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

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Monthly Newsletter

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Corporate Laws

Some recent developments



Increase in limit of Paid up Capital for compulsory appointment of Company secretary

- With effect from 15 March 2009, the limit has been enhanced from Rs 20 million to Rs 50 million.
- Consequently, companies having share capital between Rs 1 million to Rs 50 million need to obtain secretarial compliance report from a company secretary in practice.
- Source: G.S.R. 11 (E), dated 5-1-2009

Downstream investments

- Ministry of Commerce and Industry, department of Industrial Promotion and Policy in its recent press releases (Press Note Numbers 2, 3 and 4 of 2009) has announced the policy regarding downstream investment.
- The indirect investment can be a cascading investment i.e. through multi-layered structure also
- The press notes contain detailed guidelines about downstream investment.

March 2009 Board Meeting: some key items which need to be covered-

- Allotment of shares against share application money pending allotment before the financial year end.
- Submission of general notice of disclosure by the directors under section 299 of the Companies Act.
- Any salary revision of the directors for the current financial year to be noted.

Indirect Taxes- some recent changes



a) Changes introduced by economic stimulus package:

- Excise Duty rates where ever 10% was reduced to 8% effective from 24.02.2009
- Service Tax rates are also changed to 10% from 12% across the board. (Notification No. 08/2009 ST dated 24.02.2009)
 - High Court of Gujarat in the case of CCE, Vadodara – II Vs. Schott Glass India Pvt. Limited has held that *“Taxable event is rendering of taxable service, not raising of invoice or payment”*

b) Central Board of excise & Customs issued Circular No. 111/05/2009 ST dated 24.02.2009 in connection with Applicability of the provisions of the Export of Services Rules, 2005 in various situations

c) SEZ rules have undergone a change with effect from 10.2.2009.

Direct Taxes: Some key things to do in March 2009



Payment of last instalment of advance tax by 15 March 2009

- The last instalment of Advance Tax is due on 15th March 2009
- Fringe benefits tax also needs to be paid by that date

Tax Deduction at Source

- As per provisions of Section 40(a) (i) of Income Tax, the tax deducted at source from the payment pertaining to the period 1st April 2008 to 28th Feb 2009 should be paid before 31st March 2009.
- If this tax deducted at source is not paid before 31st March 2009, then entire amount of such payment will be disallowed.

Investments for tax saving-

- The last date for making investments for savings of Income Tax by an individual is 31st March 2009.
- Some examples of such investments are Public Provident Fund, Life Insurance Premium, National Savings certificate, Investments in specified scheme of Bank Fixed Deposits etc.

SaaS and Outsourcing



- SaaS “Software as a Service” complements business process outsourcing and provides the following benefits to the customers:
 - Cost reduction
 - No hassles of buying and maintaining servers and data backups
 - Software upgrades and enhancements are taken care by the SaaS provider in the monthly subscription.
- Many of our customers have opted for SaaS model for their accounting software requirements.
- We have partnered with accountsIQ to provide SaaS accounting software to customers.
- Please visit www.accountsiq.com for further information.

Contact details



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