

POC CONNECT

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Stock exchanges to be classified as infrastructure companies- Jan 22, 2016

Capital markets regulator Sebi on Thursday said stock exchanges and depositories will be classified as infrastructure companies in order to effectively implement the provisions of listing norms for the bourses.

For more detail refer-

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Govt begins crackdown on vanishing companies- Jun 23, 2011

The ministry of corporate affairs (MCA) has directed the Serious Fraud Investigation Office (SFIO) to cull out details of directors of over 50 companies who have gone underground after raising funds from the public. The ministry's move is aimed at identifying promoters of vanishing companies and prosecutes them under the Companies Act. Government wants to not only apprehend the "invisible" promoters but also set a precedent for future cases.

Need to rejig alternative funding norm: Sebi panel- Jan 21, 2016

The Securities and Exchange Board of India (SEBI) panel on Alternative Investment Funds (AIFs) headed by Infosys cofounder NR Narayana Murthy has proposed creating a favorable tax environment for investors, tweaking of safe harbour rules, unlocking domestic pools of capital, enabling onshore fund management in India and reforming the AIF regulatory regime.

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MCA released Roadmap for implementation of Indian Accounting Standards

The Ministry of Corporate Affairs has released "Roadmap for implementation of Indian Accounting Standards (Ind AS) converged with International Financial Reporting Standards (IFRS) for Scheduled Commercial Banks (Excluding RRBs), Insurers/Insurance Companies and Non-Banking Financial Companies (NBFC's)".

For more detail refer-

http://mca.gov.in/Ministry/pdf/Press_Release_18012016.pdf

MCA clarified that a HUF or its Karta cannot become Partner or Designated Partner in LLP

The Ministry of Corporate Affairs has issued Circular in respect of "Whether Hindu Undivided Family(HUF)/ Its Karta can become partner/ Designated Partner (DP) in Limited Liability Partnership (LLP)" and clarified that a HUF or its Karta cannot become Partner or Designated Partner in LLP. It is now clear that only Individuals and corporate can become partners in LLP.

For more detail refer-

http://www.mca.gov.in/Ministry/pdf/General_Circular_2_2016.pdf

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SEBI:

The Securities and Exchange Board of India has issued new set of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The FAQs related with preservation of documents, existing material related party contracts or arrangements, unlisted material subsidiary, Annual Report to contain Business Responsibility Report, transfer of securities and working Days.

For more detail refer-

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1454044894181.pdf

MCA:

The Ministry of Corporate Affairs has modify the Forms INC-23 and MGT-14. The new version of Forms INC-23 (Application to Regional Director for approval to shift the Registered Office from one state to another state or from jurisdiction of one Registrar to another Registrar within the same State) and MGT-14 (Filing of Resolutions and agreements to the Registrar) is modified w.e.f 30th Jan 2016. Plan accordingly.

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Startup India

On 16th January, 2016 one of its kind (probably in the world) Startup event was conducted by Government of India. The action plan contains several positive initiatives for Indian startups that look at easing up various regulatory, legal, financial and other challenges faced by them.

Key Highlights of the Startup India Action Plan;-

- Will take effect from 1st April, 2016.
- Tax exemptions for three years and concessions on capital gains tax.
- Compliance regime based on self-certification and no regulatory inspection for three years
- A fund of Rs. 10,000 crore to back startups. Initially the corpus will be Rs. 2,500 crore. Also, a credit guarantee fund for startups.
- A Startup India hub - a single point of contact for interactions with the government

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CBDT issue guidance note on implementation of reporting requirements under rules 114F to 114H of the Income-Tax Rules, 1962

- The Indian Revenue authorities have now issued a more detailed guidance note on implementation of FATCA and CRS reporting requirements as prescribed under the Indian income-tax rules.
- The objective of this guidance note is to provide more clarity on the specific definitions and related implementation guidelines with illustrative examples for the benefit of Indian Financial Institutions.
- The guidance note endeavours to explain FATCA and CRS reporting requirements in a simple manner in order to assist Indian Financial Institutions support in complying with the reporting requirements.

