

IBA INTERNATIONAL
BUSINESS ADVISORS

CONNEKT

November - 2017

Content

Direct Tax – Case Laws	3
Direct Tax Notifications	7
Indirect Tax – Case Laws	8
Indirect Tax Notifications	11
Legal & Regulatory Notifications	13
Experts Opinion	17
Compliance Calendar	18
About us	19

Direct Tax Case Laws



Case Law 1

Payment towards distribution rights is in the nature of royalty under the Act and under DTAA

Facts

- Google India had been appointed by Google Ireland Ltd. [“GIL”] as a non-exclusive authorized distributor of “AdWords Programs” to advertisers in India. During Assessment Year 2008-09, Google India paid distribution fee of Rs. 119 crores to GIL towards distribution rights of Google AdWords Program Distribution Agreement, which granted Google India the marketing and distribution rights of AdWords Program to advertisers in India.
- The Assessing Officer held that the distribution fee paid to GIL, was subject to withholding tax in India under section 195 of the Act since it was royalty under the Act and Double Tax Avoidance Agreement. Google India contended that it is merely a reseller of advertisement space and is engaged in only performing marketing related activities to promote the sales of advertisement space in India.

Decision

Google India appealed before the CIT(A), who upheld the order of the AO. The

Tribunal ruled in favor of revenue and held that the payment made by Google India was in the nature of royalty as the Agreement allowed Google India to access all intellectual property and confidential information which is used for activities related to the Distribution Agreement. For marketing and distribution activities of the AdWords Program, Google India is given the right to use the intellectual property in the products and services offered by GIL. It was also observed that as per the terms of the Distribution Agreement, Google India was permitted to use tradename, trademarks, service marks, domains or other distinctive brand features of GIL. The Tribunal, observed that, in terms of section 195 of the Act, there is an obligation on the part of Google India to deduct tax, in case it is making payment to a non-resident.

Google India Pvt. Ltd. vs. Additional Commissioner of Income-tax [IT(TP)A No. 1511 to 1518/Bang/2013]

Case Law 2

Mere outsourcing of an activity by the foreign company to an Indian company for rendering services to its clients abroad does not leads to creation of a PE in India

Facts

- E-funds International India Pvt. Ltd. [“e-funds India”] is a company incorporated

Direct Tax : Case Laws

- in India and a tax resident of India. It rendered back office support services to E-Funds Corporation USA and E-Funds IT Solutions Group Inc. USA [collectively referred as “taxpayer(s)”] in respect of ATM Management Services, Electronic Payment Management, Decision Support and Risk Management. The taxpayer(s) remunerated e-funds India for these services, which was found to be at arm’s length price by the TPO.
- The AO held that the taxpayer(s) had a Permanent Establishment i.e. a “Fixed Place PE” in India in terms of Article 5 of the India-US DTAA. The CIT(A) dismissed the appeals filed by the taxpayer(s) and held that they had formed a fixed place PE, service PE and agency PE in India. The ITAT while affirming the view of the CIT(A), held that the taxpayer(s) had a “fixed place PE” and “service PE” in India. The Delhi High Court vide its order decided the issue in favor of the taxpayer(s) and held that the taxpayer(s) did not have any PE in India. The tax department filed the present appeal(s) before the Supreme Court in case of both taxpayers and contended that they have a PE in India.

Decisions

The Supreme Court after considering the arguments of the tax department and the taxpayer(s) decided in favour of the taxpayer(s) holding that they did not form any PE in India as there was no specific finding in the assessment order that any fixed place of business has been put at the

disposal of taxpayer. It was observed that e-funds India renders support services which enables the taxpayer to render services abroad. Article 5(2)(l) of India-US DTAA specifies that an enterprise must furnish services within India through employees or personnel to constitute, however in the instant case none of the customers of taxpayers were in India. Further, in the case of DIT v/s Morgan Stanley (2007 7 SSC 1), it was held that once an arm’s length principle has been satisfied, no further profit would be attributable even if there exists PE in India.

Assistant Director of Income-tax v/s. E-Funds IT Solution Inc. [Civil Appeal No. 6082 of 2015 & others]

Case Law 3

Charitable institution carrying out money lending business and providing loan to public and Self-help group (SHG) and generating profits by financing at higher rates shall not be consider as charitable and exemption u/s 11 and 12 shall not be allowed.

