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iamSMEofIndia

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Integrated Association of Micro, Small & Medium Enterprises of India

www.iamsmeofindia.com

and

Faridabad Small Industries Association

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Dear friends,

We wish all our members and Associates a Prosperous and Happy New Year 2014.



Let us have a quick look on the changes that happened recently with respect to taxation or are going to happen soon.

Service Tax on “LIC” Insurance : Begins now w.e.f. 1.1.2014

**Already being collected by Pvt Insurance, → Now
by LIC and IRDA also**

Short Summary

- With this, the transactions will become pricier for insurance companies, third-party administrators (TPAs), brokers, agents, insurance repositories, Web aggregators, referral entities and surveyors
- The imposition of service tax is in line with the Finance Bill 2012 which made it applicable to services provided by the IRDA in the grant of registration, licenses, renewals, and so on, to the regulated entities in the insurance sector.
- It may be noted that, Life Insurance Corporation would also collect service tax component separately from the policyholders as well; most of the private sector insurers have already been doing so.

New Land Acquisition Act, comes into Force w.e.f. 1.1.2014

Buying Agricultural Land ... to get tougher / and Costlier

Short Summary

- Members are already reeling under the recent “additional charges demand of HSIIDC” for plots at IMT Manesar and IMT Faridabad.
- Now, the new Law passed by the Parliament last year comes into effect
- The new law Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act stipulates **mandatory consent of at least 70% of affected people** for acquiring land for public-private partnership (PPP) projects and **80%** for acquiring land for private companies.



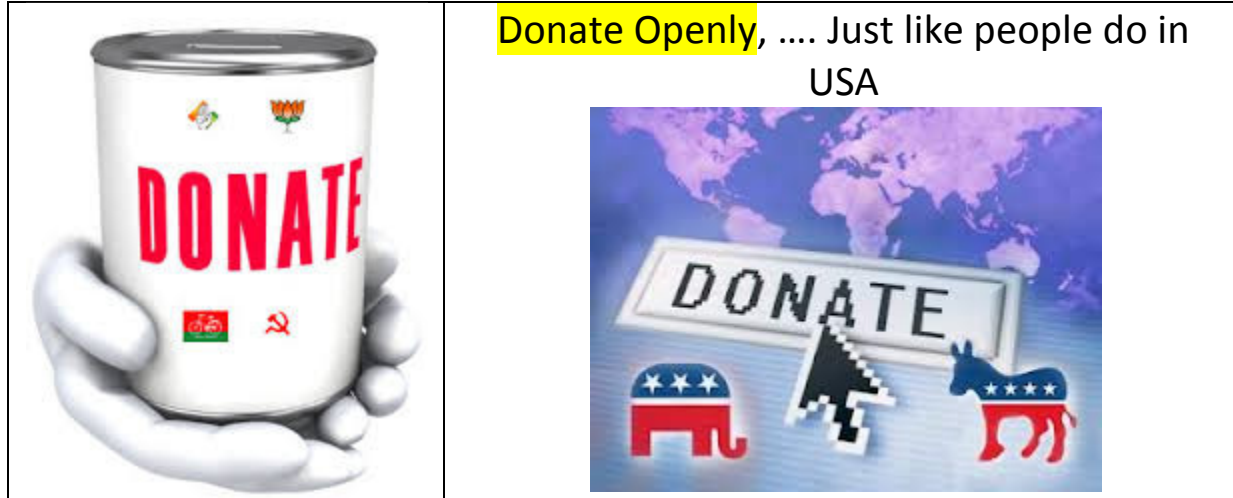
- As per rules made by the ministry, the state governments should take immediate steps to create and establish the State Social Impact Assessment Unit, the office of the Commissioner Rehabilitation and Resettlement, and the State Level Monitoring Committee.
 - Under the new legislation, **compensation for the owners of the acquired land will be four times the market value in rural areas and twice in urban areas.** It also stipulates that the land cannot be vacated until the entire compensation is awarded to the affected parties.
- **So, where the final compensations are yet to be paid..... be ready to pay more.**
 - The law has the provision that the companies can lease the land instead of purchasing it

Want to Donate to a Political Party? Do it by cheque now.

All Limits removed !