For more detail refer-

<http://www.incometaxindia.gov.in/news/guidance-note-for-fatca-crts-31-12-2015.pdf>

TAX NEWS



Tax News Round Up

Declarations and payments made under Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015

- The Act came into force with effect from 1st July, 2015; provided for a one time compliance window to declare assets held abroad and pay due taxes and penalty on the value of assets declared.
- A total of 644 declarations were made under the compliance window provided in the Act which closed on 30th September, 2015. The amount involved in these 644 declarations was 4,164 crores.
- The amount received by way tax and penalty upto 31st December, 2015 is Rs 2,428.4 crores.
- The shortfall is primarily on account of certain declarations, in respect of which there was prior information under the provisions of Double Taxation Avoidance Agreements/Tax Information Exchange Agreements or receipt of payment after 31st December, 2015.

For more detail refer-

<http://www.incometaxindia.gov.in/Lists/Press%20Releases/Attachments/431/PressRelease-black-money-Declarations-and-payment-06-01-2016.pdf>



Tax News Round Up

ESIC to exempt start-ups from inspection and filing returns for 3 years - 25th January 2016

- The Employees State Insurance Corporation (ESIC) to exempt start-ups from inspection and filing returns for 3 years.
- In line with Prime Minister Narendra Modi's vision to nurture Start-Ups, The ministry said in a set of directions last week that the new age ventures should be allowed to self-certify their compliance with nine labour laws.
- Labour Secretary Shankar Aggarwal said start-ups should not be inspected or asked to file returns for 3 years under nine laws, including Employees' Provident Fund and Miscellaneous Provisions Act and the Employees State Insurance Act.

For more detail refer-

<http://www.businessinsider.in/Dont-inspect-startups-for-3-years-Labour-Ministry-tells-EPFO-ESIC/articleshow/50718659.cms>



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SEBI has set up an advisory committee for the Commodity Market - 25th January 2016

- The Securities and Exchange Board of India has set up an advisory committee for the Commodity Market.
- The role of the committee is to discuss issues relating to regulations and development of commodity markets and suggest required measures to the SEBI.
- SEBI has such advisory committees for almost all big segments and classes of stakeholders.
- The existing advisory committees are on the primary and secondary (equity capital) markets, investors protection, technical advisory, mutual funds, consent orders and compounding of offences, corporate bonds, alternative investments and takeover regulations.

For more detail refer-

http://www.business-standard.com/article/markets/sebi-sets-up-panel-for-commodity-market-116012500987_1.html



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CBDT: Outlines procedure for issuing refunds exceeding Rs. 5000; Stipulates 30 days for demand-adjustment u/s 245 (Office Memorandum F. No. 312/109/2015-OT dated 29th January 2016)

CBDT lays down detailed procedure for issuing refunds exceeding Rs. 5000 where notice u/s 245 (for adjustment of refund against outstanding arrears) has been issued to taxpayer-assessee; Earlier this month, CBDT had directed prompt issuance of refund upto Rs. 5,000 without any adjustment of outstanding arrears; For cases not covered by earlier relaxation and where Sec 245 notice has been issued, CBDT now directs CPC to issue refund without any adjustment where assessee has contested the demand and no response is received from AO within 30 days; Likewise, when there is no response from assessee within 30 days, CBDT directs CPC to adjust demand against refund due and issue balance refund, if any.



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Report of the High Level Committee regarding valuation of flats for levy of Service Tax (F.No.354/311/2015-TRU) 20th January, 2016

- The Ministry of Finance has set up a High Level Committee (HLC) to interact with trade and industry and ascertain areas where clarity on tax laws is required.
- It has been pointed out by the HLC that there is a divergence of view between Para 6.2.1 of the Education Guide 2012 and the CBEC Circular No. 151/2/2012-ST dated 10.2.2012 on how flats handed over to land owners are to be valued for the purpose of levy of service tax.
- The two views need to be reconciled. The HLC has opined that the guidelines communicated by the said Circular are more appropriate.

For more detail refer-

<http://www.cbec.gov.in/resources//htdocs-servicetax/st-instructions/st-instructions-2016/st-ins-hlc-rpt-valuation-flats.pdf>



Notifications, Circulars & Press Releases

CBEC issue general guidelines for implementation of e-payment of refund/rebate (Circular No.1013/1/2016-CX, dated 12-1-2016)

- Presently, most of the field formations follow the manual handing over/despatch of cheques for payment of refund/rebate.
- Consequent to the sanction of refund/rebate claims by the competent authority, cheques are being issued and the same are sent by either registered post or handed over to authorized persons.
- The present procedure entails paper work, manpower deployment by the claimants and delay in payment of refunds.
- In order to speed up the transfer of the fund directly to the beneficiary's bank account after sanction of the refund/rebate claim and thereby promote ease of doing business, CBEC issue procedure for e-payment of refund/rebate for implementation by all field formations.

