

Significant reliefs have been announced in the area of business rates, the UK's commercial property tax regime. The Government says it intends to reduce the burden of business rates in England by over GBP7bn over the next five years. Specifically, the Government has said it will freeze the business rates multiplier in 2022-23, cutting companies' tax bills by GBP4.6bn over the next five years.

Targetted relief worth GBP1.7bn will be provided next year to up to 400,000 retail, hospitality, and leisure properties, the Government said.

The Government has also said, from 2023, it will introduce exemptions for eligible plant and machinery used in onsite renewable energy generation and storage, and a new 100 percent relief for eligible heat networks, to support the decarbonization of buildings.



'FRYUMS' IS PAPAD, WILL NOT ATTRACT GST: GUJARAT AAAR

Gujarat Appellate Authority for Advance Rulings (GAAAR) has held that teh ready-to-fry/roast snack 'fryums' are 'papad' and do not attract GST. This ruling overturns the order of the Gujarat Authority for Advance Ruling (GAAR) which had held that fryums are not papad.

"Fryums is a popular word for the snack which comes in different shapes and sizes like round, square, semi-circle, hollow circle with bars in between or square with bars in between intersecting each other or shape of any instrument, equipment, vehicle, aircraft, animal type papad. Similarly, calling a product in question of different shapes and sizes by fryums does not change the basic character of the product and the product in question remains papad," GAAAR said in its recent ruling on an appeal filed by Rajkot-based Jayant Food.

It acknowledged that traditionally, 'papad' is a round-shaped, ready-to-cook product that is consumed after roasting or frying as snacks or as an accompaniment with meals.

The product in question, although of different shapes and sizes, is similarly a ready-to-cook product and can be consumed after roasting or frying and consumed as a snack. Further, cereal flour is the ingredient in both products. "Both the products i.e. 'papad' and the product in question are the same except they are known by different names in general public i.e. as 'papad' and 'fryums,'" it said.

GAAAR highlighted that in entry No. 96 of Notification No. 02/2017-CT (Rate) dated June 28, 2017, the description of the product is 'papad by whatever name called.' Further, it said that to understand the term 'whatever name called' the principle of 'Noscitur a sociis' is to be applied. As per the said principle, the meaning of an unclear word or phrase must be determined by the words that surround it. In other terms, the meaning of a word must be judged by the company that it keeps.





TODAY'S QUOTE



"You have to find what sparks a light in you so that you in your own way can illuminate the world."

— Oprah Winfrey



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