

Indian Legal Updates

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

9th November, 2014

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Direct Tax Updates

Notification regarding Section 245N of Income tax Act, 1961

The Central Government hereby specifies - a resident, in relation to his tax liability arising out of one or more transactions valuing rupees 100 crore or more in total which has been undertaken or proposed to be undertaken, as an applicant who can apply for obtaining advance ruling.

Indirect Tax Updates: Central Excise

Clarification regarding availment of CENVAT credit after six months

The purpose of the amendment made by Notification No. 21/2014-CE (NT) dated 11.07.2014 is to ensure that after the issue of a document under sub-rule (1) of Rule 9, credit is taken for the first time within six months of the issue of the document. Once this condition is met, the limitation has no further application. It is, therefore, clarified that in each of the three situations described pertaining to Rule 4(7), Rule 3(5B) or Rule 4(5)(a) of CCR, 2004, the limitation of six months would apply when the credit is taken for the first time on an eligible document. It would not apply for taking re-credit of amount reversed, after meeting the conditions prescribed in the rules.

Foreign Exchange Regulation Updates

Routing of funds raised abroad to India

Indian companies are accessing overseas market for debt funds through overseas associated enterprises at rates exceeding the ceiling applicable in terms of extant FEMA regulations and that the funds so raised are routed to the

Indian companies which accounts for sole/major operations of the group.

On a review of the matter in light of the existing regulatory framework, it is clarified as under

1. Indian companies or their banks are not allowed to issue any direct or indirect guarantee or create any contingent liability or offer any security in any form for such borrowings by their overseas associated enterprises except for the purposes explicitly permitted in the relevant Regulations.
2. Further, funds raised abroad by overseas associated enterprises cannot be used in India unless it confirms relevant Regulations.

Parking of ECB proceeds

To provide greater flexibility to the ECB borrowers in structuring draw down of ECB proceeds and utilization of the same for permitted end uses, it has been decided to permit AD Category -I banks to allow eligible ECB borrowers to park ECB proceeds (both under the automatic and approval routes) in term deposits with AD Category- I banks in India for a maximum period of six months pending utilization for permitted end uses.

The facility will be with the following conditions:

1. The applicable guidelines on eligible borrower, recognized lender, average maturity period, all-in-cost, permitted end uses, etc. should be complied with.
2. No charge in any form should be created on such term deposits.
3. Such term deposits should be exclusively in the name of the borrower
4. Such term deposits can be liquidated as and when required.

Note: The amended ECB policy will come into force with immediate effect and is subject to review. All other aspects of ECB policy would remain unchanged.

Media

Media

1. Publication: Money Today - 27-November-14

[Quote in Money Today on 12.36% Service Tax on Remittances made to India](#)

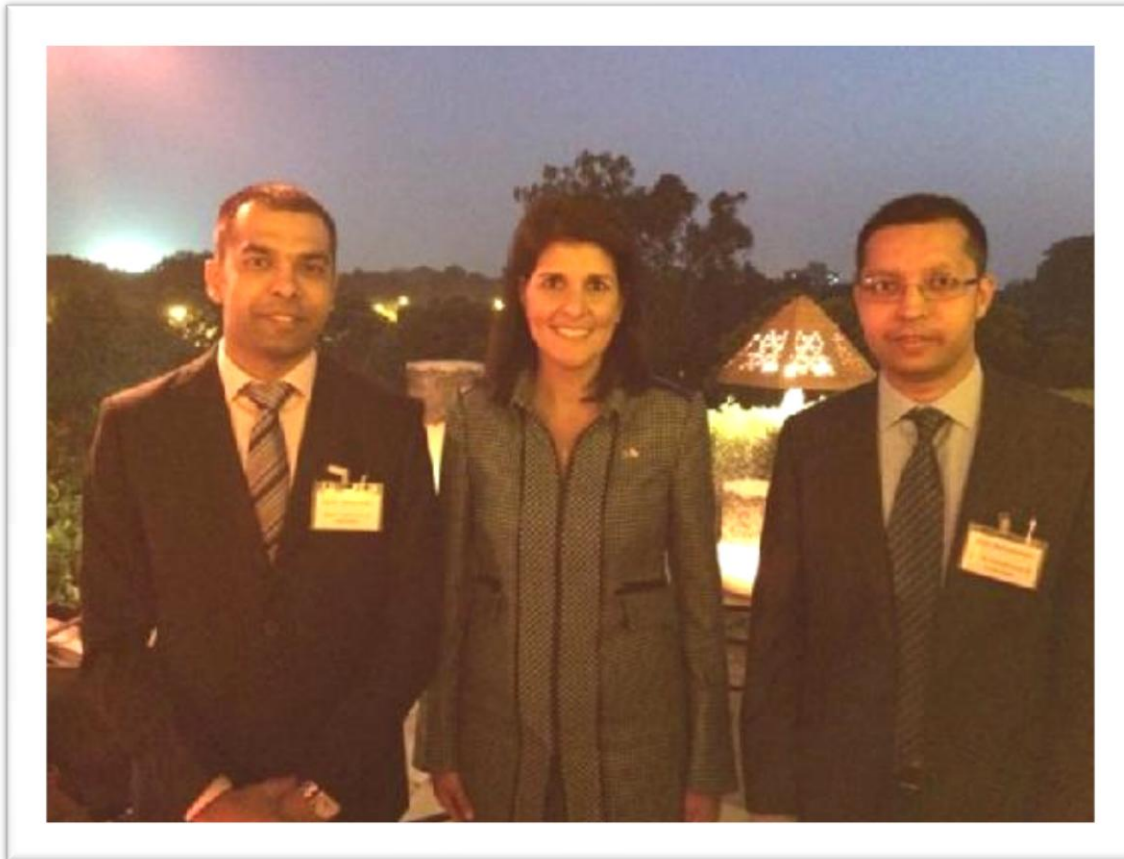
Sending money back home to India gets costlier for NRIs

The article talks about 12.36% Service Tax on Remittances made to India, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

[read more](#)

Events: High Tea with Governor of South Carolina, USA

Amit Maheshwari and Sumit Maheshwari, partners at Ashok Maheshwary & Associates with Nikki Haley, Governor of South Carolina, United States.



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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We believe in constant knowledge expansion and have developed comprehensive Knowledge Management and Continuing Education programs which are conducted both in-house and outside. These programs cover key events, global and national trends as they unfold and examine case studies', debate and analyze emerging legal, regulatory and tax issues.

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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