

PUBLIC LIMITED COMPANY

1. What number of Persons is required to join a PUBLIC LIMITED COMPANY?

A Public Limited Company must have at least three Directors and seven investors.

2. What are the basics to be a Director?

The chief should be no less than 18 years old. Any individual can turn into the individual from the Public restricted organization including outsiders/NRI.

3. Do I need to be available face to face to fuse a Public Limited Company?

No, you don't need to be available at our office or show up at any office for the enrollment of a Public Limited Company. Every one of the archives can be filtered and sent through email to our office. A few archives must be couriered to our office.

4. When I pay for the consolidation, is there some other installment before I get the Incorporation Certificate?

There is definitely no other installment. We will send you a receipt that is comprehensive, with no shrouded charges.

5. What is the Statutory Compliances Required for a Limited Company?

A constrained organization must hold a Board Meeting in any event once in like clockwork. Notwithstanding the Board Meetings, an Annual General Meeting must be directed by the Limited Company, at any rate once consistently.

6. Can NRIs/Foreign Nationals be a Director in Public Limited Company?

Yes, a NRI or Foreign National can be a Director in a Public Limited Company in the wake of getting Director Identification Number. In any case, no less than one Director on the Board of Directors must be a Resident of India.

PRIVATE LIMITED COMPANY

1. Is it necessary to have 2 directors for private limited company registration?

Yes, you need a minimum of two directors for a private limited company. The maximum members can be 200. If you are the sole owner, you can register as a One Person Company.

2. Who can be a member in Private Limited Company?

Any individual/organization can become the member of the private limited company including foreigners/NRI. However, the individual must 18+ above in terms of age and should have a valid PAN card.

3. For incorporation of private limited company do I have to be present in person?

The entire procedure is 100% online and you don't have to be present at our office or any other office for incorporation. A scanned copy of documents has to be sent via mail. They get the company incorporation certificate from MCA via courier at their business address.

4. Are there any other payments to be made for incorporation certificate in addition to fee paid at the time of registration?

There is absolutely no other payment. Our charges are inclusive of everything. We will send you an invoice with no hidden charges. Our team provides you support till you get your bank account.

5. What is the time taken by capital flow.com in forming a Private Limited Company?

Capital flow.com can incorporate a Private Limited Company within 15-25 days. The time took also depends on relevant documents provided by the applicant and speed of approvals from government. To ensure speedy registration, please pick a unique name for the proposed Company and make sure you have all the required documents prior to starting the registration process.

6. Can NRIs/Foreign Nationals become a Director in Private Limited Company?

Yes, an NRI or Foreign National can become a Director in a Private Limited Company. They can get a DPIN from Indian ROC. Also, they can be a majority shareholder in the company. But, at least one Director on the Board of Directors must be an Indian Resident.

7. What is the minimum capital required for forming a private limited company?

You need to start the company with a minimum capital of Rs. 100,000. However, you need not pay this amount to the bank. You can also show that the capital has been utilized as the pre-incorporation expenses of the startups e.g, private limited registration expenses. You can also show this capital has been infused in form of assets such as computers etc.

8. Do I need a proper office address to start a company?

No, you don't need a proper office. You can even register your company at your residential address. It is perfectly legal to start the company at your home or in your garage. MCA team typically doesn't visit your office.

9. What if I have only one director for my Private limited company?

Well, you can get someone from your family or friend circle as the second director and give them marginal share, e.g, 0.01%. You also have the option to register a One person company, but it will not be possible to add directors in OPC later.

10. Why a Private limited company is called a separate Legal Entity?

A company is a legal entity and a different person established under the Act. A company is treated as a different person which can own property and have creditors or debts. The members (Shareholders/Directors) of a company will have no liability to creditors of a company in case the company is unable to pay the debts.

11. Can a Salaried working person also become a director of a Private Limited Company?

Yes, you as a salaried person can become the director in private limited, LLP or OPC private limited company. You need to check your employment agreement if that allows for such provisions. In most, cases employers are comfortable with the fact that their employee is a director in another company.

12. Can I convert My Limited Liability Partnership (LLP) in a Private Limited Company?

No, you can't convert your LLP into a Private Limited Company as it is not MCA. Both the LLP Act, 2008 and the Companies Act, 2013 don't have any provisions on conversion of LLP in a private limited company. However, if you want to expand your business you can register a new Private Limited Company with the same name as that of the LLP. The LLP Company just needs to issue a no objection certificate.

LIMITED LIABILITY PARTNERSHIP

1. What is the minimum number of Partners required to start a Limited Liability Partnership?

At least two partners are required for LLP registration. The maximum partners can be 200. If you are the sole owner, you can register as a One Person Company.

2. Who can become a partner in LLP?

Any individual/organization can become the partner in LLP including foreigners/NRI. However, the individual must 18+ above in terms of age and should have a valid PAN card.

3. Do I have to be available in person to incorporate an LLP?

Our procedure is 100% online which means there is no compulsion for you to be present at our office physically. A scanned copy of documents can be sent to us via mail, and we will handle the rest. You will get the company incorporation certificate from MCA via courier at your business address.

4. Once I pay for the incorporation, is there any other payment before I get the Incorporation Certificate?

We do not have any hidden charges. Our system is quite transparent. After making your payment, we will send you an invoice that is all-inclusive, with no hidden charges. Our team provides you support till you get your LLP bank account.

5. How much money do I need to invest upfront in starting the business?

You need to have a bank account with a minimum balance, which could be as little as Rs. 5000. You need not invest any more capital in starting the business. You needn't even deposit this amount to the bank. You can also show that the capital has been utilized as the pre-incorporation expenses of LLP e.g, LLP registration expenses. You can also show this capital has been infused in form of assets such as computers etc.

6. Can NRIs/Foreign Nationals be a Designated Partner in LLP?

Yes, but only after he has been assigned with DIN/DPIN. However, at least one designated partner in LLP must be a Resident of India. In fact, the foreign director can also be a majority shareholder in the company

7. Can I register the LLP at my home address?

Yes, you can register your LLP at your residential address. It is perfectly legal to start the company at your home or in your garage. MCA team typically doesn't visit your office. You just have to provide your home address proof such as rent agreement or electricity bill.

8. Can a Salaried working person also become a partner in an LLP?

Yes, you as a salaried person can become a partner in an LLP. You need to check your employment agreement if that allows for such provisions. In most, cases employers are comfortable with the fact that their employee is a director in another company.

9. Can I convert My Limited Liability Partnership (LLP) in a Private Limited Company?

No, you can't convert your LLP into a Private Limited Company as it is not MCA. Both the LLP Act, 2008 and the Companies Act, 2013 don't have any provisions on conversion of LLP in a private limited company. However, if you want to expand your business you can register a new Private Limited Company with the same name as that of the LLP. The LLP Company just needs to issue a no objection certificate.