Facts

- The Assessee is a charitable institution formed with an object of providing money to public and self-help group (SHG) as per RBI Guidelines, out of the amount received as donation and loans from UBI and earned profit (Interest) on financing small help groups at higher rates.
- Assessee considered this financing

Direct Tax : Case Laws

- activity as charitable in nature and claimed exemption u/s 11 of the Income Tax Act, 1961 (“The Act”) and thus declared total income as Nil. However, AO issued Show Cause Notice considering the activity in nature of trade, commerce and business as the Assessee is charging a higher rate of interest.
- Assessee replied that the loan was advanced to weaker sections of the society to meet their urgent needs and even if higher interest is charged, it cannot be held uncharitable because of high recovery cost, possibility of high bad debt and interest earned was utilized in micro financing activity to the poor people.
- However, AO taking into consideration the amendment to section 2(15) of the Act that if activity is only of charitable nature then only deduction shall be allowed, passed the order against the Assessee.
- Assessee challenged the assessment order before the CIT-A, however, CIT(A) confirmed the order of the AO stating that the financing was not done directly to the poor beneficiaries but through NGOs and SHGs from whom it charges high interest rate.
- Finally, Assessee filed an appeal to ITAT.

Decision

Aggrieved by the order of CIT(A), Assessee

filed an appeal before ITAT and it was submitted that provision to section 2(15) of the Act does not apply in respect of first three limbs of section 2(15) i.e., relief of the poor, education and medical relief, even if it incidentally involves the carrying on of commercial activities and AO has no power to deny the right of claim of exemption, in view of the fact that the Assessee trust obtained registration and also that once they have registered an institution as charitable one, they cannot go behind the registration, unless it is settled that the said organization is engaged in the business activities.

ITAT said that the Assessee is a charitable institution and exemptions claimed by it are available on certain conditions as defined u/s. 2(15) of the Act. However, as per proviso of that section the advancement of any other object of public utility shall not be charitable purpose if it involves business activity. In this case, Assessee was lending loans to beneficiaries indirectly and the profit was being generated by levying higher rate of interest. Hence, the exemption shall not be available.

(Sreema Mahila Samity v. Deputy Commissioner of Income-tax, Circle-Nadia-2017)

Case Law 4

The Taxpayer is eligible to claim income tax refund even though all the contract work was done by the sub-contractor

Direct Tax : Case Laws

Facts

- The taxpayer was a joint venture (JV) executing civil contract works and was awarded contracts by the Andhra Pradesh government. Later, these contracts were sub-contracted by the taxpayer to one of its constituents (sub-contractor).
- During the year, the JV had declared gross receipts and the same were passed on to the sub-contractor. In the return of income, the JV claimed a refund.
- The AO disallowed the JV's claim for the tax refund and held that the JV was just a mediator for submitting the bid and all the contract works were to be executed only by the sub-contractor. Hence, TDS credit was not allowable in the hands of the taxpayer. The taxpayer filed a writ petition before the High Court

income earned out of the amounts received by them from JV and not in terms of the contract between the government and JV, and both are eligible for credit of TDS. Accordingly, AO shall be directed to determine the quantum of TDS credit and refund the amount so computed to the taxpayer.

[IVRCL-KBL(JV) vs ACIT

Decision

The High Court observed that the deduction of TDS by the Government of Andhra Pradesh was from the income of JV and not from the income of sub-contractor. There were two distinct and independent contracts. While it does appear that the JV was constituted mere to enter into a contract with the government, but there was no privity of contract between the government and the constituent of the JV. The contractual obligation, to execute the work for the government, is that of the joint venture alone, and not that of sub-contractor. The sub-contractor is assessable to tax on their

