

FSIA E-circular dt July 29, 2012

Faridabad Small Industries Association

The face of Modern Indian MSMEs

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Rajive Chawla
President, FSIA

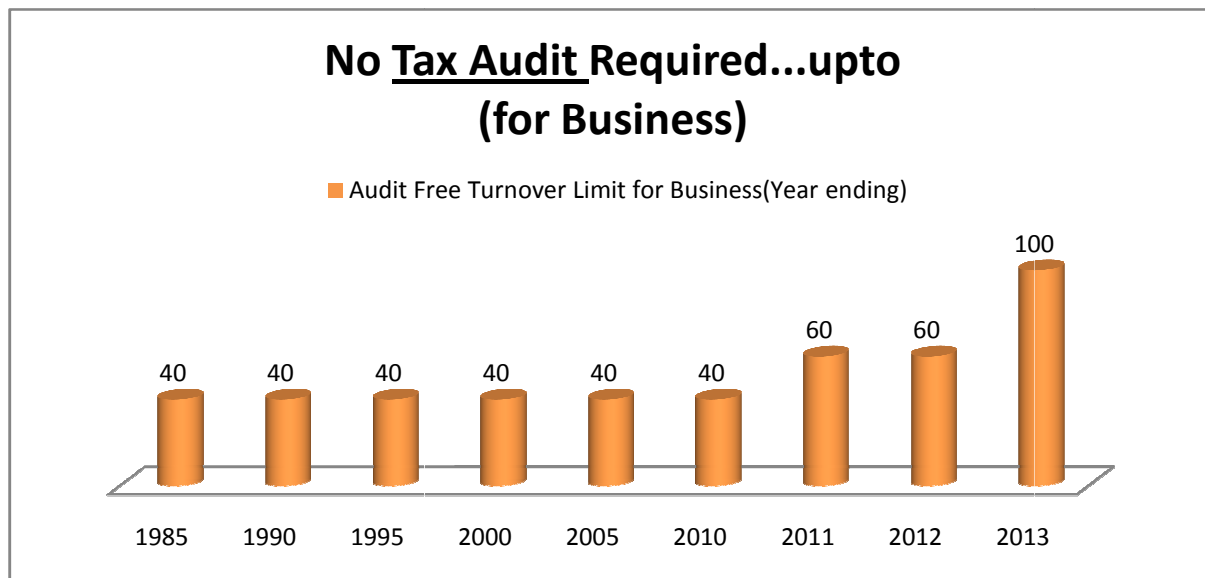


Sangeet Kr Gupta
Hon. Consultant, FSIA

Dear FSIA Members,

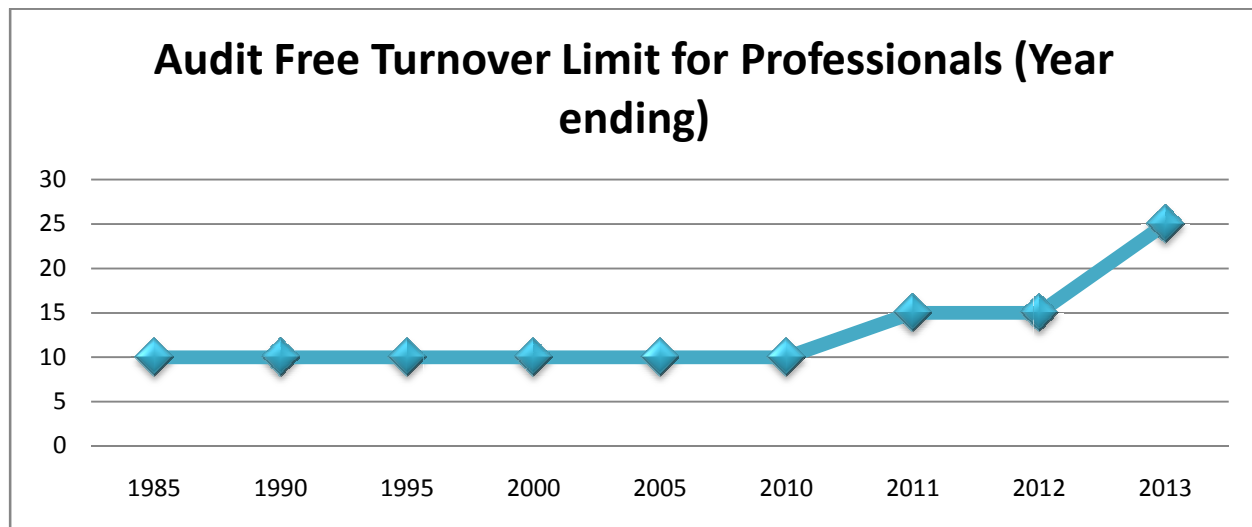
Tax audit Limit for Audit is now Rs 1 crores

