

RETROSPECTIVE TAX: INDIA REFUNDS 7,900 CR TO CAIRN TO SETTLE DISPUTE

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Public Finance, Taxation & Black Money incl. Government Budgeting

Cairn, also known as Capricorn Energy, says the “net proceeds of USD 1.06 billion have been received”

The Indian government has refunded 7,900 crore to [Britain's Cairn Energy](#) Plc after a years-long dispute over the retrospective taxes. Cairn Energy, now known as Capricorn Energy Plc, has said the Indian government has paid the tax refund, and that the "net proceeds of USD 1.06 billion have been received."

The British company said a circular is expected to be issued in early March “detailing the shareholder resolutions required in connection with the proposed shareholder return of up to US\$700 million, comprising a US\$500 million tender offer and US\$200 million ongoing share repurchase programme”.

British energy major [Cairn Energy](#) had last month completed all required steps to get the 7,900 crore tax refund from the Government of India.

Simon Thomson, Chief Executive, Capricorn Energy PLC had earlier said Capricorn enters 2022 positioned to make another significant capital return to shareholders with the company having concluded all required steps to enable payment of the India tax refund.

Cairn withdraws all tax cases

In January, [Capricorn](#) had withdrawn all lawsuits against the Indian government, which paved the way for the authorities to refund 7,900 crore to the British explorer. Capricorn's action was the final necessary step by the company under the rules of India's Taxation (Amendment Act) 2021. Following this, the company filed the necessary form with the Income Tax department which allowed the government to proceed to the final stage.

Retro tax dispute

India put an end to 17 long-drawn disputes over taxation of offshore sale of Indian assets. The government's settlement scheme had sought to nullify the tax demands raised or confirmed before 28 May 2012 by applying an anti-abuse provision introduced the Income Tax Act in 2012 during the previous United Progressive Alliance (UPA) government.

Never miss a story! Stay connected and informed with Mint. [Download](#) our App Now!!

Log in to our website to save your bookmarks. It'll just take a moment.

Oops! Looks like you have exceeded the limit to bookmark the image. Remove some to bookmark this image.

Your session has expired, please login again.

You are now subscribed to our newsletters. In case you can't find any email from our side,

please check the spam folder.

This is a subscriber only feature [Subscribe Now](#) to get daily updates on WhatsApp

END

Downloaded from crackIAS.com

© **Zuccess App** by crackIAS.com

CrackIAS.com