

E-circular dt 9-8-2006



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Faridabad Small Industries Association,
the largest SME body in Haryana

Hi Members,

Here are the Answers to the Questions, sent by some of the member units in FSIA and representatives. The answers are being circulated, so that others can take benefit too.

Question : We are finalizing the Balance Sheets for 31.3.2006, what are the precautions keeping in mind the new Form no 1 (the new income tax form, issued by the Income tax dept ?

Mr Ramesh C. Shah, HSIDC, Sector-59, Faridabad

Answer

- Yes, there are very important changes. As already advised in the last circular, you have to file the Income Tax returns in a new format. (and for companies it has to be electronically, by e-filing)
- And this format specifies the heads of accounts that your P & L Account must have. These are as follows :
- [[the following is the ditto wording of the page 4 of the new income tax form – row no 7 to 28]]

7. Freight
8. Consumption of stores and spare parts
9. Power and fuel
10. Rents
11. Repairs to building
12. Repairs to machinery
13. Salaries, wages and bonus

14. Workmen and staff welfare expenses
15. Insurance
16. Rates and taxes excluding taxes on income
17. Bad debts
18. Provision for bad and doubtful debts
19. Interest
20. Sales promotion including publicity (other than advertisement)
21. Advertisement
22. Commission
23. Travelling expenses including foreign travelling
24. Other / Miscellaneous expenses
25. Contribution to Provident Fund and other funds
26. Other provisions
27. Depreciation
28. Total [(5) to (27)]

So, notes for the FSIA members :

- Now, you do not have the liberties, like dividing freight into freight inward and outward, clubbing consumables into Purchases, having an account of repairs of computers , internet expenses, interest on unsecured loans, and any other user definable heads.
- Now, you have to submit your return in the above colms only
- And no annexure is allowed.
- So, if you group your expenses by any other grouping, you have to re-group them again for filing the return. And that could be a headache. Because that clubbing will not be audited clubbing. Your clubbing may involve multiple grouping and ungrouping of expenses

So, Point to be learned

- One : In the current year at least , group your accounts in this fashion.
- Second : for the last year, if possible, regroup your final P & L Accounts, before the auditors and directors sign the same.
- Three : if already audited, then, yes, prepare a new summary for return purposes, and keep it safely.

P.s. The complete new Form no 1 is attached to this mail in winzip format

Next question

- **What special things we must keep in mind after sending 24Q and 26Q (TDS returns for Contractors, Professionals, Rent etc) :**

Ms Bimal, AXN Engineers P Ltd, Sector-24, Faridabad

Answer

- Today the TDS returns have to be E-filed,
- So, Most of you must have used some E-TDS software,
- Now, please note the following
- **You must print and file the following,**
- Summaries of challans,
- Summaries of deductees,
- challan wise reconciliation,
- Reconciliation of TDS details in this software with the TDS payable ledger accounts in your ERP like SAP, Peoplesoft, Finsys-ERP, Tally, Tata-EX and so on
- Please note that interest on delayed payment, must also be paid , at the time of filing of the ETDS return.

(it is advisable, since the Income Tax scrutiny, may come months, or years later , and there is a possibility that by that time, your computer / your hard disk / your software / your concerned staff, might have changed)

Question:

Suppose, we have already filed our E-TDS return . What should be done if now, after filing, we find some mistake ???

Mr Gurvinder Singh, Jagtar Engg Works, DLF industrial Area, Faridabad

Answer

- There is a facility of revision of E-TDS returns.
- You have to make it again, make the CD again, and deposit it to the TIN center again, with the same fees, again, Remember to mention the words "revised" in the CD as well as on the Form-27A
- In govt records, the last return is considered as the final return., for assessment purposes.

Question : Please advise again on the E-ROC procedures ?

Mr Sumit Kapoor, Mastishk Systems Ltd , Sector-31, Faridabad

Government of India has recently, shifted its ROC (registrar of companies work) also to a new ERP by the Tata Consultancy services. This TCS software has enabled all companies in India to file their Form 2, Form 32, Form 18 etc and even the Balance Sheets etc, electronically. → No need of getting a DD made, going to the ROC, delhi, standing in Queues for 3 to 8 hours, and then filing the documents.

This new system is called

E-ROC work (MCA-21)

Electronic ROC work

Some Suggestions, for all the members

1. View and Verify the Company master data (on the MCA website)

- a. The Government has digitized the Moa, AOA and all other balance sheets and all documents that you have filed till date with the ROC.
- b. This was a mammoth work, spanning Crores of documents. And man-years of data entry.
- c. And obviously, a percentage of data entry mistakes cannot be ruled out.
- d. So, members are requested to review their own company's status, and get them rectified, if there is any mistake.
- e. Please note that we , at FSIA have found following mistakes in data's of many of our members's records
 - i. Wrong address (or incomplete –just the city name is written)
 - ii. Wrong number of shareholders, or mentioned as NIL
 - iii. Wrong information about the last balance sheet dates (or blank)
 - iv. Wrong information about the last AGM (or blank)
 - v. Wrong Authorised capital
 - vi. Wrong Paid up capital

f. Hence, please , in your own interest. Get them rectified.

g. How ?

