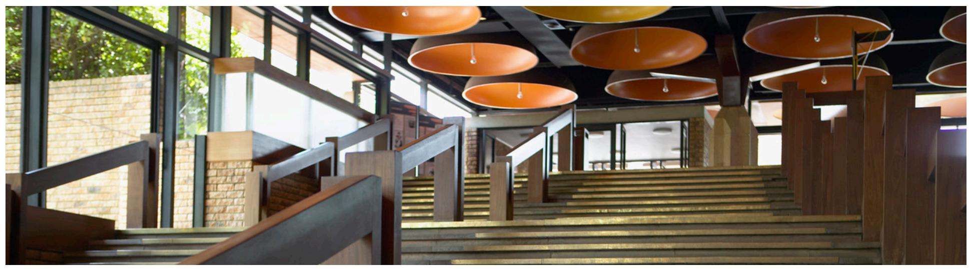
WAKOKU VOICE

SEPTEMBER 2014



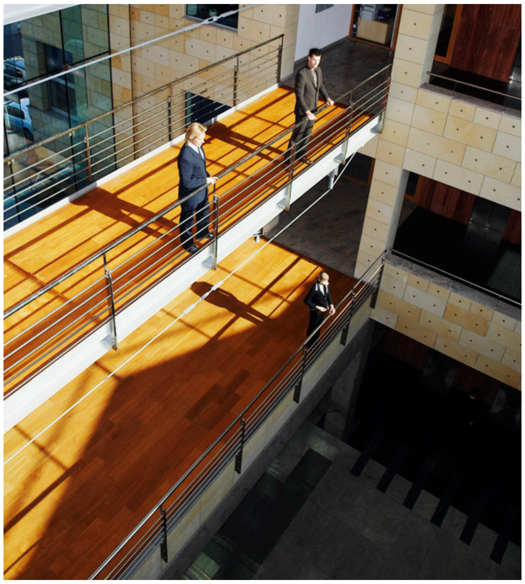
"A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so."

— Mahatma Gandhi

Content

Editor: Mr. Sumit Gururani, Director , Wakoku Consulting Group,

s.gururani@wakokuconsulting.com



1. TDS & IT'S DEFAULTS

WHAT IS TDS?

Tax deducted at Source (TDS) is one of the modes of collection of tax via deductor on the time of making/crediting payment to the deductee and remitted to the Govt.

WHO IS RESPONSIBLE?

Every person responsible for making payment of nature covered under the provisions of TDS of Income Tax Act.

e.g. for Company : Director is responsible

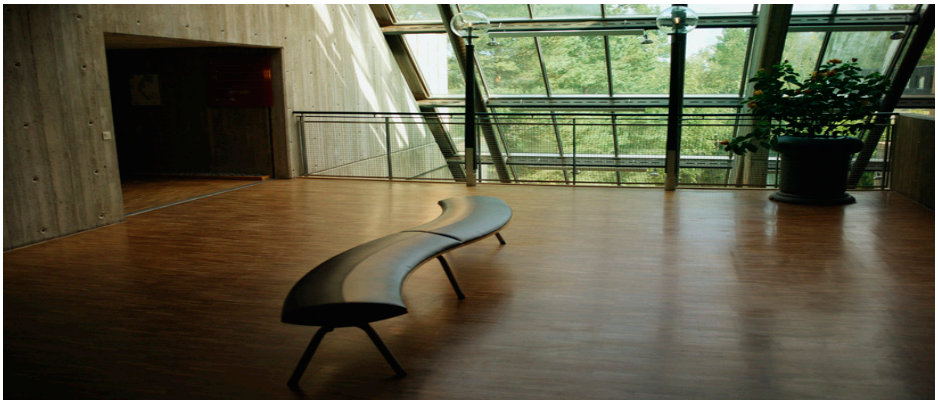
Reasons For TDS defaults

1. Defaults in deduction of TDS = Short Deduction or Deduction on some other rate

2. Defaults in payments of TDS = Non-Deposit or late payment

3. Defaults in TDS Return = Non-Filing or Late filing of Return

4. Some other reasons of Defaults = Non-issuing of Certificate, wrong information submitted etc.



Tds & it's defaults(Cont)

How to correct TDS Defaults?

There are two ways to correct TDS Defaults :-

Alternate No 1 : Manual Correction Mode

Step 1: Request NSDL Conso File

Step 2 : Correct Return in NSDL Conso File

Step 3 : Submit Correction Return at TIN-Centre

Step 4 Finish-Get Acknowledgement

Alternate No 2: Online Correction Mode

Step 1 Request Correction Statement

Step 2 Corrections Available online are

- Add/Modify Dedcutee
- Add/Modify Challan
- PAN Correction
- -Pay Interest & Penalty
- -Digital Signature Required

Step 3 Submit Correction statement online digitally signed

Step 4 Finish-Get Acknowledgement online

>Director can have all the control in their hands as they are responsible under the Income tax act, 1961

>Directors can see the defaults through online.