Hi, the MICRO and SME companies. The Tax Audit Limit has been increased again. That is good news to small companies, and small businesses.



From 1984 to 2010 (26 years), it was stationery at 40 lakhs. 2 years ago, it was jacked by 50% And this time again. So, it is 250% up from what it was just 2 ½ years ago.

Congrats to Micro Businesses !!



Similarly, for the small Professional Firms, the limit is a big Rs 25 lakhs

But, at the same time, let us remember that getting your accounts audited is good for you. You get a lot of good suggestions and advice for better running of businesses. So, if you desire that, you must continue the audits.

Next

Small businesses – Deemed Profit provision (Section 44AD), increased limits to Rs. 100 lakhs

1. Turnover less than Rs. 100 Lakhs → NOW, Pay Tax on just the Deemed Profit @ 8% of Turnover only
2. **What ?**
 - a. Earlier this scheme only for the Retail sector / Construction sector.
 - b. Now for all sectors , all businesses (except a small exception)

Case	Turnover	Effect
A	Less than Rs 100 Lakhs	Deemed income just 8% of the turnover. Pay tax on this.
B	Over Rs. 100 lakhs	Normal laws and normal rates.

Your taxes are getting “cut”



3. FSIA point

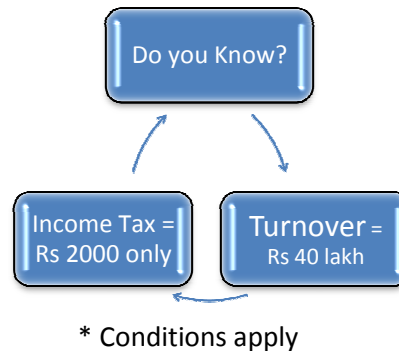
- a. For the real small entrepreneurs and beginners, the government has made things really liberal.
- Just say that you are a small business.
 - Compute “Deemed income” at just 8% of the turnover.
 - Pay tax on this.
 - Take 80C relief / 80 D / 80 CCF as per law.
 - Take partners salary , partners interest on capital relief too
 - No accounts required
 - No audit required
 - No accountant required
- ii. Good
- iii. But, do the FSIA want to be limited to this Rs. 100 Lakhs p.a. now ? NO.
- We want to grow.
 - So, we at FSIA editorial board will relish if our every member unit of our Association and the Associate Industrial Associations , becomes big and remains big. Come on ! Grow and raise larger targets
 - Meanwhile for the smaller units, this is a good welcome measure.
- b. What does this amount to ?



