

Does your loan fulfil the AA criteria?



TRUTH BE TOLD

HARSH ROONGTA

I was catching up with Arihant, an ex-colleague and an IIT-IIM (Indian Institute of Technology-Indian Institute of Management) graduate, who now runs a successful company. He described his first brush with financial leverage in the early 2000s when he had just begun working. Despite earning a good salary, Arihant's lifestyle expenses surpassed his earnings. He soon ran up a credit card bill amounting to three months' salary. He had to seek financial assistance from his parents to clear off this debt. After this experience, Arihant curtailed his expenses and soon repaid his parents.

Arihant's story illustrates human beings' evolutionary bias for instant gratification. When our ancestors lived in the jungle, they gratefully consumed any meat that was lying around. That makes humans different from hibernating animals who have an instinct to hoard food for at least a season.

With the advent of civilisation, laws were enacted. Lenders who provide resources for instant gratification can enforce contracts and recover the resources (mostly money) with interest, underscoring the need for prudent borrowing.

Borrowing entails pledging future income to pay for today's gratification. It is not

always bad. A good loan contributes to asset acquisition, like the purchase of a house, or enhances earning potential, as happens with a business or an education loan.

A good loan must fulfil the AA (double-A) criteria: it should 'add' to assets or income and should be 'appropriate'. Appropriateness is best judged by the percentage of future income pre-empted for paying back the loan. If all repayments amount to around one-third of income, that is considered fine.

A home loan (which adds to assets) that passes the appropriateness test can be considered a good loan. A vehicle loan does not add to assets but enables one to earn an income. It may be considered a good loan (given the abysmal state of public transportation in most cities) provided it passes the appropriateness test.

Experts suggest reading the fine print before signing a loan agreement. My extensive experience tells me most people would not sign an agreement after reading it, given their one-sided nature (despite which the lenders have trouble recovering their loans from some borrowers).

Here are my suggestions for ensuring a fair deal. One, take a floating rate loan as Reserve Bank of India (RBI) regulations allow them to be prepaid or shifted without incurring any prepayment charges. Two, borrow from a bank and not a Non-Banking Financial Company (NBFC) as the former are subject to tighter regulations by the RBI. And three, take a secured loan. The very act of security

creation causes the borrower to pause and rethink and does not provide the same pleasure psychologically as instant gratification until the loan is fully paid off and the secured asset is released.

The prevailing sentiment suggests that the indiscriminate use of easy loans by today's youth may end badly both for them and for lenders. My view is that India's younger generation is wiser than its preceding generations. A vast majority of them use loans sensibly, and the others, like my friend Arihant, will get back to the path of prudence soon.

Truth be told, loans serve as the lubricant that propels the wheels of civilisation forward faster. The home loan sector's growth over the past five decades has demonstrated the transformative impact that responsible borrowing can have on a nation's progress.

Homeownership fosters a powerful sense of stability and social cohesiveness. Most home loan borrowers have steady incomes and are less likely to go out and riot on the streets for any cause.

Nevertheless, with any powerful instrument, loans can create havoc and destroy lives if used indiscriminately and for the wrong ends (think of the 2008 crisis in the US). I am confident that the innate good sense that Indians possess in plenty will steer them (and the nation) towards a positive outcome.

The writer heads Fee-Only Investment Advisors LLP, a Sebi-registered investment advisor; X (formerly Twitter); @harshroongta

Assess tax residency status after extended stay abroad

Non-residents must furnish a tax residency certificate and fill Form 10F to claim DTAA benefits

BINDISHA SARANG

The Income-Tax Appellate Tribunal (ITAT), Delhi bench, recently ruled in favour of Devi Dayal, who had been deputed by his employers to work on a project in Austria. The ITAT ruled that salary and allowances earned abroad by a 'non-resident' for services rendered overseas are not taxable in India. The employer disbursed both the salary and compensatory allowance overseas, with the allowance accessible through a credit card valid only in Austria.

"Since he had failed to furnish a Tax Residency Certificate (TRC) from Austria, the tax authorities deemed the allowances taxable in India. However, the ITAT ruled in the taxpayer's favour, stating that since the services were rendered outside India, the salary was not taxable in India," says Varun Chablani, an international tax lawyer.

Many taxpayers find the tax residency rules perplexing. "Under Indian tax laws, tax incidence arises based on residential status, which in turn depends on the number of days spent in India," says Vivek Jalan, partner, Tax Connect Advisory.

Who is a resident?

A person is a tax resident of India if he is physically present in the country for 182 days in a financial year or if he spends 60 days during the relevant period and 365 days in the four immediately preceding financial years.