Direct Tax: Notifications



S.no	Notifications
1	<p data-bbox="236 648 746 682">Circular No 25 – Dated 23. 10. 2017</p> <p data-bbox="236 732 1497 811">CBDT Clarifies determination of POEM in cases where regional headquarter of the group is located in India</p> <p data-bbox="236 857 1497 1102">Place of Effective Management(POEM) has been introduced in the Income Tax Act, 1961 w.e.f April 1, 2007 for determining tax residency in India of foreign companies in India. Circular No. 6 of 2017 had clarified that where it is established that BOD of a foreign company is standing aside and not exercising its power of management, and such power are being exercised by the holding company or any other person resident in India, then such foreign company shall be considered to have POEM in India.</p> <p data-bbox="236 1147 1497 1392">It has been further clarified that if the regional headquarter of the subsidiaries/group companies operate within the general and objective principles of the group laid down by the parent entity (in fields such as payroll functions, accounting, HR, IT infrastructure and network platforms, supply chain functions and routine banking operational procedures), and such functions are not specific to any entity or group of entities, it would not constitute a POEM.</p> <p data-bbox="236 1469 1385 1503">http://www.incometaxindia.gov.in/communications/circular/circular25_2017.pdf</p>

Indirect Tax : Case Laws



Case Law 1

Tax on fees towards franchisee services from foreign entity is revenue-neutral, Demand of Service Tax on such services is unsustainable

The Assessee, Sarovar Hotels Pvt. Ltd, is engaged in providing management consultancy services in relation to operation and management of hotels. It has entered into with Park Global Holdings Inc. Delaware, USA (or "PG"). The agreement grants exclusive rights to the Assessee to develop hotels in India which includes the right to use the brand names as well as to use the system of hotel management. As per the agreement, the Assessee is required to pay the amount of commitment fees, monthly royalty fees, reservation fees and advertising fees. The Assessee entered into hotel management agreement with India hotels and paid service tax on the fees charged to them. During the course of audit, it was observed that the Assessee had made payments in foreign currency to PG on which, no service tax was paid. Revenue was of the view that the Assessee had received franchisee service from PG and service tax thereon was payable on reverse charge basis as import of services. Hence, the Assessee approached CESTAT. CESTAT observed that the appeal could be disposed of on the point of revenue neutrality. CESTAT opined that the aspect of revenue neutrality gained support from the fact that the service on which demand was made was subsumed in the total service and

its value that was charged by the Assessee to its client i.e. Indian hotels suffered service tax in the hands of Assessee itself. Even if they are liable to pay the said service tax, they are legally entitled for the Cenvat credit on the entire amount which will reduce the liability of service tax on the appellant. Accordingly, Assessee's net payment of service tax to the Government exchequer will reduce to the extent of service tax payable in respect of Franchisee service. Hence, the entire issue was revenue neutral. According to it, the demand of service tax in the present case amounted to double taxation on the part of same service charges. Resultantly, CESTAT set aside the adjudication order.

**M/s. Sarovar Hotels Pvt. Ltd. VS
Commissioner of Service Tax, Mumbai [TS-
323-CESTAT-2017-ST]**

Case law 2

Exemption from SAD, Condition of non-availment of credit by the manufacturer cannot be satisfied.

The Respondents were importers of goods, they filed BOE claiming exemption from payment of Special Additional Duty (SAD) under Notification No. 30/2004-CE. Revenue has raised the demands of SAD against the Respondents, by disputing that, respondents have not been able to satisfy the condition of

Indirect Tax : Case Laws

non-availment of credit by the manufacturer, in terms of the said notification. On appeal against the above order, Commissioner (Appeals) decided the appeal against the revenue, by taking the note of the Hon'ble Supreme Court's decision in the case of SRF Limited vs. CCE, Wherein the said Notification No. 30/2004-CE was interpreted, and it was held that the condition of non-availment of credit of duty paid on inputs or capital goods, in case of imported goods, cannot be satisfied and as such, the benefit has to be extended to the importers. Being aggrieved by the order passed by the Commissioner (Appeals), Revenue has filed appeal to CESTAT, by contending that judgement relied upon in commissioner appeals was not correct and legal since the department has not accepted the said judgment and the CBEC, with the concurrence of Ld. Attorney General, has filed a review petition against the said judgment of the Hon'ble Supreme Court. CESTAT in this issue observed that Revenue is not disputing the fact of applicability of the said decision of the Hon'ble Supreme Court to the facts and the legal issue involved in the present appeals, Revenue is simpliciter finding faults with the said judgment and submits that since the review petition has been filed, the said decision should not have been followed by Commissioner (Appeals). CESTAT held that, the issue having been decided by the Hon'ble Supreme Court, the judicial discipline requires the same to be followed and it is not the Revenue's case that any stay has been granted against the said order or their review petition has been allowed so we find no reason to deviate from Commissioner (Appeals) order. Accordingly, the Revenue's appeals are rejected.