New Companies Act, and Income Tax Act sec 80GGB

- Rules have been changed in the recently introduced Companies Act 2013 where **all restrictions have been removed on corporate houses willing to make donations to political** parties. There is no longer any ceiling as against an upper limit of 7.5 per cent of average net profit of a company fixed for political contributions earlier.
- Similarly, the Political donations were “disallowed under the Income Tax Act”. Now they are not, if done via an Electoral Trust.
- According to an order issued by the corporate affairs ministry on November 7, it has exempted electoral trusts from the obligation of Section 293A of the Companies Act that has now been replaced by Section 182 (1) of the Companies Act 2013.
- The exemption granted to electoral trusts **makes a company free from any compulsion to restrict its contributions**. Several corporate houses have registered electoral trusts and make contributions to political parties through them.
- Recently, the Central Board of Direct Taxes (CBDT) had notified registration of electoral trusts for the purpose of making political contributions. In the modified rules, the CBDT had allowed all contributions made to political parties exempt from income tax.
- It had also made it mandatory for these trusts to contribute at least 95 per cent of their receipts to political outfits in that particular financial year to enjoy tax exemption.



Ministry of Corporate Affairs has issued a clarification vide its circular no. 19/2013 dated 10/12/2013 that

1) where companies make contribution to “Electoral Trust companies” rather than directly to political parties then they need not disclose separately the amounts paid to each Electoral Trust company. It would be sufficient if a consolidated figure is mentioned in the accounts as paid to Electoral Trust Company;

2) Companies making **contribution directly to a Political Party** will be required to make the disclosures; They shall, disclose in its profit and loss account any amount contributed to a political party in any



Future ready

financial party, giving the particulars of the total amount contributed and also name of the political party;

3) Electoral Trust Companies in turn should make disclosures regarding contributions made by them to political parties as required under section 182(3).

Source : MCA circular is available on this link

http://www.mca.gov.in/Ministry/pdf/General_Circular_19_2013.pdf

Source : Income Tax Act : section 80GGB

Deduction in respect of contributions given by companies to political parties.

80GGB. In computing the total income of an assessee, **being an Indian company**, there shall be deducted **any sum contributed by it**, in the previous year **to any political party** or an electoral trust.

-
- **Coming ahead of the parliamentary elections**, the relief granted to electoral trusts is seen as facilitating electoral trusts which have just been registered to make contributions. Earlier, an electoral trust had to be in existence for at least three years or more.
 - So, now we will have more "**clean money**" coming out in public for the political campaigns.
 - Note : Earlier, since it was missing, some companies took wrong ways to contribute.
 - Now they can do this openly. No limits. They can also issue Brochures, Pamphlets, do Rallies

(amusing ? Wait for the General Elections 2014)

SMS to become a valid proof of Communication with Govt **Much like the Railways IRCTC SMS which , if you show on your mobile phone... Is as valid as a ticket**

People may soon be able to use SMS communication with government departments as a documentary proof while utilising citizen-services for making payments, registrations and various other schemes.

Launching the 'Mobile Seva' service, Department of Electronics and IT secretary J Satyanarayana said: "Like Railways, we have to bring in a system wherein by showing (transaction) SMS or, whatever be the case (like e-mail), the proof on mobile is accepted as valid document.

He said any communication with the required security key, say SMS, can be shown instead of a paper receipt or document. At present, most of the mobile applications work on Android mobile phones and Java enabled phones. So, things could change for the better, quite soon.



Some PF Dept Notices & Applicable changes

Recent PF Dept Notice in Newspapers :

- (a) Max 5 days allowed to employers to file request for PF claims of retiring employees ,
- (b) Do not File claim for those who worked less than 6 months,
- (c) Get your employers digital signatures registered ASAP on the portal
- (d) New online facility started for transfer claims (Form 13)

Electronic Payment for Service Tax : Compulsory

Electronic Payment of Service Tax/ Central Excise mandatory for those who paid tax of more than One lakh in preceding financial year. Effectively, almost everybody. Since , if your Turnover is Rs 10 lakhs, your service tax liability will usually be 1.20 lakhs (subject to modvat if any)



The Central Government vide Notification No. 16/2013-ST dated November 22, 2013 (“the Notification”) has amended the proviso to Rule 6(2) of the Service Tax Rules, 1994. Similarly, amended the Excise Rules too.

