

## E-circular dt 7-8-2006



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**Income Tax Department**  
Department of Revenue, Ministry of Finance, Government of India

Hi Friends,

The Govt has just released the new Income Tax forms Form no 1, 2 and 3. We are enclosing the forms, along with the good and not so good points about the same.

the new return [Form No.1](#) (for corporate tax payers),  
the new return [Form No.2](#) (for non-corporate tax payers having business income),  
the new return [Form No.3](#) (for non-corporate tax payers not having business income)  
the new return [and Form No.3B](#) (for fringe benefits)

### **Q no 2 : Effective from ?**

Answer : This Form is applicable with immediate effect. Old forms 1,2, and 3 have been scrapped and Govt has asked everybody to fill in the new forms only.  
And for ease, that is why, the last date for all business assessee's has been extended to 31<sup>st</sup> October 2006

### **Q no 3 : What's new in this ? ( Form no 1, 2, & 3)**

The salient features of the new form are-

- (i) It has been expanded to between 17 to 26( twenty-six) pages so that there is sufficient space to fill in the details. ( **Wow, so ... more time to fill it ... .. and more pages to be photocopied ... )**
- (ii) No annexures are required to be attached with this Return form. If enclosed, same shall be returned by the official receiving the return.

- a. ( Great news, no Balance Sheet to be attached, no Audit Report, no Sales tax and bonus proofs, not even proof of LIC, PPF, Bonds, Mediclaim are to be photocopied and submitted ....
- b. But this also means, that Govt is believing you fully.
- c. They are not asking for even the Advance Tax proofs or the Form16A ( TDS on professional , TDS-jobwork payments, TDS-rents etc)
- d. We need to fill up everything in the return form. ( electronic software and/or manual )
- e. They will crosscheck from their own master all-india database.

#### **Q no 4 : What's Form 3B = the FBT return ?**

Just for information, The Form No. 1 and Form No. 2 are combined return of income and fringe benefits. However, a separate return for fringe benefits (Form No. 3B) has also been notified for tax payers who have already filed their income tax return or choose to file their income tax return in Form No. 2D or who are liable to furnish the return of fringe benefits only.

#### **Q no 5 : What's E-filing ?**

Just like the E-TDS, and E-ROC work, the govt is now shifting the Income tax work also on-line , slowly.

The Government proposes to encourage the income tax returns filing also on-line.

#### **Form no 1 ( companies )**

- The new return **Form No.1**, applicable to corporate taxpayers, is required to be compulsorily filed electronically.
- If the return is digitally signed, electronic transmission is sufficient and it would not be necessary to file the paper return.
- However, if the corporate return is not digitally signed, it will be necessary to file the return by following a two step procedure. First, the return and the schedules thereto must be transmitted electronically (without digital signature) to web-site <http://www.incometaxindiaefiling.gov.in>. The acknowledgement number and the date of electronic transmission issued by the Income-tax Department should be entered in the certificate below the verification of the return and, thereafter, the paper return should be filed with the Income-tax Department.

#### **Form no 2, 3 and 3B ( companies )**

- The new return Form Nos. 2, 3 and 3B can also be filed in the same manner as corporate tax returns. However, it is optional for the taxpayer to file the return electronically.

#### **Notes to FSIA members**

Most of you must already be having the Digital signatures ( whether in form of USB pendrive) or in form of a CD. Loaded in your computer. So, no worries. If you do not have ( ..... please get yourself issued the same ) ... these are 100% compulsory for ROC work also.

**Now, We at F.S.I.A., first analyse form no 1 ( for Private Limited / Ltd companies**

1

**First 3 pages**

**PART-A  
GENERAL**

1. PERMANENT ACCOUNT NUMBER (PAN)
2. NAME
3. Date of incorporation (DD-MM-YYYY)

**And so on, these 2 pages are introduction of company and directors**

**Page no 4 : onwards, are the synopsis of the balance sheet, P & L Account and so on**

1. Sources of funds		
(a) Shareholder's funds:		
(i) Capital	9001	<input type="text"/>
(ii) Reserve and surplus	9005	<input type="text"/>
(b) Loan funds:		
(i) Secured loans	9010	<input type="text"/>
(ii) Unsecured loans	9015	<input type="text"/>
Total: [a(i) + a(ii) + b(i) + b(ii)]	9020	<input type="text"/>
2. Application of funds		
(a) Fixed assets:		
(i) Gross: block	9025	<input type="text"/>
(ii) Depreciation	9030	<input type="text"/>
(iii) Capital work-in-progress	9035	<input type="text"/>

**Yes, they are based ditto on the schedule VI requirements of the Companies Act, → this is the structure of the Balance Sheet, that your Chartered accountants prepare for you every year.**

**What is the difference ?**

Now, you have to fill up all these pages, each colm, in this way.