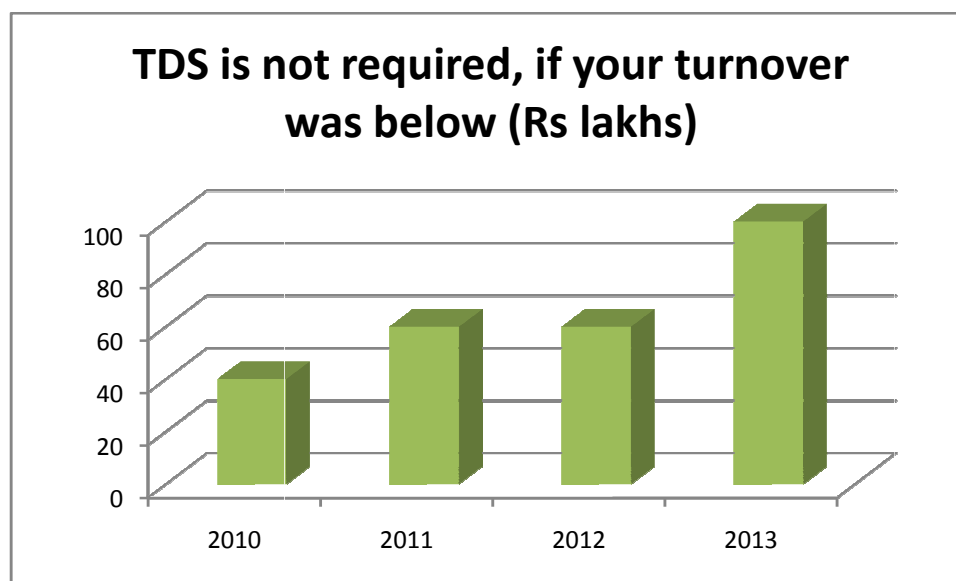
Particulars	Case 1 = with 80C savings	Case 2 = Sale of 80 lakh	Case 3 = Sale of 60 lakh	Case 4 = Sale of 36 lakh
Suppose, your Turnover	10,000,000	8,000,000	6,000,000	4,000,000
The Deemed income =8% is	800,000	640,000	480,000	320,000
Less LIC, PPF etc savings	100,000	100,000	100,000	100,000
Net income	700,000	540,000	380,000	220,000
Tax due on above	70,000	38,000	18,000	2,000
Effective Tax as % of Sales	0.70%	0.48%	0.30%	0.05%
Tax per month	5,833	3,167	1,500	167

Astonishingly low
Just pay Rs. 800 per year, and enjoy *

So, that is the tax that you have to pay
And you can further reduce this by going for Medclaim etc
Moreover no Advance tax is payable.
You get credit of TDS also (if any)
(*conditions apply)



Compulsory TDS Limit also relaxed for proprietors



Note : This is again a Bonanza for micro and SME's.

So, if you are a proprietor/HUF, and your Turnover in Last year was below 100 Lakhs, no need of TDS for your contractors/professionals/Rent etc.(w.e.f. AY 2014-15)

FSIA Fees, soft reminder to pay your subscription

Bills released in July 2012. You must have received them

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Service tax – Negative List concept has been “made effective”

w.e.f. 1st July 2012

Detailed circular will follow

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Good News, your FSIA consultant, Mr Sangeet Kr Gupta, has been ranked No-1 in India

this was an academic exam, “DISA” = Diploma in Information Systems Audit, conducted by the CA institute.



The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)

ISA MERIT LIST

MERIT					
ROLLNO	NAME	MNO	ISANO	MARKSSCALED	RANK
1896	GUPTA SANGEET KUMAR	95323	33299	188	1
2140	JYOTI JAIN	406990	33296	184	2
1137	ANKIT VISHNU AGRAWAL	141619	33382	183	3

Congratulations, It was a proud moment to know that our FSIA is ahead of the world in one more way. Congratulations to Mr Sangeet Gupta and the whole FSIA

Income Tax Returns – Salaried and all non-Audit cases

Last date : 31st July 2012

So, if it is still pending, get it done

Advance Tax instalments

Did you forget it in June ?

Good idea : Make a EMI – start paying in monthly instalments

ROC Form 23B (Auditors appointment)

Made compulsory from this year. Last date lapsed on 22.7.2012

Two weeks extended.

If not done, do it NOW !!

For queries, suggestions and feedback , you can e-mail us

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Advt



A good Oracle based ERP package, developed for the SME industry. With 162 Corporate installations, across India, from Mumbai, Pithampur, Delhi, Noida, Gzbd, Faridabad, Gurgaon, Baddi, Karnal, Bawal, Dharuhera, Tapukhera, Rudrapur, Sitarganj, Behror, Alwar, Jaipur, Lucknow, Haridwar and so on.

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