>Directors can ask managers to comply the rules and regulations on timely basis.

>Directors can legally save himself for the things he/she might not known to him/her.

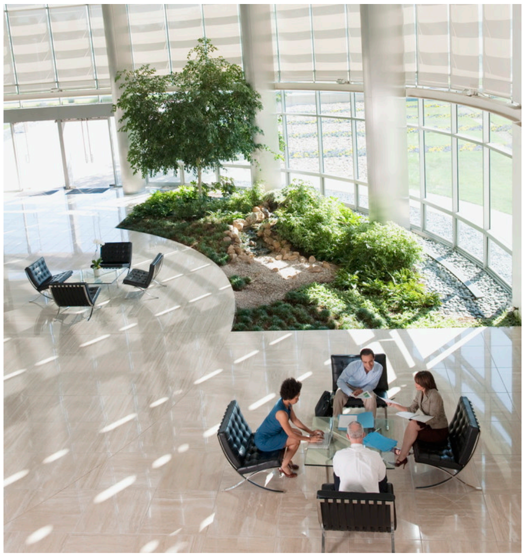
Penalties in TDS

Penalty for late-filing

Rs. 200 per day but not exceeding the amount of tax deductible.

Penalty for non-filing of TDS return

It would be from Rs 10,000 to Rs 100,000 determine by AO.



2. TAX AUDIT

UNDER SECTION 44AB OF THE INCOME TAX ACT, 1961

(in context of Companies for AY 2014-15)

Back Ground

Every welfare state needs funds to carry on its activity for the betterment of the people. Taxes are the main source of income of any state. **Income Tax is one of the direct impositions on the income of the assessee to draw the necessary funds**.

The Law

In India, Tax Audit under section 44AB of Income Tax Act, 1961 casts a duty on the assessee whose turnover is over Rs. 1 Crore (10 Million) to get his accounts audited from Income Tax angle from a qualified Chartered Accountant. This duty is casted on the assessee to safeguard the revenue interests of the Government.

Authority

A Chartered Accountant being a skilled professional is authorized by law to conduct this audit and give a report in prescribed format (Form 3CA with 3CD Annexure). This not only helps the assessee in computing his tax liability correctly but also save him from departmental actions.

Time Period for obtaining Tax Audit Report

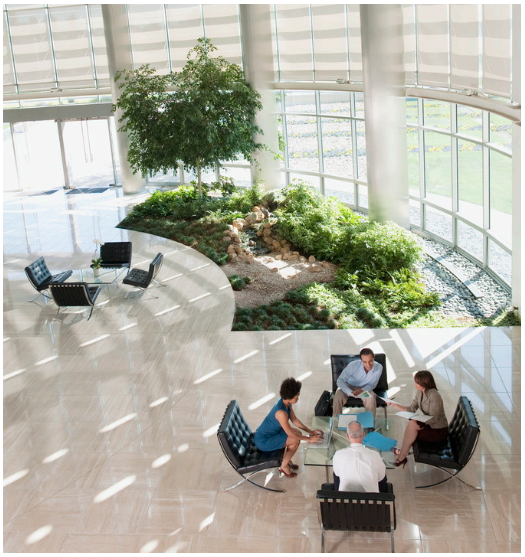
The Tax Audit Report should be obtained by the assessee before 30th September of the Assessment Year. Example:- For financial year 2013-14, the tax audit report should be obtained by 30th September 2014.

But this time Government has made some changes into the report format and thus for this year the time allowed for obtaining the report is 30th November 2014.

Penalties for not obtaining Tax Audit Report

Under section 271B of the Income Tax Act, 1961 failure to get accounts audited under section 44AB or furnish the report as is required under section 44AB attracts a minimum penalty of ½% of the total sales, turnover, or gross receipts and maximum penalty of Rs. 1,50,000/-

Forms: Form 3CA, 3CB, 3CD



3. Deadlines –October 2014

Note:

*Due dates for payment of monthly VAT liability and VAT returns will vary from State to State thus they are not mentioned in above list.