**Page no 6 : onwards, are the details of the 3CD – tax audit report by your CA.**

9. Amounts not credited to the profit and loss account, being -		
(a) the items falling within the scope of section 28;	9650	<input type="text"/>
(b) the proforma credits, drawbacks, refunds of duty of customs or excise, or refunds of sales tax, where such credits, drawbacks or refunds are admitted as due by the authorities	9655	<input type="text"/>



		(ii) 10%									
		(iii) 100%									
2.	Furniture and fittings	(i) 10%									
		(ii) 15%									

**AND SO ON**

**EVEN THE DEPRECIATION CHART has to be filled into the return. In all details .**

**Page 12 to 19 are the balance schedules,**

which you or your Accounts Department have to fill in patiently and with full courage and determination.

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


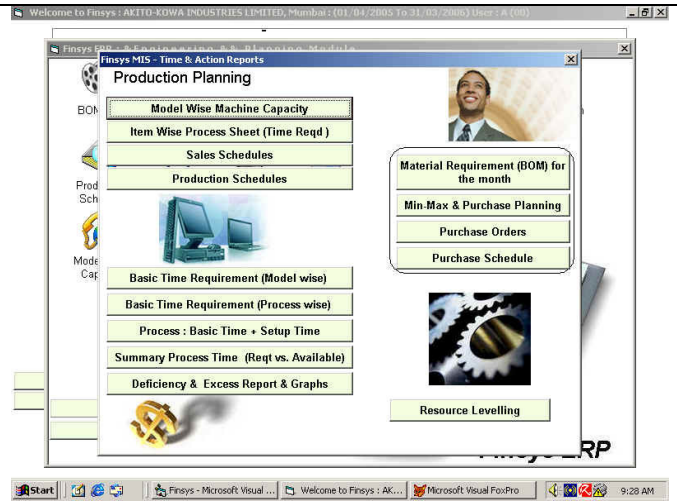
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**Notes & disclaimer**

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Advt.

	<p><b><u>This is an ERP,</u></b> which helps you to Control your Product Engineering &amp; B.O.M. Purchase Management Stores Management ( Inwards-Outwards) Production Sales Management : - Pre-Sales ... to..Order..to Delivery, to Bar Coding Financial Book Keeping &amp; Balance Sheets Excise , Sales Tax , VAT Special purpose M.I.S.Reports for Directors Payroll &amp; HR Management</p>
	<ol style="list-style-type: none"><li>1. Can this ERP control the PPM Part-per-million Rejections, in case of production and QA/QC. ?</li><li>2. Can this ERP manage the Machine wise Production Planning ?</li><li>3. Can Finsys even control multi stage B.O.M. ? for detailed assembly Operations ?</li><li>4. Can I used this to control my factory in Palwal , Uttaranchal and Manesar ?</li></ol> <p><b><u>Answers to all these is Yes.</u></b></p>

Some Screens from the Finsys ERP – an Ideal ERP for the SME and Mid-Corporate Industry.

For business queries for Finsys ERP, please contact,  
Mr Puneet 93500-18744 / Mr Khanna – 9350081017

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 (MANESAR PLANT)  
 PLOT NO 112 SECTOR-3,MANESAR,GURGAON, HARYANA

For The Period : **01/04/2006 To 31/03/2007**

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<b>40.00%</b>
<b>Poor</b>

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 -  
 Attn: Mr.M.K. Malik

Sno	Item Name	Tot Delv	Group I		Group II		Group III		No. of Grps.
			NCMR's	Late Delv	Wrong Product	Wrong Docu.	Packing Prob.	Wrong Label	
1	GEAR 4936-219(901)	1	0	-	-	-	-	-	0
2	GEAR 4936-246-0 (926)	2	0	-	-	-	-	-	0
3	GEAR 1238 (923)	2	0	-	-	-	-	-	0
4	GEAR 4910-073(925)	1	0	-	-	-	-	-	0
5	GEAR 4910075(913)	15	8	1	1	1	-	-	2
6	GEAR 4936-219(901)	6	5	-	-	-	1	-	1
7	GEAR 4936-257(912)	19	13	-	-	-	-	2	1
8	GEAR 4936-247-0 (908)	7	5	-	-	-	-	-	1
9	GEAR 4936-256 (911)	20	11	-	-	-	-	-	1
10	GEAR 0.013.0270.0 (924)	1	0	-	-	-	-	1	1