

# OFFSHORE ACCOUNTING AND TAXATION SERVICES PVT. LTD. (OATS)

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PARTNER



## OATS Newsletter

*February 2011*

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# Recent developments in indirect taxes

- Central Board of Excise and Customs had issued instructions enforcing penalties in case of non filing of returns within due dates.
- Central Board had issued instructions in cases where full, unconditional exemption is available to manufacturer, he cannot opt-in and pay duty, in the event duty is paid, it may not be termed as payment of excise duty and credit to the manufacturer on raw-material and purchase of finished goods will not be allowed.
- Hon. Tribunal in the case of case of Jai Corp has held that CENVAT credit on input services is allowed only in cases where nexus is established.
- Hon. Tribunal in the case of Godrej has held that short payment of duty is default and provisions of Rule 8 are applicable for it.
- Hon. Tribunal in the case of Pricot has held that valuation of goods consumed captively is to be made on the basis of cost plus ten percent and the cost is to be arrived as per CAS 4.
- Hon. High Court has held that merely department acquired knowledge does not mean that department is informed and extended period is not applicable.
- In the case of Team SS, Tribunal has held that reimbursement of expenses are includable in value of taxable services

# Matters requiring attention of Board of Directors this quarter.

This is the last quarter of financial year 2010-11. In this quarter, Board of Directors should consider following matters—

- Review of business.
- Planning for last calendar quarter.
- Any revision in the salary of the Directors.
- Noting the related party transactions, if any.
- Matter related to salary to any relative of Directors.
- Whether to increase the authorized capital for fresh allotment of shares before the closure of the financial year against application money pending for allotment.
- Whatever changes will be made in the capital structure, salary structure etc., during this quarter will be reflected in the Balance Sheet as on 31<sup>st</sup> March, 2011.

To avoid any penalties for late filing with Registrar of Companies, Board should meet and take decisions on above matters during February and March.

# Contact details

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