IMPORTANT DATES FROM COMPLIANCE ANGLE FOR THE MONTH OF OCTOBER 2014

5th October – Payment of monthly service tax liability (other than online)

6th October- Payment of monthly service tax liability (online method)

6th October- Payment of monthly excise duty liability (for all assessees including SSI units)

7th October- Payment of monthly TDS and TCS liability

10th October- Excise Return ER-1 for all assesses (non-SSI)

Excise Return ER-2 (for EOUs)

Excise Return ER-6 (for units paying more than 1 crore duty)

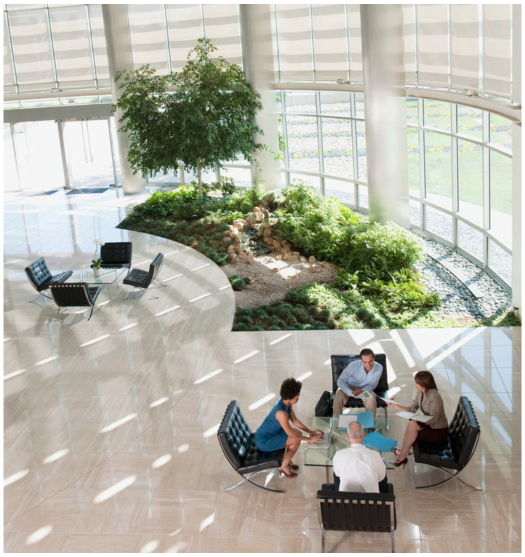
15th October- TDS Return for Quarter Jul'14 to Sep'14

15th September- Payment of monthly Provident Fund liability

21th October- ESIC Payment

25th October- Service Tax Return for half year Apr'14 to Sep'14

31th October- Issue of TDS Certificates.



4. Indian Culture/festivals

Ganesh Chaturthi

29 August 2014 – 8 September 2014

The spectacular eleven day Ganesh Chaturthi festival honors the birth of the beloved Hindu elephant-headed god, Lord Ganesha.

The start of the festival sees huge, elaborately crafted statutes of Ganesha installed in homes and podiums, which have been especially constructed and beautifully decorated.

At the end of the festival, the statutes are paraded through the streets, accompanied by much singing and dancing, and then submerged in the ocean.

Onam

September 7, 2014

Onam is a traditional ten day harvest festival that marks the homecoming of the mythical King Mahabali. It's a festival rich in culture and heritage.

People strikingly decorate the ground in front of their houses with flowers arranged in beautiful patterns to welcome the King.

The festival is also celebrated with new clothes, feasts served on banana leaves, dancing, sports, games, and snake boat races.

Internal Audit services

Accounting services

Compliance services

Wakoku Consulting Group India-japan

Taxation services

Japanese help desk

Team comprises of chartered accountants, company secretaries, cost accountants, lawyers

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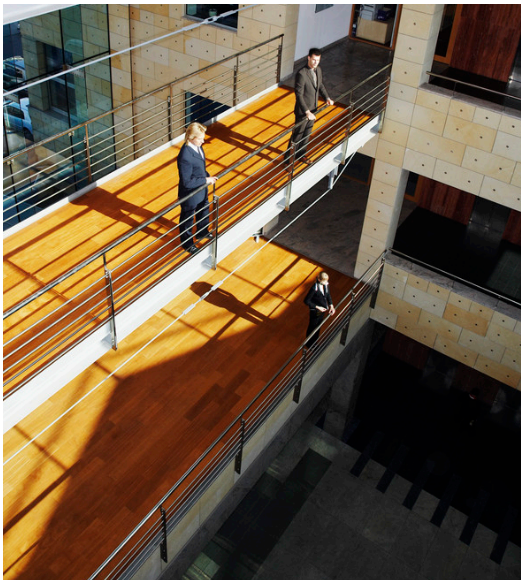
Please Contact.

Mr. Katsutoshi Ishikawa(CPA-Japan)
K.Ishikawa@wakokuconsulting.com

Mr. Sumit Gururani, (Mcom, FCS, LLB)
S.gururani@wakokuconsulting.com

Delhi corporate office: G-14, Gaurav Appartments, SFS flats, Saket, New Delhi-110017 Ph- 011-41062006



WHAT 'S IN NEXT ISSUES

TAX AUDIT AND RELEVANCE

DIRECTORS RESPONSIBLITES

TRANSFER PRICING ISSUES.

FILINGS UNDER INCOME TAX , RBI , COMPANIES ACT.

EXPAT TAXATION

COMPANY MEETINGS

PENALITIES AND PROSECUTION

LABOR LAW MANAGEMNT

Please Contact.

Mr. Katsutoshi Ishikawa(CPA-Japan)
K.Ishikawa@wakokuconsulting.com

Mr. Sumit Gururani, (Mcom, FCS, LLB)
S.gururani@wakokuconsulting.com

Delhi corporate office: G-14, Gaurav Appartments, SFS flats, Saket, New Delhi-110017 Ph- 011-41062006