



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

[Chapter VI-A deduction on enhanced profits](#)

Vide Circular No. 37/2016, the board has accepted that the disallowance u/s 32, 40(a)(ia), 40A(3) and other specific sections results in enhancement of profits of the business eligible for deduction under chapter VI-A. Accordingly, deduction under chapter VI-A is admissible on the profits so enhanced by disallowance.

[Admissibility of expenditure incurred by a firm on keyman insurance policy in case of partner](#)

Vide Circular No. 38/2016, the board has settled that in case of a firm, premium paid by firm on the Keyman Insurance Policy of a partner, to safeguard the firm against disruption of business, is an admissible expenditure u/s 37 of the act.

[Cash deposit compliances \[Income tax \(30th Amendment\) Rules, 2016\]](#)

CBDT had mandated to quote the PAN in case cash deposits with banks or post offices exceeds INR 50,000/- during any one day or INR 250,000/- during the period from 9th November, 2016 to 30th December, 2016.

Further, every bank and post offices shall need to furnish the statement of financial transactions where cash deposits during 9th November, 2016 and 30th December, 2016 aggregates to:

- INR 1,250,000/- in one or more current accounts of a person;
- INR 250,000/- in one or more accounts (other than current account) of a person.

[Period of Holding for Capital Assets declared under the Income Declaration Scheme, 2016](#)

Board has issued Notification NO. 108/2016 to amend Rule 8AA to state that:

- Period of holding shall be calculated from the date on which such property was acquired if the date of acquisition is evidenced by a registered deed; and
- In any other case, the date of acquisition shall be 1st day of June, 2016.

Indirect Tax Updates

[Exemption of Excise Duty for point of sale devices and goods required to manufacture them](#)

CBEC vide a notification have exempted the manufacturing of Point of Sale devices and all other goods for manufacturing of Point of Sale devices from levy of Excise Duty.

[Service tax Exemption withdrawn for online information and database access services](#)

CBEC has withdrawn the exemption from service tax for online information & database access services provided by a person in non-taxable territory to government, local authority, government authority or an

individual in relation to any purpose other than commerce, industry or any other business or profession located in taxable territory.

tax shall be charged to above mentioned services.

[Taxability of online information and database access services](#)

CBEC vide this notification has notified the procedure and manner in which the service

Media

1. Publication: The Business Standard – November 26, 2016

[Quote in The Business Standard on unaccounted deposits that might attract 50% tax](#)

The article talks about the black money deposited to bank account that would be taxed @ 50% and a quarter of the portion of the unaccounted income would remain with the government for four years, as per amendments planned to the Income Tax Act by the Centre, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

[read more](#)

2. Publication: NDTV Profit – November 24, 2016

[Quote in The NDTV Profit on Depositing Someone Else's Money In Your Bank Account?](#)

The article talks about the warning that comes in the wake of reports that some people are "renting" someone else's bank accounts to deposit their banned notes for dodging tax authorities, with a quote by Mr. Sandeep Sehgal, Tax Director, Ashok Maheshwary & Associates LLP.

[read more](#)

3. Publication: Live mint – November 24, 2016

[Quote in the The Live mint on New income tax rules to curb unaccounted cash](#)

The article talks about CBDT's instruction to banks and post offices to file a report by 31 January 2017, on high-value deposits made between 9 November and 30 December, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

[read more](#)

4. Publication: The Economic Times – November 21, 2016

[Quote in The Economic Times on China trade that takes a hit as hawala channels are caught in currency crunch](#)

The article talks about China trade that takes a hit as hawala channels are caught in currency crunch due to demonetisation, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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5. Publication: The Business Standard – November 21, 2016

[Quote in The Business Standard on time to make compliance better](#)

The article talks about how Small businesses, self-employed professionals have to gear up for higher scrutiny of their income, expenses, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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6. Publication: The Business Standard – November 21, 2016

[Quote in The Business Standard on deposits above Rs 2.5 lakh](#)

The article talks about how a diligent taxpayer who can account for his deposits doesn't need to worry in case he receives income tax notice after depositing more than 2.5 lacs, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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7. Publication: The Indian Express – November 16, 2016

[Quote in The Indian Express on amendment in laws to impose 200% penalty on income mismatch](#)

The article talks about Government's plan to amend laws to impose 200 per cent penalty on income mismatch, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

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8. Publication: The Economic Times – November 15, 2016

[Quote in The Economic Times on Cash flows from treasure chest to treasury after demonetisation](#)

The article talks about how Centre and state governments could book a big tax bonanza from demonetisation as many people are likely to deposit their excess cash as income for the current year and pay 30 per cent tax on the amount, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates LLP.

