

Rockwell Automation India Pvt Ltd – ITAT - Delhi

Outcome: As in **favour** of taxpayer
Category: Management services

With respect of management fees paid by taxpayer to its Associate Enterprise (AE), Tax Court held that, the determination of ALP at 'Nil' value carried out by TPO on the ground that taxpayer did not derive any benefit from the services being received was incorrect.

Further, Tax Court upheld the appeal made by taxpayer and restored the matter back to TPO.

Comments: It is important for taxpayer's to prove the genuinity of transaction by proving receipt of such services and mode of valuing such services.

Kusum Healthcare Pvt Ltd – ITAT - Delhi

Outcome: In **favour** of taxpayer
Category: Outstanding debtors

Tax Court held that taxpayer had earned significantly higher margins than the comparables companies which compensates for the credit period extended to AE and further, agreed with taxpayer's approach of aggregating the transactions of sale of goods and receivables being inextricably linked for benchmarking purpose.

Alliance Global Services IT India Pvt Ltd – ITAT - Hyderabad

Outcome: As in **favour** of taxpayer
Category: Operating expenses

Tax Court upheld the taxpayer's view that provision of bad & doubtful debts, bad debts was wrongly considered as an extra ordinary expense by TPO and it should form part of the operating expenditure while computing the margins of comparables.

Aditya Birla Minacs Worldwide Ltd – ITAT - Mumbai

Outcome: As in **favour** of taxpayer
Category: Share Application Money

Tax Court agreed with taxpayer's view that share application money cannot be treated as loan amount merely because there was delay in issuance of shares for 2 years.

Recent News:

CBDT signs 3 more Unilateral APA's:

3 more APA's have been signed between Indian Revenue and MNC's with operations in India. Total 9 APA's were inked over the last 18 months. Of these 9 APA's, 8 are Unilateral and 1 Bilateral APA with Japan being signed.

In latest round, 3 APA's have been signed with companies in three different sectors being Contract manufacturing, Professional services, Support services.

New Trade Policy unveiled; focus on boosting Exports - Foreign Trade Policy (FTP):

To address the complex procedures and manufacturing hurdles, the new trade policy announced two new schemes:-

- Merchandise Exports from India Scheme (MEIS)
- Services Exports from India Scheme (SEIS)

The focus of FTP is to support the services and exports along with improving ease of doing business.

The new trade policy will boost exports; create jobs while supporting 'Make in India' and 'Digital India'.

To read the FTP kindly use the following link:
<http://dgft.gov.in/exim/2000/ftp2015-20E.pdf>