

# Indian Legal Updates

The purpose of this document is to highlight the key changes introduced in Indian legal era by way of Notifications and Circular in various tax and regulatory laws.

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## Direct Tax Updates

### Clarification regarding 'Amounts not deductible' according to section 40 of Income Tax act 1961

Interest, Royalty, Fees for technical services or other sums payable in India to non-resident (not being a company)/foreign company or payable outside India shall not be allowed as a deduction, if there has been a failure in deduction or payment of tax deducted in respect of such amounts.

## Indirect Tax Updates

### Central Excise and Service Tax Audit norms to be followed by the Audit Commissionerates

Audit Commissionerates have been created with an objective to improve the functional efficiency of audit in the field formations. The uniform norms and frequency prescribed for conducting audits across the Commissionerates do not affect the crucial inputs such as the Assessee base, availability of manpower and the risk indicators for selection of units for conducting audit.

## Foreign Exchange Regulation Updates

### Guidelines for implementation of Countercyclical Capital Buffer (CCB)

The workings of Reserve Bank of India which contains indicators that may be used for CCB decisions, thresholds for activating the buffer, lead time for announcement of buffer etc, the final report for such Implementation is now submitted. All the amended guidelines of CCB are introduced.

### Re-repo in Government Securities Market

It has now been decided to permit the re-repo in government securities, including state development loans and treasury bills.

### Bank's prior approval for change in shareholding

Every Securitization Company/Reconstruction Company (SC / RC) is required to obtain prior approval of the Reserve Bank for any substantial change in its management. For smooth functioning of Securitization Company/Reconstruction companies, it has been decided that, henceforth only the changes in the cases of transfer of shares by which transferee becomes a sponsor and transferor ceases to become a sponsor for the share holding pattern of the Securitization Company/Reconstruction Company will require Reserve Bank's prior approval.

### Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs

NBFCs raise money by issuing capital/debt securities including debentures by way of public issue or private placement. NBFCs shall put in place a Board approved policy for resource planning which, inter-alia, should cover the planning horizon and the periodicity of private placement.

## Media

**Publication: Business Today - 3 -February -15**

[Quote in Business Today on Banks' non-callable, fixed-tenure deposit schemes with high interest rates](#)

### **Non-callable deposit schemes with higher rates soon**

The article talks about Banks' non-callable, fixed-tenure deposit schemes with high interest rates, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

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## About Us

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Core practice areas include International Tax, International Tax Litigation, Dispute Resolution, Transaction Advisory, Auditing and Assurance, Entry Strategy for Foreign Investors, Transfer Pricing Documentation, Debt Syndication, Private Equity, Mergers & Acquisitions and Joint Ventures & Restructuring.

Our key clients include Multinationals, Listed Companies and large domestic corporate houses.

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Several of our partners contribute stories/articles for the media (electronic/ press) on the tax, regulatory matters and Corporate Finance (including latest developments) providing our views as to their impact on business environment in India.

**In case you need any further information/clarifications please contact us:**

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