ONE PERSON COMPANY

1. How many people are required to start One Person Company?

-At least one nominee is required to start an OPC who can act as shareholder as well as director.

2. Who can become a member in One Person Company?

-Any individual/organization can become the member of One Person Company including foreigners/NRI's.

3. For incorporation of One Person Company do I have to be present in person?

– The entire procedure is 100% online and you don't have to be present at our office or any other office for incorporation. A scanned copy of documents has to be sent via mail.

4. Are there any other payments to be made for incorporation certificate in addition to fee paid at the time of registration?

-There is absolutely no other payment. We will send you an invoice that is all-inclusive, with no hidden charges.

5. How much money do I need to invest upfront to start the business?

-You need to have a bank account with a minimum balance. This could be as little as Rs. 5000. You don't need to invest any more capital to start the business.

6. Should I incorporate a Private Limited Co. Instead?

-A lot of people considering an OPC registration go with the private limited company structure because it is mandatory to convert an OPC to a private or public limited company if turnover is over Rs. 2 crore or paid up capital is over 50 Lakhs.

7. What are the compliance requirements under OPC?

An OPC limited by shares must comply with following requirements: Must have a minimum [paid up share capital of INR 1 Lac. Shares will not be allowed to be transferred to anyone else. An OPC is prohibited from giving any invitations to public to subscribe for the securities of the company.

- When an OPC limited by shares or by guarantee enters into a contract with the sole member of the company, who is also the director of the company, the terms of contract or offer must be recorded in writing or contained in a memorandum or recorded in the minutes of the Board meeting held next after entering into the contact.
- An OPC must inform the Registrar about every contract entered into by the company with the sole member of the company within a period of fifteen days from the date of approval.

8. What are the compliance exemptions for an OPC?

An OPC is exempted from doing the following compliances:

- Sign on annual returns.
- Hold Annual General Meetings and Board Meetings.
- Sign on Financial Statements.
- Option to dispense with the requirement of holding an AGM.
- Power of Tribunal to call meetings of members.
- Calling of extraordinary general meeting.
- Notice of meeting.
- Statement to be annexed to notice.
- Quorum for meetings.
- Chairman of meetings.
- Proxies.
- Restriction on voting rights.
- Voting by show of hands
- Voting through electronic means.
- Demand for poll.
- Postal ballot.
- Circulation of members' resolution.

SECTION 8 COMPANIES

1. Is it necessary to have 2 directors for Section 8 Company Registration?

– Yes, you need a minimum of two directors for a section 8 company registration.

2. Who can become a member in Section 8 Company?

– Any individual/organization can become the member of Section 8 Company including foreigners/NRI's.

3. for incorporation of Section 8 Company, do I have to be present in person?

– The entire procedure is 100% online and you don't have to be present at our office or any other office for incorporation. A scanned copy of documents has to be sent via mail..

4. Are there any other payments to be made for incorporation certificate in addition to fee paid at the time of registration?

-There is absolutely no other payment. We will send you an invoice that is all-inclusive, with no hidden charges.

5. Time taken by Capitalflow.com in forming a Section 8 Company?

– Capitalflow.com can incorporate a section 8 Company in less than 20 days. The time taken also depends on relevant documents provided by the applicant and speed of approvals from government. To ensure speedy registration, please pick a unique name for the proposed Company and make sure you have all the required documents prior to starting the registration process.

6. Is it necessary to have a charitable object to register a Section 8 company?

– Yes, it is necessary to have a non-profit motive to incorporate a Section 8 company.

7. What is the life span of the Section 8 company?

– The life span of the company is not dependent on or related to the life of any particular person(s) or individual(s). It could go on indefinitely until it accomplishes its objective, merges with another such company, or goes bankrupt.

NIDHI COMPANY

1. What are the requirements for registration of a Nidhi Company?

– A Nidhi company is registered as a Public Limited Company. Hence, the requirements for incorporation of a Nidhi company covered a minimum of three Directors and Seven Shareholders. However, the MOA of a Nidhi company must state that the primary objective of the proposed company is to nurture and promote a habit of thriftiness and savings among its members, and accept deposits from or lend loans only to its members, for the mutual benefits of them.

2. Are the deposits with the company safe and secured?

– Yes, because Government of India/Ministry of Corporate Affairs/RBI has framed the laws/rules to ensure the security and safety of deposits and Nidhi companies must strictly abide by the rules and regulations framed by the Central Government.

3. How does the Nidhi Company use the fund/deposit procured by it?

-The Company uses the funds in lending to the Shareholder/members only as per the Nidhi company rules. Nidhi Company lending is in the shape of small loans for business and microfinance.

4. Who Can Invest in a Nidhi Company?

– Only shareholders/Members of the Nidhi Company who have a membership ID, can invest in the scheme. To be a member, you must be 18-years and above as per age proof and must be a citizen of India.

5. How can I become a Shareholder/Member of the Nidhi Company?

1. Business Restrictions:

Nidhi Companies are strictly prohibited from engaging in the following types of businesses:

Business of chit fund, hire purchase finance, leasing finance, insurance or acquisition of securities issued by anybody corporate. Nidhi Companies cannot carry on any business other than the business of borrowing or lending in its own name.

2. General Restrictions:

- Nidhi Companies cannot issue any shares, debentures or any other securities by any name or in any form whatsoever.
- Nidhi Companies cannot open current account with its members. Please note, there is a restriction on current account that means you can still open savings account with the members.
- Nidhi Companies cannot issue or cause to be issued any advertisement in any form for soliciting deposit.
- Nidhi Companies cannot pay any brokerage or incentive for mobilising deposits from members or for deployment of funds or for granting loans.

6. How many branches can a Nidhi Company open?

– A Nidhi Company can open 3 branches in its district only if it has earned profits after tax consistently during the preceding three financial years. For any additional branch, Nidhi will be first apply for approval from the Regional Director.

MSME REGISTRATION

1. How do you get MSME registrations?

Although, there is no compulsion to get MSME registration but is always advised to do so as it provides lots of benefits to the enterprises registered under MSME Act. It will save you from a lot of inconveniences later on. After assigning you the Provisional MSME Certificate and you can begin with your production and even apply for a Permanent Certificate which will add more advantages for you. Always apply for provisional registration at an initial stage of the business.

2. Is SSI/MSME Registration voluntary or mandatory?

As said above, SSI/MSME registration is totally voluntary. Businessmen and entrepreneurs usually get this done to utilize the advantages offered under it. The registration process is quite easy and simple. You can easily avail it (provided you have a manufacturing plant or a commercial space where you render services), many businesses opt for it over other registrations.

