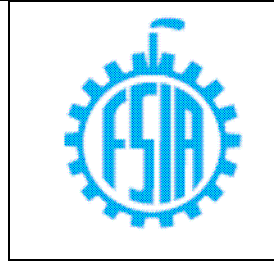




FSIA E-circular dt June 16, 2007



Rajive Chawla
President, FSIA



Sangeet Kr Gupta
Hony Consultant, FSIA

Dear Members,

1. TDS Rates have changed --

- TDS rates changed due to Education cess increase from 2% to 3%(2% Edu Cess+1% Secondary and Higher Education Cess) → effective 1-4-2007.
- And the TDS changes in base rates, have changed effective 01-06-2007

TDS rates have risen (DOUBLED) in case of professionals and commission

For you as a company (for your customers) – they will now deduct the double
And for you (for your vendors) - you will now deduct double TDS

2. New TDS Rates are

TDS Contractors

	Basic rate	Surcharge	Cess	Total
		nil	3%	
Normal Rate (All categories)	2		0.06	2.06
	Basic rate	Surcharge	Cess	Total
		10%	3%	
Higher Rate	2	0.2	0.066	2.266
(for Indl/HUF Contractor with bill to you for more than Rs. 10 Lac)				
(for Firm/Co. Contractor with bill to you for more than Rs. 1 crore)				

TDS Professionals and TDS Commissions(1-4-07 to 31-5-2007)

	Basic rate	Surcharge	Cess	Total
Normal Rate (All categories)	5		0.15	5.15
Higher Rate	5	0.5	0.165	5.665
(for Indl/HUF with bill more than Rs. 10 Lac)				
(for Firm/Co. with bill more than Rs. 1 crore)				



TDS Professionals & TDS Commissions (1-6-07 to 31-3-2008)

	Basic rate	Surcharge	Cess	Total
Normal Rate (All categories)	10.00		0.30	10.30
Higher Rate (for Indl/HUF with bill more than Rs. 10 Lac) (for Firm/Co. with bill more than Rs. 1 crore)	10.00	1.00	0.33	11.33

TDS Rent - Land and Buildings

	Basic rate	Surcharge	Cess	Total
Individuals/HUF				
less than 10 lac	15.00		0.45	15.45
more than 10 lac	15.00	1.50	0.50	17.00

Firm/Company

	Basic rate	Surcharge	Cess	Total
less than 1 Cr	20.00		0.60	20.60
more than 1 Cr	20.00	2.00	0.66	22.66

TDS Rent - Plant and Machinery / Cars etc (April-May 07)

	Basic rate	Surcharge	Cess	Total
		10%	3%	
Individuals/HUF				
less than 10 lac	15.00		0.45	15.45
more than 10 lac	15.00	1.50	0.50	17.00

Firm/Company

	Basic rate	Surcharge	Cess	Total
		10%	3%	
less than 1 Cr	20.00		0.60	20.60
more than 1 Cr	20.00	2.00	0.66	22.66

TDS Rent - Plant and Machinery / Cars etc (Jun 07 – Mar 08)

	Basic rate	Surcharge	Cess	Total
Individuals/HUF				
less than 10 lac	10.00		0.30	10.30
more than 10 lac	10.00	1.00	0.33	11.33

Firm/Company

less than 1 Cr	10.00		0.30	10.30
more than 1 Cr	10.00	1.00	0.33	11.33



TDS - Salaries

Basic Exemption	0 to 110000	NIL
First Slab	110000 to 150000	10%
Second Slab	150000 to 250000	20%
Third Slab	250000 upwards	30%

Education Cess to be added @ 3%.

Please Note, that the basic exemption for
 Women = Rs. 145000 and
 Senior Citizen = Rs. 195000

- So, all of you have to charge this new rate of TDS on future TDS deductions.
- Change your ERP software to charge the new Rate of TDS / TCS

3. Cost Inflation Index

- Some members have asked us for the Cost inflation index chart – hence it is produced herewith for the general guidance of the members.
- What is Cost Inflation Index ?
- As per the Income Tax Law – whenever a person “sells” some capital asset , example : a House, Gold, Industrial Land etc incurs some capital gain, then he pays tax on the “Net gain” in the transaction.
- However the Government allows a relief the assessee’s in times of inflation . Govt says that , even if you do nothing, some costs will in the economy as a whole. And we will not charge you tax on the increase in value due to general inflation alone.
- And this inflation chart is shown below

