

ROC News

For defunct companies, for getting their names struck off from the Register of Companies, the Ministry of Corporate Affairs has decided to introduce a Scheme namely, 'Easy Exit Scheme, 2010' under Section 560 of the Companies Act, 1956. Scheme does not cover the listed companies, section 25 Co's, vanishing companies, companies under inspection/investigation, Co's against which prosecution is pending in court.

In order to give an opportunity to the defaulting companies to enable them to make their default good by filing belated documents and to become a regular compliant in future, the Ministry has introduced a Scheme namely, 'Company Law Settlement Scheme, 2010,' for condoning the delay in filing documents with the Registrar, granting immunity from prosecution and charging additional fee of 25 percent of actual additional fee payable for filing belated documents under the Companies Act, 1956 and the...

Service Tax

Circular No.123/5/2010-TRU This clarification takes into account the taxability of different activities taking into account the scope of all services (such as site formation/excavation/ earth moving service, commercial or industrial construction services; erection, commissioning or installation services; or works-contract service) that are presently taxable as well as those which are covered under the Finance Act, 2010.

Income Tax

- E-filing for ITR 1- SARAL II, ITR-2 and ITR-3 has commenced. One can E-file Income tax_returns for AY 2010-11. On successful upload acknowledgement details would be displayed. Clicking on "Print" will generate printout of acknowledgement / ITR-V Form.
- Incase the return is digitally signed; on generation of "Acknowledgement" the Return Filing process gets completed. A printout of the Acknowledgement may be kept for record.
- Under section 197 AO to issue Certificates through ITD system. If problem, AO can issue manual certificate & upload data within 7 days as per CBDT Instruction 4 dt 25-5-10.
- As per SA 230, Audit Documentation, Period for retaining Audit Documentation reduced from 10 to 7 years
- The limit of gratuity has been raised from Rs. 3.50 Lacs to Rs. 10 Lacs w.e.f. 24/05/2010 vide notification no. s.o.1217(E) dated 24/05/2010

Excise

Circular No. 926 / 16 / 2010 – CX.

Attention is invited to Circular No. 919/09/2010 – CX dated 23.03.2010 prescribing detailed instructions and the procedure for electronic filing of Central Excise and Service Tax returns. Attention is also invited to the Central Excise (Second Amendment) Rules, 2010 and CENVAT Credit (Amendment) Rules, 2010 issued vide Notification No. 20/2010-Central Excise (NT) and No. 21/2010- Central Excise (NT) respectively both dated 18.05.2010 providing for mandatory electronic filing of certain returns by assessees including dealers.

2. The said notifications have been made effective from 1.6.2010. Following amendments have been made in the Central Excise Rules, 2002 and CENVAT Credit Rules, 2004:
 - i. Manufacturers who have paid Central Excise duty of Rs. 10 Lakh or more (including payment by utilisation of Cenvat credit) in the previous financial year shall file their Annual Financial Information Statement (ER4) as prescribed under the proviso to clause (a) of sub rule (2) of Rule 12 of the Central Excise Rules, 2002,electronically.
 - ii. EOU manufacturers who have paid Central Excise duty of Rs. 10 Lakh or more (including payment by utilisation of Cenvat credit) in the previous financial year shall file ER 2 returns as prescribed under the proviso to sub-rule (3) Rule 17 of the Central Excise Rules 2002, electronically.
 - iii. All registered dealers would now be required to file quarterly returns as prescribed under the proviso to sub-rule (8) of rule 9 of the CENVAT Credit Rules 2004, electronically irrespective of the amount of CENVAT credit taken by them or passed on by them in a year.
 - iv. Manufacturers who have paid Central Excise duty of Rs. 10 Lakh or more (including payment by utilisation of Cenvat credit) in the previous financial year shall file the Monthly Return of information relating to principal inputs (ER6) under proviso to sub-rule (3) of rule 9A, electronically and Annual Declaration relating to principal inputs (ER5) under the second proviso to sub rule (1) of Rule 9A of the CENVAT Credit Rules, 2004; and

TDS

Rationalised provisions relating to Tax Deduction at Source (TDS) These amendments are proposed to take effect from 1st July 2010. [Clauses 35, 36, 37, 38, 39, 40, 41 of finance bill 2010]

Under the scheme of deduction of tax at source as provided in the Income-tax Act, every person responsible for payment of any specified sum to any person is required to deduct tax at source at the prescribed rate and deposit it with the Central Government within the specified time. However, no deduction is required to be made if the payments do not exceed prescribed threshold limits.

In order to adjust for inflation and also to reduce the compliance burden of deductors and taxpayers, it is proposed to raise the threshold limit for payments mentioned in sections 194B, 194BB, 194C, 194D, 194H, 194-I and 194J as under:

SECTION	NATURE OF PAYMENT	Existing threshold limit of payment	Proposed threshold limit of payment (Rupees)
194B	WINNING FROM LOTTERY	5000	10000
194BB	WINNING FROM HORSE RACE	2500	5000
194C	CONTRACT	20000per contract	30000 per contract
		50000 per annum	75000 per annum
194D	INSURANCE COMMSSION	5000	20000
194H	COMMSSION/BROKERAGE	2500	5000
194I	RENT	120000 per annum	180000 per annum
194J	PROFESSIONAL/TECHNICAL	20000	30000