3. Why should I apply before commencing operations?

It is advisable to get a Provisional SSI Registration Certificate (PRC) before starting your operation in your enterprise. The PRC will work smoothly for you and will help you out with particular NOCs and clearances from regulatory bodies.

4. What documents are required for the application?

If your business or enterprise is listed under Schedule –III of Industrial Licensing Exemption Notification, then you can easily apply for PRC without an industrial license. Other units must first acquire an industrial license. All the clearances should be obtained by enterprise whether it be statutory or administrative. For example, a drug license under the drug controls order, if required. The PRC is issued based on the application form. No field enquiry is made.

5. For how long is an MSME Provisional Registration Certificate (PRC) valid?

The validation of a PRC is for 5 years and if the unit is still not under operational then you may still re-apply for it. As soon as you start with your operations, you can easily apply for the Permanent License.

6. How does SSI/MSME help me get a loan from a bank?

MSMEs are recognized by all the institutions and banks. Special schemes are drafted to recognize them as well. Banks prefer MSMEs instead of normal enterprises to lend loans. The possibility of getting a sanctioned loan is much higher in a case of MSME. Bank loan interest rates will also be lower. There may also be preferential treatment in case of delay in repayment.

7. What benefits are given to MSME by state and central government?

Many state government prefers enterprises which are registered under MSMED Act. Subsidy such as on power, taxes, and much more is offered by state governments. In most of the states, sales tax exemption is provided purchase preferences is given on goods produced. The enterprise may also relish excise exemption scheme and exemption from certain direct taxes in the initial years of your business.

8. How is the value of plant and machinery computed for SSI registration?

While computing the value of Plant and Machinery, only original value is asked to be taken into account as per the MSME notification.

9. What is the support available for collateral free borrowing?

Certain trust such as Credit Guarantee Fund Trust has been set up by Ministry of MSME, Government of India and SIDBI, so that there won't be any breakage in the flow of credit to the MSE sector without any interference from the third party. The scheme is solidified on the basis that the lender should give importance to project viability and secure the credit facility purely on the primary security of the assets financed.

Cluster based approach to lending is intended to provide a full-service approach to cater to the diverse needs of the MSE sector which may be achieved through extending banking services to recognized MSE clusters.

The banks have, therefore, been advised to treat it as a thrust area and increasingly adopt the same for SME financing. Banks are always asked to take appropriate steps so that the flow of credit is smoothly done to the identified clusters of micro and small entrepreneurs from the Minorities Communities residing in the minority concentrated districts of the country.

The CGTMSE would provide cover for credit facility up to Rs. 100 lakh which have been extended by lending institutions without any collateral security. A nominal annual fee is charged by the CGTMSE to avail of the guarantee cover.

10. What is credit rating and why is it mandatory?

Credit rating is an estimate to figure out the capability of an enterprise to meet all the financial needs based on the previous year dealings. Although credit rating is not compulsive but it is in the interest of the MSE borrowers to get their credit rating done as it would help in credit pricing of the loans taken by them from banks.

FSSAI REGISTRATION

1. How do I renew my FSSAI registration?

FSSAI license can be renewed 30 days before the expiry of original license. You need to provide your current license number to capital flow team. We will re-file the Form A and form B for renewal of the application / license. It typically takes 30-40 for renewal of the license. The government fee is same for renewal as for new license issue.

2. I have manufacturing units in multiple states. Will I be required to get a common license for the company or an individual license for each unit?

You will need a Central License for the registered office of your company and individual state licenses for each manufacturing unit in particular states.

3. I import food items for sale in India. Do I need a license from FSSAI?

Yes, you will be required to obtain a central license from the address contained in Import Export Code. For import export FSSAI central license is mandatory.

4. Is it mandatory for 100% export units to get FSSAI licensing?

Yes, FSSAI license is mandatory for both export and import of food products. You will need to apply for FSSAI Central License for your export unit.

5. We manufacture only food additives. Do I need a license from FSSAI too?

Yes, FSSAI license for food activities of any kind including manufacturing, trading, distribution and transportation. Therefore, you shall need a license from FSSAI too.

6. Will license be required for a catering establishment that comes under the Central Government?

Yes, all catering establishments, even those under central Government such as Railways, Airport, Seaport, and Defense etc. will have to get a license from FSSAI. In most cases, such establishments need to get FSSAI central license

7. What will be the license formality if warehouses are in more than one place but within the same locality (same municipality and same city)?

Even if the warehouses are located in the same city but different location then a separate license for each location is required. However, if multiple warehouses are on the same campus, a single license is applicable with campus address.

IMPORT EXPORT CODE

1. Who must obtain Import Export Code Registration?

Any person who intends to import or export goods and services from or to India must obtain Import export Code, one can apply ie code online and get their IE code certificate or IE code license online.

2. Is there any tax levied on Import Export Code?

No, tax is not levied on Import Export Code. However, custom duty maybe levied. Custom duty depends to the category of the products imported or exported. This can be found at the custom departments' website.

3. What is the time taken to acquire Import Export Code?

After submitting all the requisite documents IEC is typically allotted by DGFT in 5-10 days. It is not necessary to show proof of any import or export to obtain IE Code. Now a days, as IEC can be partially applied online with the help of digital signature, IEC can be obtained in less than a week.

4. How can I get a duplicate IEC Certificate ONLINE?

If you have taken IEC Certificate in new process e-IEC online, then you can download your certificate any time by login into the IEC portal with your username details. But if you had taken your IEC in physical process, you have to re-apply for e-IEC with all the documents and DGFT will provide you certificate in new online format.

5. How do I modify my IEC license?

If you or a company wants to modify any details in IEC license, then you can do it online in your IEC application. IEC modification required resubmitting the application with the DGFT once again with all the required documents. Also, IEC modification fee needs to be submitted with the department.

6. Are any monthly returns required to be filed under Import Export Code?

IEC is only a license permitting the import and export of goods. Therefore, no return is required to be filed under IEC code.

7. Who is not required to obtain IEC?

You will not need an IEC code under the following cases:

- Person exporting or importing goods for personal use and not for activities related to business.
- Persons exporting or importing goods to/from Nepal or Myanmar through Indo-Myanmar border areas, a value of which does not exceed Rs.25,000/- in a single assignment.
- Ministries or departments of central government do not require obtaining IEC

ESI REGISTRATIONS

1. What is the procedure for registration of an employer?

An employer shall apply for FORM 01 within 15 days after the act becomes applicable to a unit or establishment.