Existing limit was PLA payment of Rs 10 lakhs. Now being reduced to Rs 1 lakhs per annum. This amendment is now applicable from January 1, 2014.

Holiday in Uttarakhand ::: and save your Service Tax **WOW !! ... but just 80 days left**



Bonanza for Uttarakhand Holidays : service Tax exemption to all Hotels and Restaurants

Recently, the Central Government in order to provide support to ensure sustenance for the local population in the state of Uttarakhand issued an Ad-hoc Exemption Order No. 1/1/2013-ST dated 17.09.2013 to exempt the following taxable service from the whole of service tax provided to any person in the State of Uttarakhand, namely:

- Services by way of renting of a room in a hotel, inn, guest house, club, campsite or other commercial place meant for residential or lodging purposes;
- Services provided in relation to serving of food or beverages by a restaurant, eating joint or mess



Further, this exemption order shall be applicable for the abovementioned taxable services provided during the period 17th September, 2013 to 31st March, 2014.

Benefit to local economy = real benefit of fresh Tourist inflow, welcoming them from other parts of India and the world. Tourism was the big source of income for them. And Lesser hassles, for them.

And for the tourists, **another reason to "Party"**, and **go on a holiday**, also, serving a noble cause.

Some Last Date Reminders : Jan 2014 – last few days

Due Date	Act	Applicable Form	Obligation
05/01/2014	Service Tax	Challan No.GAR-7	Payment of Service Tax for quarter ending Dec by individuals,proprietary & partnership firms & for month ending dec by Companies
06/01/2014	Service Tax	Challan No.GAR-7	Payment of Service Tax for month ending Dec for corporate assesses & for quarter ending Dec for other assesses making E-PAYMENT
07/01/2014	Income Tax	Form No.15G, 15H,27C	Submission of Forms received in Dec to IT Commissioner
07/01/2014	Income Tax	Challan No.ITNS-281	Payment of TDS/TCS deducted/collected in Dec
10/01/2014	Excise	ER-1	Return of Non SSI assesseees for Dec
10/01/2014	Excise	ER-2	Return for EOUs for Dec
10/01/2014	Excise	ER-3	Return of SSI assesseees for Quarter ending Dec
10/01/2014	Excise	ER-6	Return by units paying duty > 1 crore (CENVAT + PLA) for Dec
15/01/2014	Income Tax	Return No.24Q, 26Q, 27EQ & 27Q	TDS returns for Dec Quarter for non-govt deductors & TCS Returns for ALL Deductors
15/01/2014	D-VAT		Deposit of DVAT-TDS for Dec
15/01/2014	Providend Fund	Electronic Challan cum Return (ECR)	E-Payment of PF for Dec (Cheque to be cleared by 20th)
20/01/2014	Excise	ER-3	Return by SSI units for the Dec quarter
21/01/2014	ESI	ESI Challan	Payment of ESI of Dec
21/01/2014	D-VAT	DVAT-20 & Central	Payment of VAT & CST for Dec
22/01/2014	D-VAT	DVAT-43	Issue of DVAT Certificate for deduction made in Dec
28/01/2014	D-VAT	DVAT - 56	Filing of Return verification form DVAT-56 for quarter ended Dec 2013
28/01/2014	D-VAT	DVAT - 48	Return of TDS for Dec quarter in DVAT-48
30/01/2014	Income Tax	Form 16A/ 27D	Issue of TDS/TCS certificate for quarter ended Dec.
31/01/2014	Income Tax	Return No.24Q, 26Q, 27EQ & 27Q	TDS returns for Dec Quarter for Govt. deductors
31/01/2014	Income Tax	Form No. 26QAA	Returns by banks for interest upto Rs. 5000 for Dec quarter
31/01/2014	D-VAT	DVAT-AR1	New DVAT Audit Report for FY 2012-13 for Turnover 10 cr. or more
31/01/2014	D-VAT	Form 16 and CST 1	E- Return of VAT (including block R.10 of CST Return in Form 1) for the quarter ended Dec

SBI General Insurance signs MoU with IamSMEofIndia



- Special Privileges for IamSMEofIndia Members
 - High Discounts on basic Premium (Fire, Stock, Motor Cars & Vehicles, Other risks)
 - NO Broker, No Agent. Direct Service from SBI General Insurance
 - Fast & Time bound processing of Claims
 - Applicable to All our members located anywhere in India
- # RIGHT advice at the time of Coverage
Cash-less services, where applicable

Just call +91-9711123111 or e-mail to insurance@iamsmeofindia.com

• **ONLY FOR REGISTERED MEMBERS OF IAMSMEOFINDIA**

It's a game-changer!