For more detail refer-

<http://www.cbec.gov.in/resources//htdocs-cbec/excise/cx-circulars/cx-circulars-2016/circ1013-2016cx.pdf>

Notifications, Circulars & Press Releases

CBDT issue Additional Modes of generation of EVC (Notification No.1/2016, dated 19th January, 2016

CBDT issue additional modes of generation of Electronic Verification Code in addition to EVC prescribed vide earlier Notification No. 2/2015 dated 13th July 2015. The two additional modes are :-

1. By pre-validating Bank account details.
2. By pre-validating Demat account details.

For more detail refer-

http://www.incometaxindia.gov.in/communications/notification/notification1_2016_evc.pdf

EVC

stands for

Electronic Verification Code



Abbreviations.com



**EVC
ITR**

Notifications, Circulars & Press Releases

Foreign Exchange Management (Acquisition and Transfer of Immovable Property outside India) Regulations, 2015 (Notification No. FEMA 7(R)/2015—RB, dated 21th January, 2016

In exercise of the powers conferred by clause (h) of sub-section (3) of Section 6, sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), and in supersession of Notification No. FEMA 7/2000-RB dated May 3, 2000, as amended from time to time, the Reserve Bank hereby makes the Foreign Exchange Management Regulations, 2015 relating to acquisition and transfer of immovable property outside India.

For more detail refer-

<https://corporatelaws.taxmann.com//fileopennew.aspx?id=104010000000047491&mode=home&page=>

Notifications, Circulars & Press Releases

Foreign Exchange Management (Acquisition and Transfer of Immovable Property outside India) Regulations, 2015 (Notification No. FEMA 7(R)/2015—RB, dated 21th January, 2016

The Reserve Bank hereby makes the following regulations relating to acquisition and transfer of immovable property outside India, namely :-

- (1) A person resident in India may acquire immovable property outside India, -
 - (a) by way of gift or inheritance from a person referred to in sub-section (4) of Section 6 of the Act, or referred to in clause (b) of regulation 4;
 - (b) by way of purchase out of foreign exchange held in Resident Foreign Currency (RFC) account maintained in accordance with the Foreign Exchange Management (Foreign Currency accounts by a person resident in India) Regulations, 2015
 - (c) jointly with a relative who is a person resident outside India, provided there is no outflow of funds from India;
- (2) A person resident in India may acquire immovable property outside India, by way of inheritance or gift from a person resident in India who has acquired such property in accordance with the foreign exchange provisions in force at the time of such acquisition.
- (3) A company incorporated in India having overseas offices, may acquire immovable property outside India for its business and for residential purposes of its staff, in accordance with the direction issued by the Reserve Bank of India from time to time.

For more detail refer-

<https://corporatelaws.taxmann.com//fileopennew.aspx?id=104010000000047491&mode=home&page=>

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SEBI directed depositories to credit 5% of profit to investor fund (Notification No. .SEBI/LAD-NRO/GN/2015-16/032, dated 21th January, 2016)

Securities and Exchange Board of India (SEBI) said "every depository shall credit five per cent or such percentage as may be specified by the Board, of its profits from depository operations every year to the Investor Protection Fund".

For more detail refer-

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1453376331122.pdf

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Agson Global (P.) Ltd. v. Income-tax Settlement Commission [2016] 65 taxmann.com 51 (Delhi) January 6, 2016

Income Tax Settlement Commission has no right to direct a special audit u/s 142(2A) in the course of settlement proceedings under Chapter XIX-A of the Act as assessment of the type contained in section 143(3) is outside the purview of settlement proceedings

Issue:-

The only issue which arises for consideration in this writ petition is whether the income tax settlement commission has the power to direct a special audit under section 142 (2A) in exercise of its power vested in section 245F of the Income Tax Act, 1961.