2. Is it mandatory for the employer to register under ESI?

Yes, it is mandatory requirement for every employer who comes under this act to register their Factory/ Establishment.

3. What are the compliance requirements?

Every employer covered under this act has to comply with various compliances such as deposit of monthly contribution, in order to file half yearly return and report to ESIC authorities if there is any change in business activity, address, ownership and the management, maintenance of registers and records etc.

4. Whether the benefits grant to insured employees are transferable?

No, right to receive any benefits under this act is not transferable.

5. Is it mandatory for the Employer to register under the scheme?

Yes, it is the statutory responsibility of the employer registers their Factory/ Establishment under the ESI Act within 15 days from the date when the act becomes applicable to them.

6. What is the ESI Code number?

It is a 17-digit unique identification number allotted to every registered establishment. This number is generated through the ESIC portal on submission of the required information by the employer or generated on receipt of a survey report from the Social Security Officer.

7. Can an establishment or factory once covered go out of coverage if the number of persons employed falls below the minimum limit prescribed?

Once a factory or an Establishment is covered under the Act, it continues to be covered despite the fact that the number of covered employees employed at any time falls below the required limit or there is a change in the manufacturing activity.

8. If the wages of an employee exceed Rs.15,000/- in a month, will he not be covered and deduction of contribution from his wages should be stopped?

If an employee's wages (excluding remuneration for overtime) exceeds the wage limit prescribed by the Central Government after beginning of the contribution period, he continues to be an employee till the end of that contribution period and therefore contribution is to be deducted and paid on the total wages earned by him.

9. Is over-time to be included for wage ceiling limit for coverage of an employee?

No. Overtime is not included for calculating the wage ceiling limit for coverage of an employee. But, it is included for payment of contribution to cover the risk during the period of overtime work, and to enable receiving cash benefits at an enhanced rate also.

10. What is the time limit for payment of contribution?

Contribution will be paid for an employee in to a bank duly authorized by the Corporation within 21 days of the last day of the month in which the contribution is due for any wage period.

11. What is the mode of payment of contributions?

The employer needs to file monthly contributions online through ESIC portal in respect of all its employees after registering them. The amount of contributions to be paid are to be calculated by keeping a record of, employee wise, number of days for which wages are paid & the amount of wages paid respectively to calculate the amount of contributions payable. The total amount of contribution (including the shares of the employees and employers) in respect of all the employees for each month must be deposited in any branch of SBI in cash or by cheque or demand draft on generation of such a challan through ESIC portals. Contributions can be paid online through SBI internet banking too.

12. Is there any interest on delayed payment?

An employer who doesn't pay the contribution within the time limit will be liable to pay simple interest at the rate of 12% per annum for each day of default or delay in payment of contribution.

13. What are the records to be maintained for the purpose of the ESI scheme?

In addition to the Muster roll, wage record and books of Account maintained under other laws, the employer is required to maintain the following records for ESI:-

- Accident Register in Form-11
- An inspection book.
- The immediate employer is also required to maintain the Employee's Register for the employees deployed to the principal employer.

14. What are the reports to be submitted by the employer?

These are the following reports to be submitted by the employer:

- Reports: Accident report in Form 12 in case any accident takes place, to the notice of the Accident.
- Absence verification report such as Employee Records including attendance, wages and books of accounts.

15. What is Registration of an employee?

Registration is the process of recording information about the entry of an employee into insured employment, under the Act.

16. Why Registration of an employee is necessary?

Registration of employee is the necessary to identify the employee and to provide such employee the benefits under the Act which are related to the contributions paid by the employer on behalf of each of the insured persons.

17. What is an identity card?

On registration under the scheme the employer can give a temporary identity certificate, affix employee's photo and authenticate it for use which is valid for a period of 3 months. This identity card functions as identification both for claiming medical benefit at dispensary/ hospital and claiming cash benefits at the ESI branch Office.

18. What is the scale of Medical Benefit?

The scale of medical benefit includes a complete medical treatment from start to finish.

19. Whether the disablement or dependant benefits have a minimum period of work requirement?

No. There are no qualifying conditions or contributory conditions attached for claiming disablement or Dependants benefit. Even if he meets with an employment related injury on the very first day or on any day before he completes his first contribution period, the benefit can be claimed.

20. What is the benefit admissible to dependents?

- Dependent are also entitled to full medical care as and when needed, to artificial limbs, artificial appliances etc. as a part of medical treatment.
- The medical benefit is also admissible to the dependents during the period the employee is claiming unemployment allowance. If he dies during this period, his family continues to receive the medical benefit till the completion of those twelve months.
- Reimbursement of expenditure incurred on the funeral of the deceased employee.
- In case of the death of the insured employee due to employment injury, the widow, widowed mother and children are entitled to Dependants' benefit.
- Any benefit due to the insured employee at the time of death is paid to the nominee.

21. Who are the persons to be counted for coverage of an establishment?

So long as the establishment employs a minimum prescribed number of persons it will continue to be covered under the Act whether these employees are employed at one place or at places separate from each other, as they are engaged in the organized activity of the same establishment. Thus, all the persons

including those working in branches, registered. Office and sales office etc. irrespective of location are to be counted.

22. Who is a Principal Employer?

A.Principal Employer is:

- In the case of a factory, these: –
- Owner
- Occupier
- Managing Agent of the owner or occupier
- Legal representatives on the behalf of a deceased owner or occupier
- Manager of a factory.
- In the case of Establishments belonging to or under the control of Government of India

B. The Authority Specified

C. The Head of the Department (In the absence of a specified Authority).

In the case of other establishments: Person responsible for the supervision and control of the establishment.

23. Who is an Immediate Employer?

Immediate Employer can be any or all of those enumerated below: –

- One who executes any work inside the premises of the principal employer of a factory or an establishment?
- One who executes the work in a factory or establishment outside the premises supervised by the principal employer or his agent.
- One who gives on hire the services of his own employees to the principal employer of a factory or establishment?

- A Contractor

24. Who are the persons to be covered as “Employees”?

Any person employed for wages in or in connection with a factory or establishment, and:

A. Directly employed by the Principal employer, in a Factory or establishment within the premises or elsewhere, or in any part, department or branch of the factory or establishment.

B. Employees of the immediate employer:

- Being employed in the premises on any work of the factory or establishment
- Being employed outside the premises on the work in a factory or establishment outside the premises supervised by the principal employer or his agent.
- Employees lent or let on hire to the principal employer on any work of the factory
- Paid Directors of a company.

