



FSIA E-circular dt May 17, 2007



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Dear Members,

Big news is that the Budget 2007-08 has been passed this week on 11-5-2007. and You must remember the following :



1. Change in Service tax rate

- Finance Bill 2007 has been enacted from 11-05-2007. and hence, Secondary and Higher Education Cess on taxable services has been effected from 11-05-2007 , i.e. effective rate of service tax is 12.36% from 11-05-2007.
- But Increase in Education Cess has increased it anyway

Service Tax Rates

	Basic	Cess	Total
Service Tax -old	12	0.24	12.24
Service Tax -New	12	0.36	12.36



- So, all of you have to charge this new rate of Service Tax on future Billing.
- Who is effected ? All --- your CA, your ISO-9000 consultant, your Architect, your builder, telephone bill, insurance payments, Bank, All services on which service tax was levied.
- Remember, Change your ERP software to charge the new Rate of Service Tax.



f. From when ? → from 11-5-2007 morning → URGENT (if you had not, then, pls issue a supplementary bill please)

2. TDS Rates have changed --

- a. TDS changes due to Education cess increase from 2% to 3%(2% Edu Cess+1% Secondary and Higher Education Cess) will be effective 1-4-2007.
- b. And the TDS changes in base rates, will be effective 01-06-2007 (after another 15 days)

3. TCS Return (on Scrap Sale)

- a. Last date was 30th April 2007
- b. If you have not filed, it do it now, as soon as possible.

4. TDS Return (Salaries, Contractors, Professional etc.)

- a. Last date is 15th June 2007
- b. Many companies have already done it. The readimade softwares are available . Do file these, within May itself, to save on the last minute rush.

5. TDS Certificates

- a. 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.
- b. 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)

6. 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)

7. Penalty for non – submission of Service Tax return in time

- a. The law has been changed this month .
- b. As per the new revised law, the penalty for late submission of service tax return shall be as under :
- c. Upto 15 days = Rs. 500
- d. 15 TO 30 days = Rs. 1000
- e. Over 30 days = Rs. 1000 + Rs. 100/day

8. The income Tax forms have been changed again

- a. The law has been changed this month .
- b. The Forms for Return of Income are assessment year specific. For the assessment year 2007-08, the Central Board of Direct Taxes have introduced the following eight Return Forms under a new series:-
 - i. ITR-1 - return of income for Individuals having salary and interest income and no other income.



- ii. ITR-2 - return of income for Individuals and HUFs having income from any source except from business or profession.
- iii. ITR-3 - return of income for Individuals and HUFs being partners in firms and not having proprietary business or profession.
- iv. ITR-4 - return of income for Individuals and HUFs having proprietary business or profession.
- v. ITR-5 - combined form for return of income and fringe benefits for Firms/AOP/BOI .
- vi. ITR-6 - combined form for return of income and fringe benefits for Companies.
- vii. ITR-7 - combined form for return of income and fringe benefits for Charitable/religious trusts, political parties and other non- profit organizations.
- viii. ITR-8 - stand alone form for return of fringe benefits for persons who are not liable to file return of income but are liable to file return of fringe benefits



c. Basic points

- i. All these forms except form 7 shall be annexure-less , that means , no certificates, or photocopies to be attached.
 - ii. All these can be E-filed (compulsory for Corporates and Firms under Tax Audit, optional for rest).
- d. Copy of one of these Forms is enclosed (Form ITR-4 for proprietor)
- i. We will be circulating the FSIA editorial team comments on these forms in our coming e-circulars.

9. Any Suggestion / Tip for Balance Sheet making

- a. Yes,
- b. First try to 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.
- c. You can review the attached Form no ITR-4 for review of the Govt prescribed heads of accounts.

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

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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.

Welcome to Finsys : ACTED KOWA INDIA LIMITED (01/04/2006 To 31/03/2007) User : S (90)



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- Manufacturing
- Sales & Marketing
- Excise & Sales Tax
- Finance
- H.R.M System(Payroll)
- System Admin
- MIS For M.D.
- Costing Reports
- Exit

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Sales – Budget v/s Actual : for Production, Sales and Collection.

S.No	Branc	Nan	Target	Actual	Balance	Type	post
01	-	BAI	TARGET	ACTUAL	DIFFERENCE		
2	00	PR1	15000000	2119374.91	12880525.09	V40	
3	01	COI	30000000	692795.39	29007204.61	V40	
4	02	PAF	10000000	1485137.15	8514862.85	V40	
5	-	COI	TARGET	ACTUAL	DIFFERENCE		
6	00	PR1	10000000	856419.2	9143580.8	V10	
7	01	COI	20000000	3035448.56	16964551.44	V10	
8	02	PAF	10000000	295433.05	9704566.95	V10	
9	-	SAL	TODAY	YESTERDAY	FOR THE MONTH		
10	00	PR1	0	0	1199692	V51	
11	01	COI	0	0	14876	V51	
12	02	PAF	0	0	49060.84	V51	

The above shown is the Budget v/s. Actual of Production, Sales, and Debtor Collection – this report is made available to the Directors, Plant Heads, Vice Presidents, ... and the Senior Team ... automatic, and all the time. (100% Automatic).



And this the latest position of Sales of all your Factories, and Sales Offices across India, **With Finsys ERP, you have the "CONTROL".**

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