Held by Delhi High Court that :-

- The income tax settlement commission does not have the power to direct a special audit under section 142(2A) in the course of settlement proceedings under Chapter XIX-A of the said Act.
- Consequently, the impugned order dated 26.04.2013, to the extent it directs the conduct of a special audit, is quashed.
- The matter be placed before the settlement commission for further consideration of the petitioners' settlement applications in accordance with the prescribed procedure under Chapter XIX-A.
- The writ petition is allowed to the aforesaid extent. We are making it clear that we have not commented upon the merits of the settlement applications. The parties are left to bear their own costs.

Dow Agro Sciences Agricultural Products Ltd., In re [2015] 65 taxmann.com 245 (AAR - New Delhi), January 11, 2016

No MAT on foreign Co. as it doesn't have PE in India; AAR follows Government's stand

Brief Facts :-

- Applicant was a company incorporated in Mauritius. It was part of DOW group of companies. It was a 100% subsidiary of parent company. DAS India was a part of Dow Group and was engaged in manufacturing and trading of pesticides and insecticides.
- The Applicant had acquired 61.83 crore shares of Rs 10 each in DAS India. The investment by applicant in DAS India was accepted by the Indian authorities which was clear from the certificate issued in its favour.
- The applicant proposed to transfer these shares in favour of DAS Singapore(a company proposed to be incorporated in Singapore).This transfer was pleaded with an objective of the group re-organization.

Held by AAR that :-

- The transaction having begun almost 20 years back, it could not be said that it was for tax avoidance and, therefore profit arising from such transaction won't be subjected to tax in India in terms of Article 13 of of DTAA between India and Mauritius.
- Further, applicant would not be liable to pay minimum alternate tax under provisions of section 115JB in absence of a PE in India.
- It was also held by the AAR that there will be no question of the applicability of section 92 to 92F, there will be no question of applicability of section 195 and since, proposed transfer of shares was not taxable in India, applicant was not required to file any return of income under section 139.

Lead Counsel of Qualified Settlement Fund (QSF), In re [2016] 65 taxmann.com 197 (AAR - New Delhi), January 12, 2016

Settlement amount received for giving up right to sue is capital receipt; but not chargeable to tax either as capital gains or as income from other sources.

Brief Facts :-

Whether, on the facts and circumstances of the case, the Settlement Amount payable by Satyam under the Stipulation to the Qualified Settlement Fund pursuant to the Judgment and Final approval of the US Court will be regarded as sum chargeable under the provisions of the Act in the hands of the QSF?

Held by AAR that :-

- Settlement amount is a compensation for not pursuing the suit and involves surrender of capital asset of "right to sue".
- The capital asset "right to sue" cannot be transferred in terms of section 6(e) of the Transfer of Property Act.
- Even if surrender of right to sue can be treated as transferable in terms of section 2(47)(ii)(extinguishment of any rights) of the Income-Tax Act,1961, its cost of acquisition cannot be determined and the computation provisions failed and capital gains cannot be calculated.
- Hence cannot be taxed as capital gains u/s45. Nor can it be taxed as income from other sources. These are capital receipts which are not taxable.

Cummins Ltd., In re

[2016] 65 taxmann.com 247 (AAR - New Delhi), January 12, 2016

Supply Management Services fees received by applicant are not taxable in India and Indian company CTIL is not required to withhold tax under section 195 of Indian Income-tax Act.

Brief Facts :-

Whether the supply management service fees received by Cummins Limited, UK from Cummins Technologies India Limited (hereinafter referred to as 'CTIL') pursuant to Material Suppliers Management Service Agreement dated 7 December 2010 between Cummins Limited and CTIL, is in the nature of "Fees for Technical Services" or "royalties" within the meaning of the term in Article 13 of the India-UK double tax avoidance agreement ('India-UK treaty')?

Held by AAR that :-

- Indian company CTIL purchases turbocharger components directly from third party in UK and US and in relation to such purchases, applicant provides supply management services which ensure CTIL market competitive pricing from suppliers and applicant is not imparting its technical knowledge and expertise to Indian company based on which Indian company will acquire such skills and will be able to make use of it in future.
- Supply Management Services fees received by applicant is not FTS or royalties under India-UK Tax Treaty and in view of fact that applicant has no PE in India, fees received are not taxable in India and Indian company CTIL is not required to withhold tax under section 195 of Indian Income-tax Act

Yum Restaurants (India) Pvt. Ltd vs. ITO

ITA Nos. 349 and 388 of 2015 (Delhi High Court), January 13, 2016

The transfer of shares of an Indian company by a holding Co (Yum Asia) to another holding Co (Yum Singapore) results in change of “beneficial ownership” of shares and results in disallowance of b/fd losses even though the ultimate beneficial owner remains Yum USA. The corporate veil cannot be pierced to regard the ultimate holding Co as the beneficial owner.

