



Vasudev Mehta

Issue : Whether the "Income from assignment of loans" earned by the Respondent is liable to service tax as consideration for recovery agent services Held : No Brief Facts of the Case : The facts of the case are that M/s. Bandhan Financial Services Private Limited, Kolkata (the 'Respondent herein') is a Non-Banking Financial Company ('NBFC'), inter alia engaged in the micro-financing business in unbanked areas of the country. It is primarily engaged in providing priority sector loans such as loans for agricultural purposes, loans to women entrepreneurs and other MSMEs. As per the industry practice, the portfolio of loan comprising of loans provided to various small borrowers is sold to the banks/ financial institutions (hereinafter referred to as 'the assignee') by entering into assignment agreements, for the purpose of raising funds.....