But the following are excluded:

- An Apprentice
- An employee receiving wages above the ceiling limit for coverage prescribed by the Central Government.
- Member of the Indian Armed Forces

25. What are the periods of contribution and benefit?

The financial year from April to March has been divided in to two six monthly contribution periods i.e. 1st April to 30th September and 1st October to 31st March of the next year. The relevant period of benefit corresponding to each

period of contribution commences three months after the end of the contribution period i.e. Jan to June and July to December (The calendar year has been divided in to two six monthly benefits periods).

26. What is 'Sickness Benefit'?

If an employee requires medical treatment and is absent from work for medical reasons, Sickness benefit is paid for the period of absence after it is confirmed by the Authorized Medical Officer, for a period not more than 91 days in two consecutive benefit periods (say one year) @ 70% of standard benefit rate, subject to payment of contribution for not less than 78 days in the corresponding contribution periods.

27. What is Disablement?

Disablement is a condition resulting from employment injury, which may render the employee temporarily incapable of doing his work and necessitate medical treatment (temporary disablement). It may reduce his earning capacity (permanent partial disability) or it may completely deprive the employee of his ability of doing any work (permanent total disability).

28. What is an 'Employment related Injury'?

It is a personal injury to an employee caused by an accident or an occupational disease arising out of and in the course of his employment within or outside India.

29. When do Dependants receive Benefits?

Dependants' benefit is a monthly pension paid to the dependants of an employee who dies as a result of an employment related injury or occupational disease.

30. What is maternity benefit?

Maternity benefit is cyclical payments to an insured female employee for specified period of absence from work, due to confinement, miscarriage or sickness out of pregnancy, premature birth of child or miscarriage or

confinement. The amount of maternity benefit is equal to the standard benefit rate.

31. What are funeral expenses? Who is to be paid?

A lump sum amount not more than Rs.10000/- appropriated towards expenditure on the funeral of a deceased employee, is paid either to the eldest surviving member of the family or if he is without family or not living with his family at the time of death, then to the person who actually performs the funeral of the deceased employee.

32. What is Standard Benefit Rate?

Means average daily wages calculated by dividing the total wages paid during the contribution period by the number of day for which these wages were paid.

PARTNERSHIP COMPANY

1. How are partnerships taxed?

A partnership does not pay any income taxes. Instead, partnership income "passes through" the business to the partner. Each person then reports his or her share of business profits or losses on an individual federal tax return.

2. What is a partnership and how do I create one?

A partnership is a business owned by two or more people. There are three different types of business partnerships:

General partnership

Limited partnership

Limited liability partnership

General partnerships require filing a DBA/Business Name statement with the state or county. Limited partnerships and limited liability partnerships require filing articles with the Secretary of State or the appropriate state agency.

3. Is a written partnership agreement required for every partnership?

No. However, it is usually a good decision for partners to work out the details of the partnership and create a written agreement. If you do not, the state's rules regarding partnerships will govern your partnership.

4. What are the differences between a partnership and a limited liability company (LLC)?

The biggest difference between a general or limited partnership and an LLC is that the general partners of any partnership are personally liable for any business debts. This means creditors can go after the partners' personal assets while members of an LLC are not personally liable.

5. How are partnerships taxed?

A partnership does not pay any income taxes, although it may be required to file a tax return. Instead, partnership income "passes through" the business to the partners. Each partner then reports his or her share of business profits or losses on an individual federal tax return.

6. What are the differences between a partnership and a limited liability company LLC?

The biggest difference between a general or limited partnership and an LLC is that the general partners of any partnership are personally liable for any business debts. This means creditors can go after the partners' personal assets while members of an LLC are not personally liable.

7. What is a partnership and how do I create one?

A partnership is a business owned by two or more people. There are three different types of business partnerships:

General partnership

Limited partnership

Limited liability partnership

General partnerships may require filing a DBA/Business Name statement with the state or county if the business name does not include the surnames of the partners. Forming either a limited partnership or a limited liability partnership requires filing articles with the Secretary of State or the appropriate state agency.

8. Is a written partnership agreement required for every partnership?

No. However, it is usually a good decision for partners to work out the details of the partnership and create a written agreement. If you do not, the state's default rules regarding partnerships will govern your partnership.

PRORIETORSHIP COMPANY

1. What is a sole proprietorship?

A sole proprietorship is a company with only one owner and is not registered with the state, unlike a limited liability company (LLC) or corporation. Starting a sole proprietorship requires no paperwork — all you do to create a sole proprietorship is simply go into business. Although you do not have to file paperwork to set up a sole proprietorship, you do still have to acquire business licenses and permits, just like with any other form of business. Most people use the term "DBA" which stands for "doing business as" to indicate a sole proprietorship.

2. How does a sole proprietorship differ from other company forms?

A sole proprietorship differs from other forms of business in several ways. The chief ways a sole proprietorship is different include:

Sole proprietorships are the least complex and cheapest form of doing business

Sole proprietorships require no formal paperwork to set up and don't need to be registered with the state

Sole proprietorships do not shield individuals from liability for their business debts (see below)

Sole proprietorships are treated as simple income for tax purposes, and do not need to have separate taxes prepared (see below)

3. How are sole proprietorships treated for tax purposes?

Unlike corporations, sole proprietorships are not treated separately by the IRS. This means that any profit derived from your sole proprietorship is treated as your personal income and is accounted for on your individual tax return. Any such income is taxed to you in the year it was received.

5. Am I personally liable for my business under a sole proprietorship?

Yes. Unlike other forms of incorporation, you are personally liable for any of your sole proprietorship's debts or legal judgments against your business. This means that in order to satisfy debts owed by your business, debt collectors can come after your personal assets — homes, cars, etc. For this reason alone, you should be extremely cautious about setting up a sole proprietorship.

6. Do I need an attorney to help me start a sole proprietorship?

Not necessarily. But every business is unique and there may be circumstances where a partnership, LLC, or some other kind of business structure is a better fit. You also may want to get more insight into the specific liabilities your sole

proprietorship may face. Learn more by contacting a business organizations lawyer licensed to practice in your state.

ADDITION AND REMOVE OF DIRECTORS

1. How Can We Remove A Director or Company Secretary?

We also offer after your incorporation, an on-going service whereby we will remove Directors and Company Secretaries as ordered for the sum of £15.00 per officer removed. You can locate this product within the log in area of this site.

2. How Can We Remove A Shareholder from the Company?

In order to remove a shareholder from your company, you will need to transfer their shares over to the existing shareholders, or to a newly appointed shareholder who may be purchasing the shares for capital. In order to carry this out, both the outgoing shareholder and the recipient of their shares will need to complete a J30 Stock Transfer Form.

We are able to assist in completing this form and filing it for the sum of £40.00. You can select and purchase this service within the client log in area of our site.

