

COUNCIL OF FINANCIAL PLANNERS

REPORT CARD – OCT 2015 MONTHLY MEETING

COFP October 2015 monthly meeting is conducted on 14th at “Ashirwad” Centre for Learning, St Marks Road, Bangalore.

The agenda for the meeting is “Compliance – Regulations & Guidelines. The Presentation is made by Mr M Nagesh, Chartered Accountant, Founder & Partner, Nagesh & Mylar Associates based at Bangalore.

The following are the topics discussed in the meeting.

I. Income tax – Major compliances

1. TDS on payments –

Exemptions / Non applicability (Except for salaries) : in case of Individuals / HUF who are not liable for audit u/s 44 AB during the immediately proceeding financial year.

Applicable Payments :-

- A. Salary - Taxable Salary exceeds the exemption limit (Rs.2.50 lacs)
 - B. Rent - if Exceeds Rs.180000/- in a year - @ rate of 10%
 - C. Interest - Exceeds Rs.5000/- in a year @ rate of 10%
 - D. contract - Contract amount Exceeds Rs.30000/- or aggregate amount Rs.75000/- in a year @ rate of 1% (if payee is Individual / HUF) / 2% for others
 - E. Professional / Tech. Fee - Exceeds Rs.30000/- in a year @ rate of 10%
 - F. Commission – Exceeds Rs.5000/- in a year @ rate of 10%
2. The TDS amount deducted must be remitted to Government before 7th of succeeding month.
 3. Returns – ETDS quarterly with in 15 days from the end of quarter (for 4th quarter 15th May)
 4. Penalty – interest for late payment @ 1.5% per month (form the date of deduction)
 5. Late filing of returns – Rs.200 per day as per section 234E

II. Advance Tax

1. Advacne tax is payable if the tax payable (after set of TDS if any) in a year exceeds Rs.10,000/-
2. Due dates:
 - Companies- 15% by 15th Jun, 45% by 15th Sep, 75% by 15th Dec & 100% by 15th Mar
 - Others – 30% by 15th Sep, 60% by 15th Dec & 100% by 15th Mar
3. Audit of books of accounts - If turnover exceeds Rs.100 lacs in a year
4. Submission of returns :

- Companies /audit cases – 30th September
- Non Audit Cases – 31st July
- 5. Penalty
 - late payment advance tax 1% p.m.
 -
 - Audit : 0.5% of turnover subject to maximum of Rs.1.50 lac
 - Non filing of returns : 1% p.m. for late filing
 - Late payment of tax – 1% pm

III. Services Tax on Commissions

1. Exemptions : The following are the services that are exempted from Service tax vide Notification 25/2012 (Entry 29).

- (a) sub-broker or an authorised person to a stock broker;
- (b) authorised person to a member of a commodity exchange;
- (c) mutual fund agent to a mutual fund or asset management company; **Up to 31-03-2015**
- (d) distributor to a mutual fund or asset management company; **up to 31-03-2015**

2. **Reverse Charge Mechanism (RCM)** - Notification 30/ 2012 as amended by notification 07/2015 Sub clause (ib) of clause A

"(ib) provided or agreed to be provided by a mutual fund agent or distributor, to a mutual fund or asset management company";

Notification 033/2012-S.T. (known as SSI exemption)

3. Services (all services / not for each service) rendered are less than Rs.10.00 lacs

4. Non exempted services

a. Commission received from Companies/Merchant Bankers

b. Service charges received from the investors.

5. Due dates for remittance of Service tax:

- Individuals: 6th day of succeeding month
- Companies: 6th day from the end of the quarter
- March month /March quarter – 31st of March

6. Returns of Service Tax : half yearly (25th day from the end of the half year)

7. Penalty :

- Late Payment of Tax : first 6 months : 18%, for next 6 months :24%, there after 30% --
- Late filing of returns : up to 15 days – Rs.500, 16-30 days –Rs.1000/- more than 30 days Rs.1000/- + Rs.100 per day maximum Rs.20,000/-

IV. LABOUR LAWS

1. Shops & Establishment Act – is applicable to

a) commercial establishment (commercial or trading or banking or insurance establishment, an establishment or administrative service in which persons employed are mainly engaged in office work, a hotel, restaurant, boarding or eating house, a cafe or any other refreshment house, a theatre or any other place of public amusement or entertainment)

b) and shop (means any premises where any trade or business is carried on or where services are rendered to customers, and includes offices, storerooms, godowns, or warehouses, whether in the same premises or otherwise, used in connection with such trade or business)

c. Major Compliances: Registration & Renewal, weekly holiday, working hours, Annual leave, Maintenance of Records such as attendance, wage register leave register etc.

2. Provident Fund:

a) Applicable if Employing 20 or more persons

b) Contribution: 12% from employee & 12% from employer + administrative charges

3. ESI:

- The Scheme is applicable to shops, hotels, restaurants, cinemas including preview theatres, road-motor transport undertakings and newspaper establishments employing 10 or more persons in Karnataka.

- Employees covered under the scheme : Salary less than 15000/-

- Contributions : 4.75% from employers and 1.75% from employee.

4. Professional tax

a. Levy and charge of tax: Every person who exercises any profession or calling or is engaged in any trade or holds any appointment, public or private, or is employed in any manner in the State.

b. Enrolment : Every person liable to pay tax under this act except the salaried person are liable to enrol under this act.

c. Registration : Applicable if having employees drawing salary of more than 15000/-

d. Payments & Returns : Renewal of Enrolment along with renewal fee every year before 30th April.

e. PT deducted from the employees is payable before 20th of every month and returns to be filed every month before 20th.

5. Partnership Act

a. Stamp duty payable Rs.2000/- (Rs.1000/- for amendment)

b. Registration not mandatory it is optional

c. Consequences for non registration: Not able to sue third parties. However third parties can sue the partners / partnership firm

Knowledge Management Team of COFP thanks the speaker and all the participants for their participation.