"Once an individual qualifies as a resident, the next step is to determine if he is a Resident and Ordinarily Resident (ROR) or Resident but Not Ordinarily Resident (RNOR)," says Megha Jain, tax expert, Cleartax. A person qualifies as an ROR if he

KEY ASPECTS OF DTAA EXPLAINED



Double Taxation Avoidance Agreement (DTAA) is a tax treaty signed between countries to help taxpayers avoid paying double taxes on the same income

It becomes applicable when an individual is a resident of one nation but earns income in another

DTAA provisions can apply to income from services provided and salary received in India; interest earned on fixed deposits and savings bank accounts held in India; income from house property in India; and capital gains from the transfer of assets in India

If an NRI makes use of DTAA provisions, then tax is payable at a lower rate on the incomes mentioned above

has been a resident of India for at least two out of the 10 past years, and has stayed in India for at least 730 days in the seven immediately preceding years. If either of the above conditions is not met, the person's residential status will be that of an RNOR.

"RNORs and NRIs are taxed alike, with their foreign income being exempt from Indian taxes unless it is derived from a business controlled from India or a profession set up in India," says Ankit Jain, partner, Ved Jain & Associates.

Definition of NRI for tax purposes

If you don't qualify as a resident or as an RNOR, your status is that of a non-resident. "Non-residents are liable for taxes in India only on income received, accrued, or deemed to be received or accrued in India," says Rishab J, advocate, Shivadass & Shivadass Law Chambers.

Residents are taxed in India on their global income, while NRIs are

taxed only on their income that accrues or arises in India. Says S R Patnaik, partner (head-taxation), Cyril Amarchand Mangaldas: "An NRI's salary is taxable in India if the services are rendered or performed in India since it is considered income earned in India. If salary is paid for services rendered outside India, it is assumed to have been earned outside India."

While considering residency for individuals who have spent more than 60 days outside India, most of the tax disputes arise over the nature of work being undertaken.

"While the tax authorities allege that the person has been outside India not for 'employment' but as an investor or promoter, the individual claims that he is, in fact, an employee," says Kishore Kunal, an advocate.

A recent judgement states that "employment" lacks a technical definition, implying that employment abroad includes self-employment or starting a business or profes-

sion overseas.

Resident on temporary foreign assignment

Many multinationals in India send employees overseas, making them liable for taxes in that country. "Before filing an income tax return (ITR) in India, residents must submit Form 67. They can then claim Foreign Tax Credit (FTC) for taxes paid abroad," says Rishab.

Avoiding double taxation

To shield NRIs from double taxation, India has signed a Double Tax Avoidance Agreement (DTAA) with over 80 countries. "DTAA offers protection to those living abroad and having an income in India. DTAA may cover all types of income or only a few specific ones. Both the rules and the tax rates differ from one country to another," says Rajarshi Dasgupta, executive director, Aquilaw.

Non-residents eligible for DTAA can claim its advantages only with a Tax Residency Certificate (TRC) from the tax authority of the country in which they reside.

"Non-residents are required to furnish some additional information in Form 10F electronically," says Suresh Surana, founder, RSM India. Form 10F is a declaration that non-residents need to file in India to provide necessary details to the Indian Income-Tax (I-T) authorities, ensuring that they are eligible for DTAA benefits.

Tax savings for NRIs

NRIs are entitled to certain exemptions and deductions under the old tax regime, but not under the new one. "By investing in specified instruments like NRE (Non-Resident External) accounts, and select mutual funds, NRIs can avail of tax benefits. They can also explore deductions under Section 80C and other sections of the I-T Act," says Jain.

Finally, experts say NRIs' salaries should be structured in such a way that double taxation is avoided. "If double taxation is unavoidable, then maintain proper records to ensure NRIs get tax credit in India," says Patnaik.

SALE NOTICE UNDER IBC, 2016
M/S INDO INTERNATIONAL TOBACCO LIMITED (IN LIQUIDATION)
(formerly known as Snuff Exim Pvt. Ltd.)
CIN: U16000DL2017PLC317682
Regd. Office: Flat No.1321A, 13th Floor, Devika Tower 6, Nehru Place, South Delhi, New Delhi-110019
Email id: cirpindoint@gmail.com; Mob No.: 9818990001

SALE OF CAR through E-AUCTION

In terms of provisions of Insolvency and Bankruptcy Code, 2016 and related Liquidation Regulations made thereunder, notice is hereby given to the public in general for sale of Mercedes Benz E350D Car, by the Liquidator appointed vide Hon'ble NCLT, New Delhi Bench - IV Order dated 14th December, 2023.