WINDING UP OF A COMPANY

1. How Can I Close/Dissolve My Company?

If your limited company is no longer required, then the Directors can request that it be removed from the Companies House Register. To do this, you will be required to complete a DS01 form, which allows you to carry out a 'Voluntary Company Dissolution'.

We are able to provide assistance with the completion of the necessary documentation and file the same with Companies House for the very reasonable price of £50.00. This fee includes the company's house filing fee.

In order to complete this form, we must advise you that we will need over half of the directors in the company to sign the document. If the company has 2 directors then both must sign the document. It is mandatory to have at least one director in order to prepare the dissolution document.

***You should also note that a company cannot file for dissolution if:**

It has traded within the last 3 months;

It has changed Company Name within the last 3 months;

It is subject to legal proceedings;

It has made a disposal for value of property or rights.(closing of a company)

PRODUCER COMPANY

1.1 What is a Producer Organization (PO)?

A Producer Organization (PO) is a legal entity formed by primary producers, viz. farmers, milk producers, fishermen, weavers, rural artisans, craftsmen. A PO can be a producer company, a cooperative society or any other legal form which provides for sharing of profits/benefits among the members. In some forms like producer companies, institutions of primary producers can also become member of PO.

1.2 What is the need for PO?

The main aim of PO is to ensure better income for the producers through an organization of their own. Small producers do not have the volume individually (both inputs and produce) to get the benefit of economies of scale. Besides, in agricultural marketing, there is a long chain of intermediaries who very often work non-transparently leading to the situation where the producer receives only a small part of the value that the ultimate consumer pays. Through aggregation, the primary producers can avail the benefit of economies of scale. They will also

have better bargaining power vis-à-vis the bulk buyers of produce and bulk suppliers of inputs.

1.3 What is a “Farmers Producer Organization” (FPO)?

It is one type of PO where the members are farmers. Small Farmers’ Agribusiness Consortium (SFAC) is providing support for promotion of FPOs. PO is a generic name for an organization of producers of any produce, e.g., agricultural, non-farm products, artisan products, etc.

1.4 Can there be a PO for non-farmers?

Yes. The PO is an organization of the primary producers. If the produce in question is a nonfarm item (for example, handloom or handicraft), then the PO will be that of non-farmers. The objective of the PO is to ensure better income realization to its members (who are producers) through aggregation and, if feasible, value addition.

1.5 What are the essential features of a PO?

- a. It is formed by a group of producers for either farm or non-farm activities.
- b. It is a registered body and a legal entity.
- c. Producers are shareholders in the organization.
- d. It deals with business activities related to the primary produce/product.
- e. It works for the benefit of the member producers.
- f. A part of the profit is shared amongst the producers.
- g. Rest of the surplus is added to its owned funds for business expansion.

1.6 Who owns the PO?

The ownership of the PO is with its members. It is an organization of the producers, by the producers and for the producers. One or more institutions and/or individuals may have promoted the PO by way of assisting in mobilization,

registration, business planning and operations. However, ownership control is always with members and management is through the representatives of the members.

1.7 Who can promote a PO?

Any individual or institution can promote a PO. Individual persons or institutions may promote PO using their own resources out of goodwill or with the noble objective of socioeconomic development of producers. If, however, the facilitating agency wishes to seek financial and other support, then they have to meet the requirements of the donor/financing agency.

1.8 Who provides support for promotion of PO?

NABARD, SFAC, Government Departments, Corporate and Domestic & International Aid Agencies provide financial and/or technical support to the Producer Organization Promoting Institution (POPI) for promotion and hand-holding of the PO. Each agency has its own criteria for selecting the project/promoting institution to support.

1.9 Can an NGO promote PO?

Yes, it can. The NGO may be a non-profit organization, but not the PO. The NGO can promote PO which will provide better income to the members. Sharing of profit among members is an important objective of the PO.

1.10 What are the different legal forms of PO?

Producer Organization can be registered under any of the following legal provisions:

- a. Cooperative Societies Act/ Autonomous or Mutually Aided Cooperative Societies Act of the respective State
- b. Multi-State Cooperative Society Act, 2002
- c. Producer Company under Section 581(C) of Indian Companies Act, 1956, as amended in 2013

d. Section 25 Company of Indian Companies Act, 1956, as amended as Section 8 in 2013

e. Societies registered under Society Registration Act, 1860

f. Public Trusts registered under Indian Trusts Act, 1882

1.11 Which legal form is preferable for a PO?

Institutions registered as cooperative societies and producer companies have legal provisions for sharing of profit earned by the PO by way of dividend. Other legal forms do not explicitly provide for profit sharing. However, the PO can offer better price for the produce it procures from the members, thus, benefiting the latter. Similarly, it can procure inputs/raw material in bulk and sell to members with low margin. Such activities are permissible for POs under all legal forms.

GST FAQ'S

1: GST Return Due Date

Most businesses in India will need to file 37 GST returns each year to maintain GST compliance. In this article, we look at the list of returns to be filed by various types of businesses under GST along with GST return due dates.

2. How to File GST Returns?

GST Returns can be filed online through the GST Common Portal or an online GST accounting software. The proposed GST regime is backed by a technology platform maintained by the GSTN. GSTN has provided GSP Licenses for enabling businesses to file GST returns through various types of accounting software and ERP systems. Hence, GST return can be filed directly on the GST Common Portal or through a GST accounting software with the requisite features.

3. When to File GST Returns?

Under GST, a regular taxpayer needs to furnish three monthly returns and one annual return. If a taxpayer is registered under the composition scheme or is a non-resident taxpayer or is a taxpayer registered as an Input Service Distributor, or a person liable to collect TDS or TCS or was granted UIN, then they would have to file other forms.

4. What is the penalty for late filing of GST Returns?

Any taxable person under GST who fails to file form GSTR-1, GSTR-2, GSTR-3 or Final Return within the due dates, will be fined a late fee of Rs. 100 per day, subject to a maximum of Rs. 5,000.

5. GST Return Due Date for Regular Taxpayers

Most taxable persons registered under GST would be termed as regular taxpayers. Regular taxpayers must file 3 returns each month as follows:

GSTR-1 – Statement of Outward Supplies

GSTR-1 Return or the statement of outward supplies is used to file details of all supplies made by a taxpayer in the previous month and record the tax liability of the supplier. GSTR-1 must be filed on or before the 10th of every month with details of all supplies effected during the previous month.

GSTR-2 -Statement of Inward Supplies

GSTR-2 or the statement of inward supplies is used to file and verify details of input tax credit accrual received during the previous month. GSTR-2 details are auto-populated from the information filed in GSTR-1. Hence, in the statement of inward supplies, the taxpayer must only provide minimal additional information like imports, and purchases from unregistered suppliers. GSTR-2 must be filed on or before the 15th of every month with details of all supplies received during the previous month.