[read more](#)

9. Publication: The NDTV Profit – November 13, 2016

[Quote in in The NDTV Profit on SMS alerts on salary TDS deductions](#)

The article talks about SMS alerts from the Income Tax Department regarding their quarterly TDS deductions, with a quote by Mr. Sandeep Sehgal, Tax Director, Ashok Maheshwary & Associates LLP.

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About Us

[Ashok Maheshwary & Associates LLP](#) is an accounting firm in India with International presence. Our core practice areas include: Corporate Finance, Joint Ventures & Restructuring, International Tax, Dispute Resolution, Transaction Advisory, Mergers & Acquisitions, Entry Strategy for Foreign Investors and Transfer Pricing study & documentation.

Quick Look

1. Headquartered in Gurgaon, New Delhi, Mumbai, Pune, Bangalore and Singapore and a well spun net of local and international associates. Over **35 years** of experience across varied industries.
2. Specialize in **advising clients** on complex transaction from a **legal, tax and regulatory perspective** integrated with industry expertise.
3. **Close association** with a number of renowned **Accounting** and **Auditing** firms (which are part of top 100 CPA Firms) in the US to develop, support and facilitate US-India bilateral business opportunities– both for Indian businesses entering the US market as well as US businesses establishing a business presence in India.
4. **Member** of reputed international alliances, [Leading Edge Alliance](#), the second largest global association of accounting firms in the world(#9 in worldwide ranking of networks, associations and alliances), [TPA Global](#) Group, an independent and specialist provider of expert transfer pricing, tax valuation and customs services to provide transfer pricing and valuation services to their clients globally.
5. **Secondment** agreement in place with [TMI Associates](#) (the fifth-largest law firm in Japan) to make inroads in the **Japanese market**.
6. Ranked as a [Tier 3 firm](#) in India in **World Tax Guide 2017**, International Tax Review's directory to the leading tax advisory practices, including law firms, around the world.
7. Ranked as a [Tier 2 firm](#) for **Transfer Pricing** services in India in **World Transfer Pricing Guide 2017**. Published by International Tax Review, World Transfer Pricing Guide is the comprehensive guide to the world's leading Transfer Pricing firms in each jurisdiction.
8. **Nominated** by International Tax review for [Asia Tax Award 2016](#) in “**National Transfer Pricing Firm**” and “**Best Newcomer Asia**” categories.

9. **Clients include Fortune 1000, Fortune 500 companies, Listed Multinationals, Listed Companies, exciting startups and Large domestic corporate houses.**

Initiatives

The partners in the firm contribute stories/articles for the media (electronic/ press like Worldwide Tax by TaxAnalysts.com of the US, The Economic Times, Live Mint & The Wall Street Journal, The Financial Express, Press Trust of India, CCH, etc) on the International tax and Transfer Pricing matters (including latest developments) providing their views as to their impact on business environment in India.

Amit Maheshwari, managing partner at Ashok Maheshwary & Associates LLP has written a book titled "Expatriate Taxation - Decoding the Complexity" published by Wolters Kluwer (CCH) and currently in its second edition. The partners are now authoring all transfer pricing judgment summaries for CCH in their portal Direct tax online.

His second book, titled "India Transfer Pricing Manual" has been published by Lexis Nexis, one of the largest publishers in the legal arena in the world. The book aims to provide additional content and depth on Indian transfer pricing landscape that shapes many large MNCs. His latest book titled "NRI Regulations – Decoding the complexity" which focuses on Indian legislative requirements applicable to NRIs has been published again by Wolters Kluwer (CCH).

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

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