Cost Inflation Index			
Cost inflation index (CII) as notified by Central Government is as under:			
Financial Year	(CII)	Financial Year	(CII)
1981-82	100	1994-95	259
1982-83	109	1995-96	281
1983-84	116	1996-97	305
1984-85	125	1997-98	331
1985-86	133	1998-99	351
1986-87	140	1999-2000	389
1987-88	150	2000-2001	406
1988-89	161	2001-2002	426
1989-90	172	2002-2003	447
1990-91	182	2003-2004	463
1991-92	199	2004-2005	480
1992-93	223	2005-2006	497
1993-94	244	2006-2007	519



4. Your friendly FSIA “Reminder” of the Dates with Govt bodies

June Events	Date
Excise and Service Tax for the month of May 07	05/06/2007
Deposit of TDS/TCS in Bank for the month of May 07	07/06/2007
TDS Return ----for Quarter ending March 31	15/06/2007
TCS Return ----for Quarter ending March 31	15/06/2007
Advance Tax - Companies - 1st instalment	15/06/2007
Fringe Benefit Tax - Companies - 1st instalment	15/06/2007
EPF pymt to bank for May 07 (incl 5 days grace)	20/06/2007
ESI pymt to bank for May 07	21/06/2007

July Events	Date
Excise and Service Tax for the month of June 07	05/07/2007
Deposit of TDS/TCS in Bank for the month of June 07	07/07/2007
TDS Return ----for Quarter ending June 30	15/07/2007
TCS Return ----for Quarter ending June 30	15/07/2007
EPF pymt to bank for June 07 (incl 5 days grace)	20/07/2007
ESI pymt to bank for June 07	21/07/2007
Income Tax returns for Individuals, Firms (and all non-audit cases)	31/07/2007
Wealth Tax returns for Individuals, Firms (and all non-audit cases)	31/07/2007
Fringe Benefit Tax returns for Individuals, Firms (and all non-audit cases)	31/07/2007

August Events	Date
Excise and Service Tax for the month of July 07	05/08/2007
Deposit of TDS/TCS in Bank for the month of July 07	07/08/2007
EPF pymt to bank for July 07 (incl 5 days grace)	20/08/2007
ESI pymt to bank for July 07	21/08/2007

5. “Reminder” -> Renew your Digital Signature Certificate

- Now a days digital signatures are compulsory for all ROC returns
- Also compulsory for Income Tax Returns (for Companies and Firms)
- So, if you do not have → Get them now, (there is a huge waiting period in last days)
- And if you got them last year, → They might have “Expired” (1 year) → Renew them now.



6. TDS Certificates

- a. If you have not got TDS certificates from your customers / Bank / employer → ask for it now.
- b. If your employees / contractors / professionals have still not collected TDS certificates from you → send them the same by courier / by hand now.
- c. And please remember, Technically, the last date for issue of the consolidated TDS certificates for the Fin year 2006-07, was 30th April 2007. This should be the record date, for TDS certificate date purposes. Please tell this to your accounts department.
- d. The only exception is the TDS certificates for bills posted on last dt of the year the 31st March 2007. (for them the last date is 31st May 2007)

7. The New TDS certificates Formats

- a. **Form 16 for TDS – Salary has changed**
- b. **Form 16-A for TDS-all other varieties like contractor, professional, interest etc has changed**
- c. **Form 27-D for TCS has changed**
- d. Copies of these TDS certificates were attached to our FSIA E-circular dt 22.4.2007. Please refer the same. (if you have a TDS software, please checkup with your Software provider for the latest update of the software)

8. Any Suggestion / Tip for Balance Sheet making

- a. Yes, remember tax saving (and tax planning) is a good exercise, but tax avoidance is not.
- b. Secondly, the lower taxable income you have in your Balance Sheet, lower is your PAT Ratio, PBT Ratio, Current Ratio, and TOL / TNW Ratio → So, do have robust Balance Sheets →
- c. **TIP : The Income Tax that you pay → You more than recover, by savings in lower Interest rates from Banks, and Higher availability of Funds for your Business Expansion. Many FSIA members are today getting ZERO Collateral Loans, Sub-PLR Rate Loans, US Dollar Loans etc, Good Credit Ratings, on the strength of their Good Balance Sheets.**







9. Any Suggestion / Tip for this year's this year's Income Tax Returns

- a. Yes, since the income tax dept has made digital returns compulsory, it asks for certain informations, in a certain way.
- b. Ask your accounts dept / CA to prepare the Balance Sheet / Profit & Loss account , using the standard account heads , as in the Income Tax Forms. Otherwise , there will be a problem of re-classification as per the Income Tax Act.