GSTR-3 – Consolidated Return

GSTR-3 is a consolidated return that must be filed by all taxpayers on the 20th of every month. GSTR-3 consolidates the following information already provided by the taxpayer to arrive at final tax payable:

- Outward Supplies (Auto-Populated from GSTR-1)
- Inward Supplies (Auto-Populated from GSTR-2)
- Input Tax Credit availed
- Tax Payable
- Tax Paid (Using both Cash and ITC)

GSTR-9 – GST Annual Return

GSTR-9 or Annual GST return must be filed by 31st December of the next financial year by all taxable persons registered under GST. Information provided in GSTR-4 would include details of expenditure and details of income for the entire financial year.

The GST Annual Return must be audited by a practicing Chartered Accountant if the aggregate turnover of the registered person exceeded Rs. 2 cores during a financial year. Further, along with the GST annual return, a copy of audited annual accounts and a reconciliation statement, duly certified by a Chartered Accountant, in FORM GSTR-9C, must be filed electronically through the GST Common Portal.

GST Return Due Dates

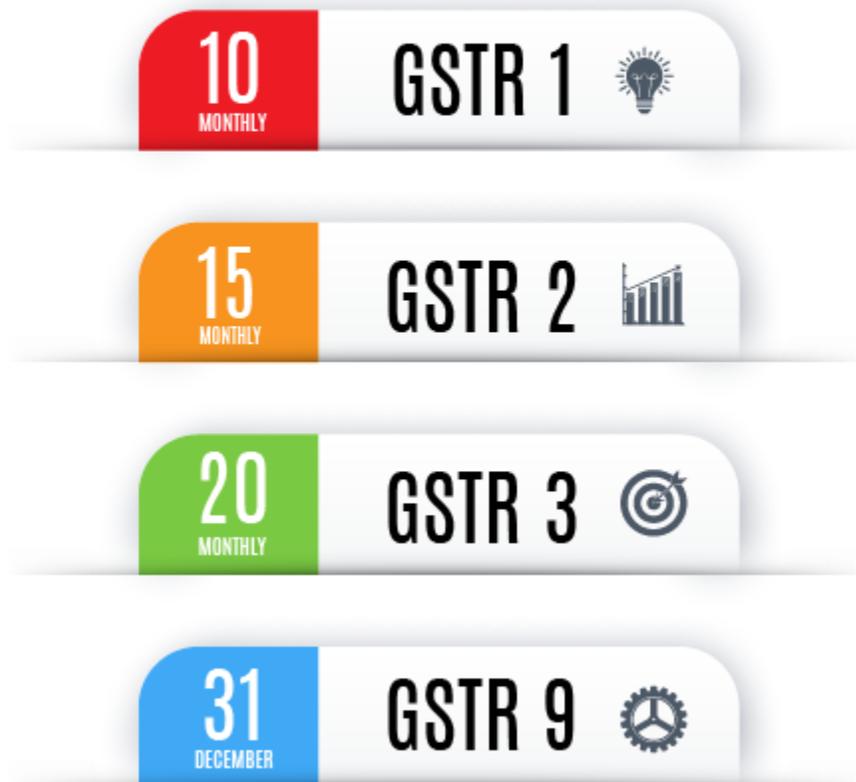


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GST

Return Due Dates

GST Return Due Date for Composition Scheme Taxpayers

The GST Composition Scheme is designed to reduce the tax compliance burden for small businesses having an annual turnover of fewer than Rs.75 lacs and doing sales only within the state. Taxable persons registered under the GST Composition Scheme are required to file quarterly GST returns and GST annual return.

GSTR-4 – GST Return for Composition Scheme Suppliers

GSTR-4 must be filed every quarter on the 18th of the month, succeeding the quarter. Hence, GSTR-4 would be due on the 18th of July, 18th of October, 18th of January and 18th of April.

GSTR-4 – GST Annual Return for Composition Suppliers

A composition supplier is also required to file GST annual return on or before the 31st December of the next financial year. Annual return filed by a Composition Scheme supplier would not have to be audited, as the turnover would not be over Rs.75 lakhs.

GST Return Due Dates in India

Return	Due Date	Persons Required to File
GSTR-1	10th of Every Month	All Registered Persons
GSTR-2	15th of Every Month	All Registered Persons
GSTR-3	20th of Every Month	All Registered Persons
GSTR-4	18th of April, July, October and January	Persons Registered under Composition Scheme
GSTR-5	20th of Every Month and Within 7 Days after Expiry of Registration	Non-Resident Taxable Persons
GSTR-6	13th of Every Month	Input Service Distributors
GSTR-7	10th of Every Month	Authorities Deducting Tax at Source
GSTR-8	10th of Every Month	E-Commerce Operators
GSTR-9	31st December of Next Financial Year	Registered Persons*
GSTR-10	Within 3 Months of Cancellation of GST Registration	Registered Persons with Surrendered or Cancelled GST Registration

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GST Return Filing Due Dates

GST Return Due Date for Foreign Companies

Foreign companies or non-resident taxable under GST are also required to obtain GST registration and file GST returns if they supply goods or services to persons located in India. All foreign companies or non-resident taxable persons are required to file GSTR-5 on the 20th of every month and within 7 days of the expiry of GST registration.

GSTR-5 – GST Return for Non-Resident Taxable Persons

Non-resident taxable persons are required to file GSTR-5 with details of all outward supplies and inward supplies through the GST Common Portal. Based on the filing, the taxpayer is required to pay the tax, interest, penalty, fees or any other amount payable under the GST Act before 20th of every month or with 7 days of the expiry of GST registration, whichever is earlier.

GSTR-5A – GST Return for Non-Resident Taxable Persons providing OIDAR Services

If the non-resident taxable person is involved in providing online information and data base access or retrieval (OIDAR) services from a place outside India to a person in India, then GSTR-5A form must be filed before the 20th of every month instead of GSTR-5.

Non-resident taxable person under GST are not required file GSTR-9 which is the GST annual return.

6. GST Return Due Date for E-Commerce Operators?

E-commerce operators are taxable person under GST who own, operate or manage digital or electronic facility or platform for electronic commerce.

Electronic commerce operators are required to collect tax at source and file FORM GSTR-8 before the 10th of the next month. Hence, even if an electronic commerce operator is acting only as a marketplace, they must provide details of all supplies effected through them and the amount of tax collected. The details provided by electronic commerce operators would be made available

electronically to all suppliers while filing Form GSTR-2 on the GST Common Portal, after the due date of filing of FORM GSTR-8.