Through this Sale Notice EOLs are invited from interested eligible participants to participate in the Bid Auction process of said Car.

Asset is being sold on "AS IS WHERE IS, AS IS WHAT IS, WHATEVER THERE IS AND WITHOUT RECOURSE BASIS".

Details of Assets	Reserve Price (Rs.)	EMD Amount (Rs.)	Incremental Bid Amt. (Rs.)
Mercedes Benz Car, Reg. No. UP16CS7139 Model: E350D Elite Diesel, Km: 57,451 Reg. Date: 17th December, 2020, Color: Grey	43,30,000/-	4,33,000/-	25,000/-

- Last Date for Submission of Expression of Interest: 11th March, 2024, till 5:00 PM
- Date of Inspection of Car: 18th March, 2024
- Submission of Bid: 20th March, 2024
- Date of E-Auction: 23rd March, 2024 at 02:00 PM to 03:00 P.M. (with unlimited extensions of 5 minutes each)
- EOI / Detailed Terms and Conditions: Can be obtained by sending an email to the Liquidator at : cirpindoint@gmail.com
- Contact Details of Liquidator: Email: cirpindoint@gmail.com Correspondence Address: 1413, 14th Floor, Devika Tower, Nehru Place, New Delhi - 110019.
- Mode of Sale and service provider: E-auction through the e-auction platform Auction Tiger https://ncltauction.auctiontiger.net, service provider M/s e-Procurement Technologies Limited

This Sale Notice is subject to Detailed Terms & Conditions which are an integral part of this sale notice, which can be accessed at https://ncltauction.auctiontiger.net or can be obtained by sending an email to the liquidator at cirpindoint@gmail.com.

Sd/-
IP CA Umesh Garg (Liquidator)
Indo International Tobacco Limited
Date : 23/02/2024
Place: New Delhi
IBBI Regn. No.: IBBI/PA-001/IP-PD0135/2017-2018/10277
AFA No.: AA1/10277/02/080524/105715 | Valid till 08.05.2024

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH - I, CHENNAI
CP (CAA) / 4 (CHE) 2024
IN
CA (CAA) / 43 (CHE) 2023
In the matter of Section 230 to 232 of the Companies Act, 2013 ;

Sri Kauvery Medical Care (India) Limited,
[CIN : U85110TN1997PLC039491],
New No. 17A, Old No. 8A, Murray's Gate Road,
Alwarpet, Chennai - 600 018.

... Third Petitioner Company

NOTICE OF PETITION

A Joint Petition under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 for the Scheme of Amalgamation between Kauvery Hospitals (Bengaluru) Private Limited ("First Petitioner Company" / "Transferor Company No. 1"), Kauvery Hospital Medical Services Private Limited ("Second Petitioner Company" / "Transferor Company No. 2") and Sri Kauvery Medical Care (India) Limited ("Third Petitioner Company" / "Transferee Company") and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ("Scheme") was presented by the Third Petitioner Company on January 25, 2024, and the said Company Petition is fixed for hearing before Chennai Bench - I of National Company Law Tribunal on April 4, 2024. Any person desirous of supporting or opposing the said Petition should send to the Petitioner's Advocate, notice of his intention, signed by him or his advocate, with his name and address, so as to reach the Petitioner's Advocate not later than two days before the date fixed for the hearing of the Petition. Where he / she seeks to oppose the Petition, the grounds of opposition or a copy of his / her affidavit shall be furnished with such notice. A copy of the Petition will be furnished by the undersigned to any person requiring the same on payment of the prescribed charges for the same.

Sd/-
M/s. Cyril Amarchand Mangaldas
Advocates for Third Petitioner Company
Regus KRM Plaza, Office No. 824,
South Tower, 8th Floor, No. 2,
Harrington Road, Chetpet, Chennai - 31.

Date : 26-02- 2024
Place : Chennai

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH - I, CHENNAI
CP (CAA) / 4 (CHE) 2024
IN
CA (CAA) / 43 (CHE) 2023
In the matter of Section 230 to 232 of the Companies Act, 2013 ;

Kauvery Hospital Medical Services Private Limited,
[CIN : U85110TZ2010PTC016465],
Sy No. 122/2-A, No. 35, Shanthi Nagar, Opp. To CSI Church,
Denkanikottai Road, Hosur, Krishnagiri - 635 109.