Commissioner of Customs, Ludhiana Versus M/s. Parth Trading Company, M/s. Kishore Exports, M/s. Luthra Knitwear and M/s. ASV Enterprises [2017 (10) TMI 1265 - CESTAT CHANDIGARH]

Case Law 3

Penalty under section 112(b) of Custom Act, cannot be levied if there is no malafide intention on part of persons involved in sale and purchase transaction chain.

M/s. Canon Industries Pvt. Limited purchased the consignment of some goods on high-sea sale basis from M/s. Garg Acrylic, M/s. Garg International and M/s. SMN Industries (Original Importers). The documents for clearance of the said consignment were filed by the Custom House Agent (CHA), documents were filed under Target Plus scheme and were cleared free of duty under the said scheme. Thereafter, the goods were transported by the transporters to the premises of the original importers who had sold the goods, on high-sea sale to M/s. Canon Industries Pvt. The original importer further sold the goods to one M/s. Gagan Khanna, Director of Arisudana Industries Limited. In terms of the Target Plus scheme, the goods imported are required to be used by the same importer on actual user condition. The investigation conducted by the DRI revealed the fact that M/s. Canon Industries Pvt. Limited were utilised only for the fact of clearance of the goods under Target Plus scheme as he was having the said license. The proceedings were initiated, and penalty were imposed against all the persons including the transporters, who are

Indirect Tax : Case Laws

appellants in the present case. The CESTAT in the present case observed that penalty imposed on transporters is only a mechanical imposition inasmuch as, there is no evidence on record to show that the transporters were aware of the fraud if any, committed by importers. The transporters cannot be expected to know as to what fraud is going to be committed subsequently by the said recipient of the goods, the imposition of penalties upon them, because they had transported the tainted goods, cannot be justified, and set aside the penalties imposed on all the transporters. Imposition of penalty upon the CHA is also not justified, the CHA did not aid and abetted the fraud, the filing of bills of entries is in accordance with law and the fraud stands committed only after the clearance of the goods hence penalty on CHA is also set aside. Similarly, sale of the goods to M/s. Arisudana Industries Limited by original importers, any purchaser in the ordinary course of business, cannot be held liable to penal action because the goods involved were tainted and cleared by the original importer with a malafide intention hence penalty on purchaser is also set aside.

M/s. Panj Rath Road Carriers, M/s. Gill Randhawa Roadlines, M/s. Akal Transport Company, M/s. DD Khosla Transport Pvt. Limited, M/s. Arisudana Industries Limited and M/s. Karam Freight Movers Versus Commissioner of Customs, Ludhiana [2017 (10) TMI 1264 - CESTAT CHANDIGARH]

Case Law 4

Collection charges by foreign bank not leviable to Service Tax

Assessee was engaged in the business of manufacturing wooden furniture. The products manufactured are exported out of India and for this purpose it lodged the bills received from foreign customers for collection to the Indian bankers, who in turn send the bills for collection to the foreign bankers. Further, the foreign banks while remitting the money to the Indian banks deducted their charges for collections which in turn are charged by Indian banks from Assessee. Revenue issued a SCN stating that services are provided by the foreign bank to Assessee for which a consideration is paid by the Assessee in form of charges deducted. Assessee contested the opinion of Revenue and filed an appeal against the same. Held that no documents have been produced showing that foreign bank has charged any amount from appellant directly. Further, the charges are paid by Indian bank to the foreign bank and in view of same appellant cannot be treated as services recipient and no service tax can be charged from it.