When we buy things separately, we are just a retail buyer.

We pay much more than large buyers.

And at the time of service, we often do not get the attention that we deserve.

But when thousands of small businesses from all over India come together on a platform like IamSMEofIndia, magic happens!

Together, we become larger than large corporates!

Together, we have almost 7000 cars, 2200 factories and workshops, 1000+ showrooms/ offices, more than 4000 homes....

These numbers are increasing every passing day as our membership is growing across India!

We send more cargo than many multi nationals.

We have more employees and families who need coverage in Medclaim than many big names.

If we sum up, we pay more premium than largest corporates.

So here it is!

SBI GENERAL INSURANCE is preferred General Insurance Company for Members of IamSMEofIndia.

In 2014, we'll get high discounts and best services that large Corporates and MNCs get.

It is for ALL our members located ALL over India.

So begin to save on Insurance Premium for Cars, Motor Vehicles, Commercial Vehicles, Fire, Thefts, Burglaries, Floods, Riots, Natural calamities, Travel, cash, fidelity, Worker's Compensation, Transit, stocks, Medclaim.... other risks.

Process:

1) SMS to +91- 9711123111 or e-mail to insurance@iamsmeofindia.com

- 2) For renewal of old policy, send a scanned copy of present policy through e-mail.
- 3) SBI General Insurance representative may contact you in case more details are required
- 4) SBI General will send you the Quote.
- 5) Please compare it. Decide.
- 6) If premium amount and terms are acceptable to you, pay premium directly to SBI General Insurance.

Insurance and Risk Management:

- * You can e-mail calendar of your present policies.
- * SBI General shall maintain your portfolio and remind you in time for renewal, so that your policies do not lapse and there is no gap.
- * They'll send you their quote in advance you so can compare, see savings and/or advice

Important:

No-claim bonus as applicable and the continuity of policy and coverage of existing features/ old diseases shall continue as per the guidelines of IRDA (Insurance Regulatory and Development Authority of India)

In case of any delay in service or any complaint:
please e-mail to info@iamsmeofindia.com

(Insurance is the Subject Matter of Solicitation)



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

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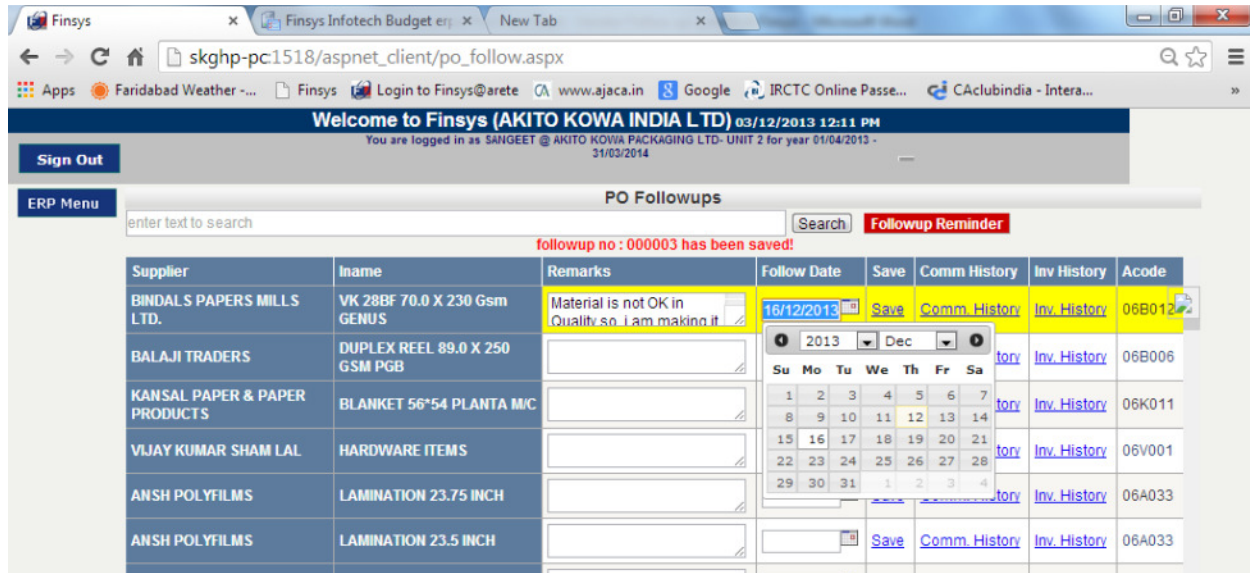
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Communication History , with each vendor >>> Now in Finsys ERP