- i. Go to the site www.mca.gov.in
- ii. Go to "Other services"
- iii. Go to "View company master data"
- iv. Select the company
- v. Print Data
- vi. Verify the same
- vii. If there is any mistake, mark it, note it down, and immediately, send your accountant etc to ROC, Delhi and deposit the request there.
- viii. The helpdesk people at ROC are quite co-operative, and are doing this rectification within 2 to 7 days. (Gooood !!)
- ix. and it is free of Charge (Great news !!)

h. (Do immediately , else , you may have problems)

2. View and Verify the Index of Charges (on the MCA website)

- a. The Government has digitized all the Form 8, 13 and 17 also (the form, you have to sign, while taking or repaying a loan from a Bank etc)
- b. Again, there could be a possibility of incompleteness.
- c. Hence, please , in your own interest. Get them rectified.**
- d. How ?**
 - i. Go to the site www.mca.gov.in
 - ii. Go to "Other services"
 - iii. Go to "View Index of Charges "
 - iv. Select the company
 - v. Print Data
 - vi. Verify the same
 - vii. If there is any mistake, mark it, note it down, and immediately, send your accountant etc to ROC, Delhi and deposit the request there.

3. Apply for DIN

- a. Your CA must have taken your DIN by now.
- b. If not, then, please request him to do this fast.
- c. It is now very very urgent.
- d. It is mandatory, if you want to file any document in ROC in future. (your Balance Sheets, your Annual Returns, your Form 2 , 18 , 32 etc)
- e. Hence, please , in your own interest. Get them .**
- f. How ?**
 - i. Go to the site www.mca.gov.in
 - ii. Go to "Apply for DIN"
 - iii. Follow the instructions ...
 - iv. Print, affix the photo, attach the ID proof, address proof,
 - v. Send to the MCA center, Noida.

4. Get a Digital Signature Certificate

- a. Digital Signature Certificate is mandatory for all E-filing in future.
- b. Hence, please , in your own interest. Get them .**
- c. How ?**
 - i. Option 1
 1. Go to the site www.mca.gov.in
 2. Go to "Get digital signature certificates - DSC"
 3. Follow the instructions ...
 - ii. Option 2
 1. Go to the professionals bodies in your own city. Like M/s. CPC services Pvt Ltd(M.D. =Mr C P Chugh : 9810071783) . These people who can give you the same , with free home delivery. He had contacted our FSIA for special service offers for the FSIA members. You may contact him directly for the services.
 2. There are many others too.

5. File your documents on-line

- a. Yes, it is possible.
- b. Yes, at FSIA have done it already (successfully)

6. Help Govt in E-governance

- a. Try filing on-line from your office
- b. Do not go to Delhi help centers.
- c. Yet, if you need their help, When your people take the Forms for uploading, take the soft copy in CD too. They will not scan it for you. Do it in your office first.

7. Pay fees on – line

- a. By a credit card
- b. This is faster, easier and safe.
- c. Get a credit card, if you do not have one.

Next question

Question : How much Gifts can a person receive from a relative ? (and how much from non-relative)

Mrs Kum Kum Paul, Sector-15, Faridabad

Answer :

- a) Govt had recently (last year), changed the definition of income. Now if you receive a Gift from somebody, it will be considered as your income (under the head – Income from other sources)
- b) Money limits : per transaction Rs. 25,000, and total per year = Rs 50,000
- c) This does not apply to some categories like Gifts between near relatives, gifts under Will / contemplation of death / gift from a society / approved NGO , and on the occasions of marriage

So, your answer is :

- a) from relatives, there is no limit. You can take unlimited amount.
- b) From others, the maximum limit is Rs.25000 in a transaction, and Rs. 50000 aggregate in a year

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

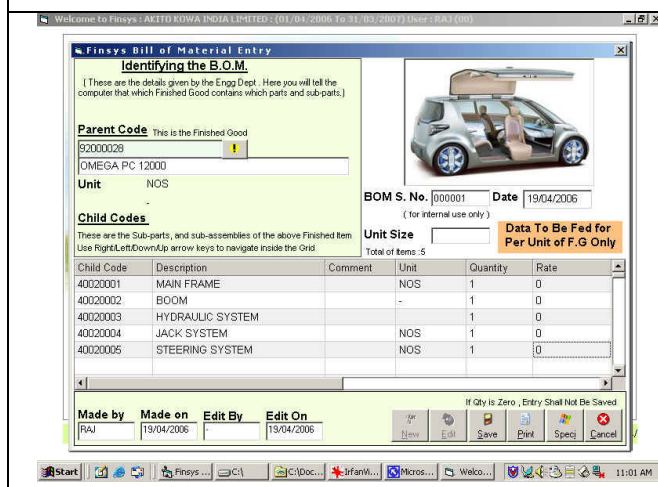
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Advt.

Finsys ERP Package Runs on ...



This is an ERP,
which helps you in Control
of
Product Engineering & B.O.M.
Purchase Management
Stores Management (Inwards-Outwards)
Production
Sales Management : - Pre-Sales ... to..Order..to
Delivery, to Bar Coding
Financial Book Keeping & Balance Sheets
Excise , Sales Tax , VAT
Special purpose M.I.S.Reports for Directors
Payroll & HR Management



- Can my staff make Proforma Invoices, Quotations and do follow up on this ERP ?
- Can we analyse, Salesman wise target v/s actual Debtor Collection ?
- Can I know the Burning loss in my Aluminium Casting plant ?
- I want to manage capacity of my DESMA Injection Moulding Machines. Can I ?
- Can I used this to remote control my new factory in Palwal ?

Yes, You can

* special modules

For business queries for Finsys ERP, contact, Mr Puneet 93500-18744 / Mr Khanna 93500-81017