M/s Dileep Industries Pvt. Ltd. Versus CCE, Jaipur [2017 (10) TMI 1231 - CESTAT NEW DELHI]

Indirect Tax: Notifications



S.no	Notifications
1	<p>Notification No. 10/2017 – Integrated Tax dated 13.10.2017</p> <p>Exemption from obtaining registration for supplier making inter-state supply</p> <p>Central Government hereby exempts the person making inter-State supplies of taxable services and having an aggregate turnover (computed on all India basis) not exceeding an amount of INR 20 lakhs in a financial year from obtaining registration. The limit is INR 10 lakhs for special category states except J&K.</p> <p>http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-10-igst-english.pdf</p>
2	<p>Notification No. 32/2017 – Integrated Tax (Rate) dated 13.10.2017</p> <p>Exemption for payment of tax on reverse charge basis in case of Inter-state supply</p> <p>The Central Government has exempted inter-State supply of goods or services or both received by a registered person from any supplier, who is not registered, from the whole of the integrated tax leviable thereon under sub-section (4) of section 5 of the said Act. This exemption has been provided till 31 March 2018.</p> <p>http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-32-igst-rate-english.pdf</p>
3	<p>Notification No. 32/2017- Central Tax (Rate) dated 13.10.2017 Notification No. 33/2017- Integrated Tax (Rate) dated 13.10.2017</p> <p>Services provided by GTA to unregistered dealer</p> <p>Services provided by a Goods Transport Agency ('GTA') to an unregistered person, including an unregistered casual taxable person, (other than specified recipients such as factory, partnership firm, body corporate etc.) shall be exempt from whole of GST leviable thereon.</p> <p>http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-32-CGST-rate-english.pdf</p> <p>http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-33-igst-rate-english.pdf</p>

Indirect Tax: Notifications

S.no	Notifications
4	<p>Notification No. 40/2017 – Central Tax dated 13.10.2017</p> <p>Exemption on payment of tax on advance received</p> <p>Central government has notified persons whose aggregate turnover in preceding year did not exceed INR 1.5 crores as such class of persons who shall pay central tax only on outward taxable supplies of goods.</p> <p>http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-40-cgst-english.pdf</p>
5	<p>Notification No. 46/2017- Central Tax dated 13.10.2017</p> <p>Revised eligibility criteria for opting Composition scheme</p> <p>The person shall be eligible to opt for composition scheme provided his aggregate turnover in the preceding financial year did not exceed INR 1 crore. In case Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Himachal Pradesh, such a limit shall be INR 75 lakhs.</p> <p>http://www.cbec.gov.in/resources//htdocs-cbec/gst/notfctn-46-cgst-english.pdf</p>

Legal & Regulatory Notifications



S.no	Notifications
1	<p>Ministry Of Women & Child Development (MWCD)</p> <p>The MWCD allows registration of complaints against sexual harassment at workplace on its website</p> <p>(MWCD Notification dated November 07, 2017)</p> <p>The MWCD has launched a new mechanism to deal with the menace of sexual harassment at workplace. The Ministry operates a portal named She-Box, to register complaints made by the victims of sexual harassment. The portal earlier was available for the government sector employees only, whereas from 7th November 2017, the service has been made available to the private sector employees as well. A cell under the ministry will consider every complaint filed online and share it with the internal complaints committee (ICC) of the concerned organization, which is a mandatory requirement under the Sexual Harassment at Workplace Act, 2013. MWCD would appeal to make disclosure of the constitution of an ICC mandatory in the Directors' Report of a company under Section 134 of the Companies Act, 2013.</p> <p>http://pib.nic.in/newsite/PrintRelease.aspx?relid=173299</p>
2	<p>Ministry Of Corporate Affairs</p> <p>Coming into force of Section 247 of Companies Act, 2013</p> <p>(MCA notification dated October 18, 2017)</p> <p>In order to bring into force, the Companies (Registered Valuers and Valuation) Rules, 2017, MCA has notified Section 247 of the Companies Act, 2013. The section stipulates the manner in which a registered valuer shall conduct the valuation of the assets, securities or liabilities under the provisions of the Companies Act.</p> <p>http://www.mca.gov.in/Ministry/pdf/CommencementNotification_20102017.pdf</p>