Brief Facts :-

The issue concerning the disallowance of carry forward of accumulated business losses of the past years and set off under Section 79 of the Act, the AO did not accept the contention of Yum India that since the ultimate holding company remained Yum USA, it was the beneficial owner of the shares, notwithstanding that the shares in Yum India were held through a series of intermediary companies.

Held by Delhi High court that :-

- Section 79 of the Act the set off and carry forward of loss, which is otherwise available under the provisions of Chapter VI, is denied if the extent of a change in shareholding taking place in a previous year is more than 51% of the voting power of shares beneficially held on the last day of the year in which the loss was incurred.
- In the present case, there was a change of 100% of the shareholding of Yum India and consequently there was a change of the beneficial ownership of shares since the predecessor company (Yum Asia) and the successor company (Yum Singapore) were distinct entities.
- The fact that they were subsidiaries of the ultimate holding company, Yum USA, did not mean that there was no change in the beneficial ownership. Unless the Assessee was able to show that notwithstanding shares having been registered in the name of Yum Asia or Yum Singapore, the beneficial owner was Yum USA, there could not be a presumption in that behalf.

For more detail refer- <http://itatonline.org/archives/wp-content/uploads/Yum-Restaurant-79-Shareholding-Change.pdf>

CIT vs. Bank Of Nova Scotia (Supreme Court) **Civil Appeal No. 1704 of 2008 (Supreme Court), January 7, 2016**

Penalty for failure to deduct TDS cannot be levied if Dept is unable to show contumacious conduct on the part of the assessee

Brief Facts :-

The issue pertains to the assessment of penalty under Section 271C which imposed for failure to deduct tax at source. Against the order of Assessing Officer, the petitioner took up the matter in appeal and the CIT (A) deleted the levy of penalty. On appeal with ITAT by the revenue, the ITAT deleted the penalty. Further High court rejected the appeal only on the ground that no substantial question of law arises in the matter.

Held by ITAT that :-

ITAT deleted the penalty. It was held that for levy of penalty u/s 271C, it is necessary to establish that there was contumacious conduct on the part of the assessee. Further on similar facts Hon'ble Delhi High Court have deleted levy of penalty u/s 271C in the case of M/s. Itochu Corporation, reported in 268 ITR 172 (Del) and in the case of CIT Vs. Mitsui & Company Ltd. reported in 272 ITR 545.

Held by Supreme Court that :-

Supreme Court held that we are convinced that there is no substantial question of law, the facts and law having properly and correctly been assessed and approached by the CIT (A) as well as by the ITAT. Thus, we see no merits in the appeal and it is accordingly dismissed.

For more detail refer-

<http://itatonline.org/archives/wp-content/uploads/Nova-Scotia-TDS-Penalty.pdf>

Commissioner of Income-tax, Delhi v. Sharda Sinha

ITA 471/2003(HIGH COURT OF DELHI) DECEMBER 22, 2015

Compensation received by a journalist on termination of contract with a news agency held as capital receipt not liable to tax

Brief Facts :-

- Assessee, a journalist by profession, was appointed as foreign correspondent in India of a German news magazine 'Der Spiegel'.
- Subsequently, German publisher paid lump sum amount upon termination of contract as sign off compensation for performance of authorship/professional services for a continuous period of 23 years.
- The assessee filed its return claiming that amount received from 'Der Speigel' was capital receipt.
- The Assessing Officer opined that since the assessee was free to contribute his article/stories etc. to any other magazine, publication, etc., amount of compensation was to be taxed as revenue receipt.
- The Commissioner (Appeals) as well as the Tribunal allowed assessee's claim.

High Court held that-

ITAT deleted the penalty. It was held that for levy of penalty u/s 271C, it is necessary to establish that there was contumacious conduct on the part of the assessee. Further on similar facts Hon'ble Delhi High Court have deleted levy of penalty u/s 271C in the case of M/s. Itochu Corporation, reported in 268 ITR 172 (Del) and in the case of CIT Vs. Mitsui & Company Ltd. reported in 272 ITR 545.