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

	<p>Sangeet Kumar Gupta FCA, ICWA, PGDMM, B.Com(Hons) Honorary Consultant, Faridabad Small Industries Association 93126-08426 groupmlg@eth.net Camp Off : 63, Sector-15, Faridabad FSIA Off : FSIA Park, Opp. Plot No.23, Sector- 24, Faridabad- 121005</p>	
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Notes & disclaimer

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Advt.

Some screens from the Finsys ERP - the Largest selling and "successful" ERP , in Faridabad.





Cheque Forwarding Letter (Payment Advice)

Made directly from the ERP Software (along with Cheque Printing, on normal HP 1020 printers)

Finsys Reports

Print Preview

Page 1 of 1

AKITO KOWA INDIA LIMITED				Payment Advice	
HEAD OFFICE PLOT NO 34, SECTOR-5, MANESAR, GURGAON, HARYANA. Phones: 91-124-4123456 -					
THOMSON POLYMER INDUSTRIES			05A052	Vch. No.	190013
PLOT NO 3, SECTOR-3A, OPP. SUZUKI				Date	19/05/2007
MANESAR, GURGAON				Chq No.	500199
				Drawn	CITIBANK A/C 992002001
S.no	Bill No.	Bill Date	Cr.Amount	Dr.Amount	Net Amount
1	8705	23/02/2007	181.00	0.00	181.00
2	8786	28/02/2007	4427.00	0.00	4427.00
3	9084	20/03/2007	206.00	0.00	206.00
4	9097	23/03/2007	1560.00	0.00	1560.00
5	9177	28/03/2007	572.00	0.00	572.00
6	9307	04/04/2007	1006.00	0.00	1006.00
7	9502	18/04/2007	1664.00	0.00	1664.00
8	9507	19/04/2007	1529.00	0.00	1529.00
9	9515	20/04/2007	1672.00	0.00	1672.00
					12817.00
Prepared By			For AKITO KOWA INDIA LIMITED		

Record: PDF/9 Exclusive

Welcome to Finsys : AKITO KOWA INDIA LIMITED : (01/04/2007 To 31/03/2008) User : SKGUPTA (00)

MRR Report 01/04/2007 To 31/03/2008

MRR Report 01/04/2007 To 31/03/2008

Search ind Enter Search String & Press Enter

If you wish to Sort any Column , Please Click on the Column Title , To Export Selected Columns to Excel , Click on Top of Column

ADVISEI	RCVD	ACCEPT	REJECT	IRATE	LC	FINVNC	P_O_NK	GATE_EN	GATE_DATE	ENT_BY	INSP_BY	QC DAT	IC
200	200	200	0	68.25	70.29	160007	000043	000540	16/05/2007	CHANDR	QLTYS	18/05/2	10
200	200	200	0	68.5	70.55	160006	000043	000541	16/05/2007	CHANDR	QLTYS	18/05/2	10
6000	6000	6000	0	17.15	17.66	180003	000024	000549	18/05/2007	STORE	QLTYS	26/05/2	10
4500	4500	4500	0	9.2	9.47	180003	000024	000549	18/05/2007	STORE	QLTYS	26/05/2	10
3000	3000	3000	0	5.95	6.12	180003	000024	000549	18/05/2007	STORE	QLTYS	26/05/2	10
140	140	140	0	250	250	220003	000033	000597	22/05/2007	STORE	QLTYS	26/05/2	10
2000	2000	2000	0	15	15	260001	000014	000656	26/05/2007	STORE	QLTYS	26/05/2	10
2500	2500	2500	0	38.5	38.5	260002	000014	000657	26/05/2007	STORE	QLTYS	26/05/2	10
214	214	214	0	98	98	-	000051	000740	04/06/2007	STORE	QLTYS	11/06/2	10
100	100	100	0	168	168	-	000222	000741	04/06/2007	STORE	QLTYS	11/06/2	10
2000	2000	2000	0	15	15	-	000014	000760	05/06/2007	STORE	QLTYS	11/06/2	10
2500	2500	2500	0	38.5	38.5	-	000014	000761	05/06/2007	STORE	QLTYS	11/06/2	10
200	200	0	0	68.25	70.29	-	000043	000769	06/06/2007	STORE		-	10
10	10	0	0	475	489.25	-	000083	000809	09/06/2007	STORE		-	10

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For Trade Enquiries contact : Puneet Gupta 93500-18744, Dinesh Verma 9313136494 - MLG Infotech Pvt Ltd