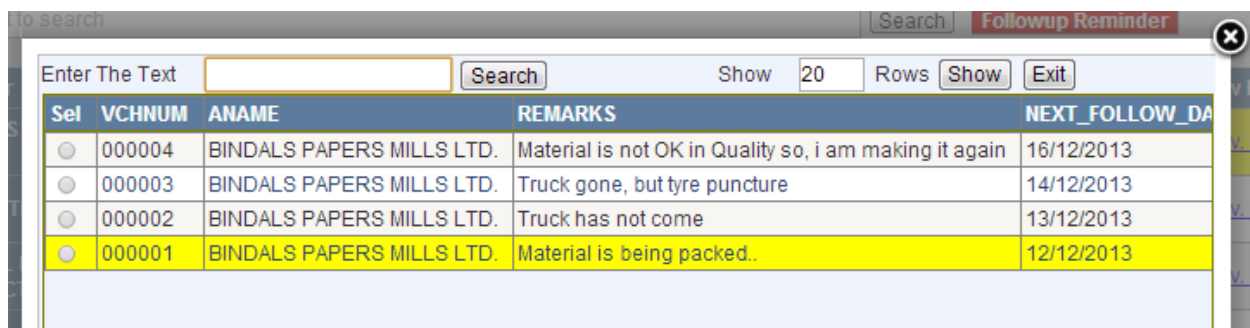


ERP Menu PO Followups

enter text to search Search Followup Reminder

followup no : 000003 has been saved!

Supplier	Iname	Remarks	Follow Date	Save	Comm History	Inv History	Acode
BINDALS PAPERS MILLS LTD.	VK 28BF 70.0 X 230 Gsm GENUS	Material is not OK in Quality so I am making it	16/12/2013	Save	Comm History	Inv History	06B012
BALAJI TRADERS	DUPLEX REEL 89.0 X 250 GSM PGB				Comm History	Inv History	06B006
KANSAL PAPER & PAPER PRODUCTS	BLANKET 56*54 PLANTA M/C				Comm History	Inv History	06K011
VJAY KUMAR SHAM LAL	HARDWARE ITEMS				Comm History	Inv History	06V001
ANSH POLYFILMS	LAMINATION 23.75 INCH				Comm History	Inv History	06A033
ANSH POLYFILMS	LAMINATION 23.5 INCH			Save	Comm History	Inv History	06A033



to search Search Followup Reminder

Enter The Text Search Show 20 Rows Show Exit

Sel	VCHNUM	ANAME	REMARKS	NEXT_FOLLOW_DA
<input type="radio"/>	000004	BINDALS PAPERS MILLS LTD.	Material is not OK in Quality so, i am making it again	16/12/2013
<input type="radio"/>	000003	BINDALS PAPERS MILLS LTD.	Truck gone, but tyre puncture	14/12/2013
<input type="radio"/>	000002	BINDALS PAPERS MILLS LTD.	Truck has not come	13/12/2013
<input type="radio"/>	000001	BINDALS PAPERS MILLS LTD.	Material is being packed..	12/12/2013

Now you press “Communication history”, To, see what the truth behind the follow-ups
This is the evidence of the communication history With this vendor, for this material

- Are your people **doing the actual followup** or not ?
- What excuses is the vendor’s people giving each time.
- When should I expect the Material now ? / when next we must call them for Material ?
- Now, Production / PPC have a clearer information of what is coming in and when
- And also vendor will slowly realize that he must honour what he says.... ,