For more detail refer-

http://lobis.nic.in/d_dir/dhc/SMD/judgement/23-12-2015/SMD22122015ITA4712003.pdf

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J.P. Morgan Services India (P.) Ltd., In re*
Ruling No. AAR/ST/16/2015 (AAR - New Delhi), December 4, 2015

Charges recovered by employer for extending car facility to employees isn't liable to service-tax

Brief Facts :-

- As an employment retainment programme, applicant-employer floated a car leasing scheme where under applicant :
 - (a) hired cars from car leasing companies ;
 - (b) provided cars to its employees for their personal as well as official use against payment of charge equal to amount paid by applicant to car leasing companies.
- Applicant sought advance ruling on whether amount recovered by it from its employees would be liable to service tax.

Held that :-

- Service of "making available" a car to employee is being rendered by assessee. Amount was being recovered from its employees on actual cost basis.
- In this case, service is being provided by applicant to its employees "in the course of" or "in relation to" his employment because facility is extended only to employees in service.
- Whether car is given for official use, for personal use or for both will not be making any difference.
- In view of clear-cut language of section 65B(44)(b), it is not taxable.

For more detail refer-

<http://www.cbec.gov.in/resources//htdocs-cbec/aar/rulings/st-rulings/str1-19/jpmorganservices.pdf>

J.P.Morgan

Commissioner of Central Excise & Service Tax (LTU), Mumbai v. Reliance Industries Ltd.

[2016] 65 taxmann.com 328 (Mumbai - CESTAT) JANUARY 11, 2016

Services imported by off-shore under-construction structures were not taxable.

Issue:-

Whether services imported by under-construction installations within CSI or EEZI would attract service tax ?

Held that :-

NO SERVICE TAX, because —

- Notification No. 21/2009 extends the taxable territory only to constructed installations and structures and not to under-construction installations.
- Off-shore under-construction installations or incomplete structures do not form part of 'India/' 'taxable territory'; hence, services imported by them are not liable to service tax under reverse charge.

Gujarat State Fertilizers & Chemicals Ltd. (Fiber Unit) v. Commissioner of Central Excise, Customs & Service Tax, Surat-II* [2016] 65 taxmann.com 283 HIGH COURT OF GUJARAT JANUARY 6, 2016

Where principally agreement is to appoint agent/stockist for storing and selling goods of assessee, such stockist would be 'commission agent' and not 'sales promotion agent'; hence, commission so paid to him is ineligible for credit..

Issue:-

- Assessee paid commission to its agents/stockists and took credit of service tax charged on commission.
- Department denied credit relying on judgment in CCE v. Cadila Healthcare Ltd. [2013] 32 taxmann.com 105 (Guj.).
- Assessee claimed that agents were also engaged in 'sales promotion'; hence, judgment in Cadila Healthcare Ltd. (supra) would not apply.

Held that :-

- Lower authorities and Tribunal found that there was no material to establish that agents had incurred any expenses, or involved in any means, for sales promotion.
- Even otherwise, agency agreement was for appointment as stockist/agent for stocking and selling goods of assessee; hence, a fleeting reference to attempt to sales promotion would not change nature of agreement and would not convert stockist into sales promotion agent.
- Therefore, credit was rightly denied. [In favour of revenue]

**Wonder Cars Pvt. Ltd. Vs Commissioner of Central Excise, Pune I [Cestat Mumbai]
Appeal No. ST/338/2012, Date of decision :31/12/2015**

Provision of additional services to the purchaser of Cars like collection of Smart Card Fees, Vehicle Registration Fees and other extra charges cannot be categorised as Business Support Services and made liable to service tax.

Facts-

- The assessee is an authorized dealer of Maruti Cars.
- The assessee also receives an amount from its customers against Smart Card Fees, Vehicle Registration Fees and other extra charges. By extending these services, he sought to build a strong supportive relationship with present and prospective customers.
- As per Revenue, these extra charges collected by the assessee are taxable under the category of Business Support Services.

Held that :-

- The definition of Business Support Services as per section 65(104c) of the Finance Act covers customer relationship management services. However, the definition talks about an entity rendering customer relationship management services and not the customer relationship services rendered by the assessee himself as an aid to his primary business activity.
- Hence, the extra charges collected by the assessee is not liable to service tax, accordingly, the impugned order was set aside. [Decided in favor of assessee]

Thank You

For any suggestions & Queries

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