Legal & Regulatory

S.no	Notifications
3	<p>Companies (Registered Valuers and Valuation) Rules, 2017</p> <p>(MCA notification dated October 18, 2017)</p> <p>The Ministry of Corporate Affairs (MCA) notified coming into force of the Companies (Registered Valuers and Valuation) Rules, 2017 in order to streamline methodologies of valuation in India:</p> <p>The Rules cover various aspects pertaining to the methods of valuation and eligibility of Registered Valuers. It is stipulated under the Rules that a person (including companies and firms) to become a Registered Valuer must possess the requisite qualification & experience and shall have cleared the Valuation Examination. As of now, these rules do not apply to the existing valuation provisions laid down by RBI, Income Tax, SEBI, etc., however, these rules continue to cover Companies Act, Insolvency Code and SEBI (REIT and InvIT) Regulations. It is anticipated that other Regulators would also align their Act/Rules with these Registered Valuer Rules, 2017</p> <p>http://www.mca.gov.in/Ministry/pdf/RegisteredValues_19102017.pdf</p>
4	<p>Reserve Bank Of India</p> <p>RBI issues master direction on Issuance And Operation Of PPI's</p> <p>(RBI Notification dated October 11, 2017)</p> <p>RBI had released draft Master Directions on Prepaid Payment Instruments (PPIs) on March 20, 2017 for public feedback and thereafter, the final Master Directions have been made effective as on 11th October, 2017. The existing PPI Issuers shall ensure compliance with the revised requirements on or before December 31, 2017.</p> <p>The directions intend to incorporate stricter KYC norms, rationalize operational guidelines, strengthen the safety mechanisms, encourage competition and innovation, and improve customer grievance redressal. The directions have also allowed interoperability between different PPIs.</p> <p>https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11142&Mode=0</p>

Legal & Regulatory

S.no	Notifications
5	<p data-bbox="229 460 823 494">Securities Exchange Board Of India (SEBI)</p> <p data-bbox="229 542 1485 616">SEBI notifies change in reporting norms for category iii AIF's regarding investment in commodity derivatives market</p> <p data-bbox="229 666 1485 741">SEBI in June, 2017 had allowed Alternate Investment Funds (AIFs) to participate in the commodity derivatives market, subject to the following conditions:</p> <p data-bbox="229 791 1485 866">The AIF shall not invest more than ten percent of the investable funds in one underlying commodity.</p> <p data-bbox="229 875 1461 909">The AIF shall be subject to the reporting requirements as may be specified by SEBI.</p> <p data-bbox="229 959 1485 1075">Consequently, SEBI has revised the reporting norms for all Category III AIFs and they are advised to submit the monthly/quarterly report in the revised format for the period ended September 30, 2017 onwards.</p> <p data-bbox="229 1124 1406 1240">http://www.sebi.gov.in/legal/circulars/sep-2017/change-in-reporting-norms-for-category-iii-alternative-investment-funds-aifs-regarding-investment-in-commodity-derivatives-market_36135.html</p>
6	<p data-bbox="229 1288 927 1322">Insolvency And Bankruptcy Board Of India (IBBI)</p> <p data-bbox="229 1369 1437 1444">The resolution plan under IBC to include a statement as to how it has dealt with the interests of all stakeholders</p> <p data-bbox="229 1494 1485 1737">IBBI has amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and Insolvency and Bankruptcy Board of India (Fast Track Insolvency Resolution Process for Corporate Persons) Regulations, 2017. As per the said amendments, a resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors, of the corporate debtor.</p> <p data-bbox="229 1787 1166 1821">http://ibbi.gov.in/CIRP_amndmt_5_oct_2017-10-07_21-32-33.pdf</p> <p data-bbox="229 1871 1246 1905">http://ibbi.gov.in/Fast_Track_amndmt_5_oct_2017-10-07_21-31-30.pdf</p>

Legal & Regulatory

S.no	Notifications
7	<p>IBBI invites public comments on the regulations relating to Insolvency and Bankruptcy of individuals and firms</p> <p>(IBBI Notification dated October 5, 2017)</p> <p>IBBI invited public comments on draft Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Individuals and Firms) Rules, 2017, and draft Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Individuals and Firms) Regulations, 2017.</p> <p>The Insolvency and Bankruptcy Board of India had constituted a Working Group to recommend the strategy and approach for implementation of the provisions of the Insolvency and Bankruptcy Code, 2016 dealing with insolvency and bankruptcy in respect of (i) Guarantors to corporate debtors, i.e., personal guarantors, and (ii) Individuals having business, and submit a report along with draft Rules and Regulations.</p> <p>http://ibbi.gov.in/webadmin/pdf/press/2017/Oct/Ind%20Insol%20Press%20Release%20Public%20Consultation.pdf</p>