... Second Petitioner Company

NOTICE OF PETITION

A Joint Petition under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 for the Scheme of Amalgamation between Kauvery Hospitals (Bengaluru) Private Limited ("First Petitioner Company" / "Transferor Company No. 1"), Kauvery Hospital Medical Services Private Limited ("Second Petitioner Company" / "Transferor Company No. 2") and Sri Kauvery Medical Care (India) Limited ("Third Petitioner Company" / "Transferee Company") and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ("Scheme") was presented by the Second Petitioner Company on January 25, 2024, and the said Company Petition is fixed for hearing before Chennai Bench - I of National Company Law Tribunal on April 4, 2024. Any person desirous of supporting or opposing the said Petition should send to the Petitioner's Advocate, notice of his intention, signed by him or his advocate, with his name and address, so as to reach the Petitioner's Advocate not later than two days before the date fixed for the hearing of the Petition. Where he / she seeks to oppose the Petition, the grounds of opposition or a copy of his / her affidavit shall be furnished with such notice. A copy of the Petition will be furnished by the undersigned to any person requiring the same on payment of the prescribed charges for the same.

Sd/-
M/s. Cyril Amarchand Mangaldas
Advocates for Second Petitioner Company
Regus KRM Plaza, Office No. 824,
South Tower, 8th Floor, No. 2,
Harrington Road, Chetpet, Chennai - 31.

Date : 26-02- 2024
Place : Chennai

Opinion, Insight Out
Opinion, Monday to Saturday
To book your copy, sms reachbs to 57575 or email order@bsmail.in

Business Standard
Insight Out

VASTU HOUSING FINANCE CORPORATION LTD
Unit 203 & 204, 2nd Floor, "A" Wing, Navbharat Estate, Zakaria Bunder Road, Sewri (West), Mumbai 400015. Maharashtra. CIN No.: U65922MH2005PLC272501

SALE NOTICE FOR SALE OF IMMOVABLE PROPERTIES

E-auction Sale Notice for Sale of Immovable Assets under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 read with proviso to Rule 8 (6) of the Security Interest (Enforcement) Rules, 2002.

Notice is hereby given to the public in general and in particular to the Borrower / Co-Borrower/ Mortgagee (s) that the below described immovable properties mortgaged to the Secured Creditor, the physical possession of which has been taken by the Authorised Officer of Vastu Housing Finance Corporation Limited. The same shall be referred herein after as Vastu Housing Finance Corporation Limited. The Secured Assets will be sold on "As is where is", "As is what is", and "Whatever there is" basis through E-Auction.

It is hereby informed to General public that we are going to conduct public E-Auction through website https://sarfaesi.auctiontiger.net

S N	Account No. and Name of borrower, co-borrower, Mortgagees	Date & Amount as per Demand Notice U/s 13(2) & Date of Physical Possession	Descriptions of the property/Properties	Reserve Price, Earnest Money Deposit (In Rs.)	E-Auction Date and Time, EMD Submission Last Date, Inspection Date
1	HL0000000084180 Abdul Hamid (Borrower), Nazma Begum (Co-Borrower), Mohd Hussain (Co-Borrower)	Demand Notice Date 17-Jan-2023 & Amt Rs. 1613883 as on 5-Jan-2023 + Interest Cost etc. & 14-Apr-2023	Plot Situated at on Part of Arazi no 387 and 389 mauza Naramau Kachhar Kanpur nagar Uttar Pradesh 209217 admeasuring, 125.42 Sq. Mts	Rs. 1561469/- Rs. 156147/-	12-03-2024 Timings 11:00 AM to 4:00 PM., 11-03-2024 up to 5:00 PM., 08-03-2024

1. All Interested participants / bidders are requested to visit the website https://sarfaesi.auctiontiger.net. For details, help, procedure and online training on e-auction, prospective bidders may contact M/S e-Procurement Technologies Pvt. Ltd. (Auctiontiger); Address : Head Office: B-705, Wall Street II, Opp. Orient Club, Near Gujrat College, Ellis Bridge, Ahmedabad - 380 006 Gujrat (India). Contact Person : Mr. Ram Sharma Contact number: 8000023297/9265562818/9265562821/079-6813 6842/6869. email id: ramprasad@auctiontiger.net, support@auctiontiger.net

2. For further details on terms and conditions please visit https://sarfaesi.auctiontiger.net. to take part in e-auction.

THIS IS ALSO A STATUTORY 15 DAYS SALE NOTICE UNDER RULE 8(6) OF SECURITY INTEREST (ENFORCEMENT) RULES,2002

Date : 26.02.2024
Place : Kanpur

Authorised officer
Vastu Housing Finance Corporation Ltd