

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.

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Direct Tax Updates

[Inclusion of Malta under DTAA](#)

The Central Government notifies that all the provisions of the agreement between the Government of Republic of India and Government of Malta for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income shall be given effect from 1st April, 2015.

[Inclusion of Fiji under DTAA](#)

The Central Government notifies that all the provisions of the agreement between the Government of Republic of India and Government of Republic of Fiji for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income shall be given effect to in Union of India.

Indirect Tax Updates: Custom

[6% p.a. rate of interest for the Section 129EE of the Customs Act, 1962](#)

The Central Government hereby fixes the rate of interest at six percent per annum for the purpose of section 129EE of the Customs Act, 1962.

Indirect Tax Updates: Excise

[6% P.A. rate of interest for the Section 35FF of the Central Excise Act, 1944](#)

The Central Government hereby fixes the rate of interest at six percent per annum for the purpose of section 35FF of the Central Excise Act, 1944.

Indirect Tax Updates: Service Tax

[Amendment in Service tax Rules 1994](#)

The Central Government amends Service tax Rules 1994 by bringing Service tax(Second Amendment) Rules,2014. New Rules 11 and 12 have been inserted.

Rule 11: Determination of rate of exchange
Rule 12: Power to issue supplementary instructions

Reserve Bank of India Updates

[Constitution of Special Investigating Team](#)

The Government of India has constituted a Special Investigation Team (SIT).
All NBFCs are advised to ensure that information/documents required by the SIT are made available as and when required.

[Maintenance of Statutory Liquidity Ratio](#)

Statutory Liquidity Ratio (SLR) of Scheduled Commercial Banks and Local Area Banks has been reduced from 22.5 per cent of the Net Demand and Time Liabilities (NDTL) to 22.0 per cent with effect from the fortnight beginning August 09, 2014.

[Liberalised Remittance Scheme for resident individuals](#)

The Liberalised Remittance Scheme now can also be used for acquisition of immovable property outside India.

[Relaxation to Trade and Industry in the State of Jammu & Kashmir](#)

The concessions / credit relaxations to borrowers / customers in the State of Jammu & Kashmir will continue to be operative up to March 31, 2016.

[NBFCs - Lending against Shares](#)

NBFCs lending against collateral of shares are required to:

- i. Maintain an Loan to Value (LTV) ratio of 50% and
- ii. Accept only Group 1 securities as collateral for loans of value more than Rs.5 lakh, subject to review by the Bank.

All NBFCs with asset size of Rs.100 crore and above shall report on-line to stock exchanges, information on the shares pledged in their favour, by borrowers for availing loans.

[Amendment to Public Provident Fund Scheme, 1968](#)

The Government of India has enhanced the individual subscription limit under the Public Provident Fund (PPF) Scheme, 1968, from existing Rs.1,00,000 to Rs.1,50,000 in a financial year.

Foreign Exchange Regulation Updates

[Refinancing of ECB](#)

To simplify the procedure, AD Category – I banks have been delegated a power to approve cases where the Average Maturity Period (AMP) of the fresh ECB is exceeding the residual maturity of the existing ECB under the automatic route subject to some conditions.

Media

Media

1. Publication: Tax Analysts - 29- August - 14

[Quote in Tax Analysts on Investigation by India on Inflated Pricing in Third-Party Transfers](#)

India Investigating Inflated Pricing in Third-Party Transfers

The article talks India's Central Bureau of Investigation's information to the secretaries of banking and revenue departments that the agency is investigation third-party transfers that illegally reroute income abroad through foreign shell companies, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

[read more](#)

2. Publication: The Hindu Business Line - 29- August - 14

[Quote in The Hindu Business Line on CBDT's high-level committee to look at retrospective tax cases](#)

CBDT sets up high-level committee to look at retrospective tax cases

The article talks about CBDT's high-level committee to look at retrospective tax cases, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

[read more](#)

3. Publication: International Tax Review – 22-August-14

[Quote in International Tax Review on extension of tax audit report date](#)

Indian taxpayers get more time to file tax audit reports

The article talks about CBDT's announcement on extension of tax audit report date, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

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4. Publication: Tax Analysts – 20-August-14

[Quote in Tax Analysts on Cairn Energy talks with India to settle tax](#)

Cairn Energy in Talks With India to Settle Tax Dispute

The article talks about Cairn Energy's talks with India to settle tax, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

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5. Publication: Business Today - 19-August-14

[Quote in Business Today on increase in the remittance limit by the Reserve Bank of India](#)

Remittance Limit Increased

The article talks about increase in the remittance limit by the Reserve Bank of India, with a quote by Mr. Amit Maheshwari, Partner, Ashok Maheshwary & Associates.

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About Us

Ashok Maheshwary & Associates is an international accounting firm with offices in Gurgaon, New Delhi and Mumbai. We specialize in advising our clients on complex transaction from a legal, tax and regulatory perspective integrated with industry expertise. We are a full service accounting firm with the ability to assist our client's right from devising strategies to enter in the Indian market to managing their compliances and supporting them in complex tax litigation.

Our Financial Advisory firm, [Financial Pundits LLP](#) has inter-alia, been into large and complex Debt Syndication, Trade Finance, Private Equity Advisory, Merger & Acquisitions, Financial Restructuring Deals. We also assist our clients in making a road map for potential fund raising via IPO and Private Placements.

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.

To further enhance our global servicing capabilities, we have become an independent member of [Leading Edge Alliance](#), the second largest global association of accounting firms in the world (#11 in worldwide ranking of networks, associations and alliances). LEA Global firms operate from more than 450 offices in 100 countries, giving clients of LEA Global firms access to the knowledge, skills and experience of more than 1,600 partners and 23,518 staff members. LEA Global firms' combined annual revenue totals more than USD 2.6 billion.

Recently, [TPA Global Group](#) has made our firm, Ashok Maheshwary & Associates, an alliance partner. TPA Global is an independent and specialist provider of expert transfer pricing, tax valuation and customs services, headquartered in Amsterdam. TPA Global through its own offices has coverage in over 50 countries around the world. TPA Global has also been recognized as one of the leading transfer pricing firms in Asia and Europe in the prestigious International Tax Review survey. TPA Global's expert services in the Transfer Pricing domain will help us in providing high quality transfer pricing and valuation advice to our clients all across the globe.

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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