Expert Opinion by IBA

**Mr. Bhavesh Gupta,
Director – Indirect Tax**



How GST has impacted Textile Industry

Under GST, Government has withdrawn the optional exemption route and imposed GST on textile industry (supply of fabric attracts GST@5%, cotton fiber and yarn attracts GST@5%, Synthetic yarn, and Man-made fiber attract GST@18%). An attempt has been made to organize a fairly unorganized sector. If the players in the textile industry get themselves registered, it would enable a flow of credit to the end consumer and lead to the reduction in prices of the manufactured product. [Read More...](#)

**Mr. Ramit Chitkara,
Deputy Manager – Corporate
Legal & Regulatory**



Getting a fix on the term 'dispute' under the Insolvency and Bankruptcy Code

As per the provisions under IBC, on the occurrence of default on part of the corporate debtor, an operational creditor is required to serve a 10-day's demand notice under Section 8 of IBC, to the corporate debtor, before initiating an application for insolvency resolution against the corporate debtor. Now, the corporate debtor must, either pay the dues or communicate the existence of a dispute over the debt within 10 days. [Read More...](#)

Upcoming Compliances

Date	Compliance
November 20, 2017	Filing of GSTR 3B for the m/o October
November 29, 2017	Filing of Annual Return by the Companies with the Registrar of Companies under Companies Act.
November 30, 2017	Filing of GSTR-2 for the m/o July
	Filing of Form GST ITC-04 for the month of July-September
	Filing of Form GST ITC – 01 for the month of July-September
	Filing of Form GST CMP-03
	Filing of Form GST TRAN-1 Original/Revised
	Due date for filing of annual return of income for the Assessment Year 2017-18 for the assesses involve in international transaction
	Due date for submission of tax deducted/collected for the month of November 2017
December 7, 2017	
December 11, 2017	Filing of GSTR-3 for the m/o July

Editorial Team



About us:

IBA is a leading Financial and legal advisory company with specialization in Assurance, Risk Consulting, Legal, Direct Tax, Indirect Tax(GST) and Corporate Advisory for midsize, SMEs and start-up firms. IBA constitute a young team of path breaking professionals, who believe in creating value through innovation and creativity to provide ultimate client satisfaction. Clients benefit from our fresh thinking, constructive challenge and practical understanding of the issues they face. We aim to alloy a perfect blend of professionalism with high standards of service, in our pursuit of excellence.

Founded in the Year 2003, the company witnessed immense growth from 2 members to currently a 100 members team, with its offices in Delhi, Mumbai and Bangalore and its clients from across states. IBA continues to offer wholesome service experience to boost highly valued client relationships by combining the technical and industry expertise at par with well-placed firms together with a personal commitment to optimize client service.

New Delhi(Head Office)
S-217,Panchsheel Park
New Delhi 110017
Tel - +91-11-40946000

Mumbai
Level 11 - 1102 Peninsula
Business Park ,Tower B, S B Road,
Lower Parel, Mumbai 400013

Bangalore
Golden Square Serviced Office
#No 1101, 24th Main, JP Nagar
1st Phase (above ICICI Bank)
Bangalore-560078



Queries/Feedback/Suggestions on this newsletter may be addressed to: info@ibadvisors.com

A joint initiative of International Business Advisors LLP (IBA) and Nayar Maniar & Associates LLP (NMA LLP). IBA is a LLP registered under the Limited Liability Partnership Act, 2008 having its registered office at S-217, Ground Floor, Panchsheel Park, New Delhi – 110017, India. NMA LLP is a registered partnership firm.

For more information and past issues of ConneKt, kindly visit our website www.ibadvisors.co

You can also follow us at:



Disclaimer: The materials contained in this newsletter have been compiled from various sources. This information is for guidance only and should not be regarded as a substitute for appropriate professional advice. IBA accepts no liability with regard to the information herein or any action that may be taken by readers of this newsletter without any professional advice.