
NEWSLETTER FOR THE MONTH OF JULY 2010

Important updates in MVAT and CST

1. Due date for uploading VAT and CST returns for quarter ended June 2010 was July 31, 2010. It is extended upto August 7, 2010. It is confirmed from industry sources. However, circular or notification is not received till date (August 4, 2010).
2. Pursuant to Circular No 17T of 2010, scheme of composition for dealers undertaking construction of flats, dwellings or premises and transfer them in pursuance of an agreement introduced vide Notification No 1510/ CR-65/ Taxation-1 dated July 9, 2010. Details of the scheme are:
 - a. All agreements registered on or after April 1, 2010 shall be covered.
 - b. E-payment of tax is compulsory.
 - c. Set-off on purchases shall not be allowed.
 - d. Dealer shall not be entitled to use C forms for purchases required for the above composition scheme.
 - e. Dealer shall not be entitled to issue Form 409 (for reduction of his liability in respect of works allotted by him to sub-contractor) to his sub-contractor.
 - f. Once composition opted for any particular contract, it shall not be allowed to be changed.
 - g. Dealer shall not issue Tax Invoice.

Important updates in Profession tax Act

- 1 Due date of payment of profession tax for persons enrolled on or before May 31, 2010 extended upto July 31, 2010. Original due date was June 30, 2010.

Important updates in Income-tax Act

- 1 Notification No. 49/2010[F.No.142/15/2010-TPL], dated 9-7-2010
From AY 2010-11 onwards, Individuals, HUFs to whom audit u/s 44AB is applicable shall now be required to e-file the return in form ITR 4 with or without digital signature. Partnership firms to whom audit u/s 44AB is applicable shall continue to file the return in form ITR 5 with or without digital signature.
However, from AY 2010-11 onwards, Companies to whom ITR 6 is applicable shall file e-return **WITH** digital signature only.
- 2 Cost inflation index for financial year 2010-11 is notified as 711.
- 3 Due date July 31, 2010 for filing of income-tax returns has been extended upto August 4, 2010. Paper returns as well as e-returns filed upto August 4, 2010 would be considered as filed within due date.
- 4 There is huge pendency for issuance of refunds for the assessment year 2009-10. To clear this, an important instruction is issued by the department. It is reproduced for ready reference:

Instruction No. 5/2010 [F.No.225/25/2010-ITA-II], dated 21-7-2010



The issue of processing of returns for Asst. year 2009-10 and giving credit for TDS has been considered by the Board. In order to clear the backlog of returns, the following decisions have been taken:

(i) In all the returns filed in ITR-1 and ITR-2, for the Asst. Year 2009-10, where the aggregate TDS claim does not exceed Rs. Three lakh (3 lacs) and where the refund computed does not exceed Rs. 25,000; the TDS claim of the tax payer shall be accepted at the time of processing of the return.

(ii) In all the returns filed in forms other than ITR-1 and ITR -2, for the Asst. Year 2009-10, where the aggregate TDS claim does not exceed Rs. Three lakh (3 lacs) and the refund computed does not exceed Rs. 25,000 and there is 10% matching of TDS amount claimed, the TDS claim shall be accepted at the time of processing of the return.

(iii) In all remaining cases, TDS credit shall be given after due verification.

Disclaimer:

All efforts have been made to ensure completeness of data. However, readers are advised to confirm from their own sources also. Further, interpretations given above are our personal opinions at M/s Umesh Agrawal and Associates. We are not responsible for any loss arising due to the above information.