If an electronic commerce operator is involved in the supply of any taxable goods or services, the electronic commerce provider would be required to file regular month GST returns like GSTR-1, GSTR-2, GSTR-3.

7. GST Return Due Date for Input Service Distributors

All person classified as an Input Service Distributor under GST is required to file FORM GSTR-6 on or before the 13th of each month. Details of tax invoices on which credit has been received would be made available to Input Service Distributors on FORM GSTR-6A and the input service distributor can if required, after adding, correcting or deleting the details, file the GST return electronically.

8. GST Return Due Date for Authorities Deducting Tax at Source

Any authority deducting tax at source is required to file Form GSTR-7, on or before the 10th of every month. On the basis of the GSTR-7 return filed by authorities required to deduct tax at source, details of the transaction would be made available electronically to suppliers in FORM GSTR-2A and FORM-GSTR-4A.

9. Due Date for Filing GST Final Return

GST Final Return must be filed by all taxable persons who were registered under GST and their registration was surrendered or cancelled. GST Final Return or GSTR-10 must be filed within three months of the date of cancellation or date of the order of cancellation, whichever is later

(ISO)INTERNATIONAL STANDARDIZATION FOR ORGANIZATION

1. What is ISO?

ISO (International Organization for Standardization) is a worldwide federation of national standards bodies, at present comprising 140 members, one in each country. The object of ISO is to promote the development of standardization and related activities in the world with a view to facilitating international exchange of goods and services, and to developing cooperation in the spheres of intellectual, scientific, technological and economic activity. The results of ISO technical work are published as International Standards.

2. What is ISO 9000?

The ISO 9000 family of standards represents an international consensus on good management practices with the aim of ensuring that the organization can time and time again deliver the product or services that meet the client's quality requirements. These good practices have been distilled into a set of standardized requirements for a quality management system, regardless of what your organization does, its size, or whether it is in the private, or public sector. The family of ISO 9000 standards has been developed by ISO and it is made up of four core standards:

- a) ISO 9000:2005 – Fundamentals and Vocabulary
- b) ISO 9001:2008 – Quality Management Systems – Requirements
- c) ISO 9004:2009– Quality Management Systems – Guidelines for performance improvements
- D) ISO 19011: 2011 – Guidelines for quality and/or environmental management systems auditing

3. What is the difference between ISO 9000 standards and IS/ISO 9000 standards?

There is no difference. They are exactly the same. BIS has adopted the above mentioned ISO 9000 standards and these are numbered as IS/ISO 9000:2005; IS/ISO 9001:2008; IS/ISO 9004:2009; and IS/ISO 19011:2011. These standards published by BIS are exact replica of ISO 9000 standards. BIS also provides certification against IS/ISO 9001:2008 under its Management Systems Certification activity.

4. Which IS/ISO 9000 standard is meant for certification?

Any organization can apply for certification against IS/ISO 9001:2008. The other standards i.e. IS/ISO 9000:2005; IS/ISO 9004:2009; and IS/ISO 19011:2011 are guidance standards and are not meant for certification.

5. Tell me more about IS/ISO 9004:2009.

The requirements of IS/ISO 9004:2009 should be implemented by the organizations who intend to further improve beyond the requirements of IS/ISO 9001:2008. The standard IS/ISO 9004:2009 has an important element of 'self-evaluation' and this standard is not amenable to certification.

6. What is the difference between a certification body and a registration body?

The term certification body is used in some countries like India, because BIS as certification body issue certificates (licenses). Elsewhere, they prefer to say that they 'register' organizations complying with ISO 9000.

7. How to implement the requirements of IS/ISO 9001:2008 in my organization?

As a minimum you should familiarize yourself not only with the requirements of IS/ISO 9001:2008 but also with the content and philosophies given in IS/ISO 9000:2005, IS/ISO 9004:2009 and the Quality Management Principles. You have to clearly understand your organization's activities and processes and

appropriately interpret the requirements of the standards. Implement the requirements in the various activities and processes adding value to these processes and activities. For training programmers on general awareness on the requirements, content and philosophies of the IS/ISO 9000 standards, our BIS, National Institute of Training for Standardization (NITS) may be contacted.

8. What are the main benefits of implementing IS/ISO 9001:2008 Quality Management System Requirements?

- Provides an opportunity to increase value to the activities of the organization
- Improve the performance of processes/activities continually
- Satisfaction of customers
- Attention to resource management
- Implementation of statutory and regulatory requirements related to product/services
- Better management control

9. What is ISO 14001?

ISO 14000 is the general term used for ISO 14000 families of standards. ISO 14001:2004 'Environmental Management Systems – Specifications with Guidance for use' is a standard published by International Organization for Standardization (ISO) and adopted by BIS as IS/ISO 14001:2004. IS/ISO 14001:2004 is the exact replica of ISO 14001:2004. This standard provides for the framework for the Management System for an organization to meet its Environmental obligations reliably and consistently. IS/ISO 14001:1996 is the only certification standard in the IS/ISO 14000 family.

IS/ISO 14001 is a requirements standard. It contains a set of requirements to define the operation of the Environmental Management System. Since the

requirements are expressed in a general form, it has the flexibility to be applied to any organization.

10. Who has formulated ISO 14001:2004 standard?

ISO has published ISO 14000 family of standards including ISO 14001:2004 standard. The Technical Committee of ISO i.e. ISO/TC 207 Environmental Management Systems is responsible for formulation of these standards.

11. What are the other standards in ISO 14000 family of standards?

The other standards of ISO 14000 family have also been adopted by BIS as IS/ISO 14000 and are exact replica of ISO 14000 standards. These standards are:

IS/ISO 14004:2004 – Environmental management systems – General guidelines on principles, system and supporting techniques

IS/ISO 14020:2000 – Environmental labels and declarations – General principles

IS/ISO 14021:1999 – Environmental labels and declaration – Self-declared environmental claims (Type II Environmental labeling)

IS/ISO 14024: 1999 – Environmental labels and declaration – Type 1 Environmental labeling – Principles and procedures

IS/ISO 14031:1999 – Environmental management – Environmental performance evaluation – Guidelines

IS/ISO 14040:2006 – Environmental Management – Life cycle assessment – Principles and framework

IS/ISO 14041:1998 – Environmental management – Life cycle assessment – Goal and scope definition and inventory analysis

IS/ISO 14042:2000 – Environmental management – Life cycle assessment – Life cycle impact assessment

IS/ISO 14043:2000 – Environmental Management – Life Cycle Assessment – Life Cycle Interpretation

12. What are the benefits of implementing IS/ISO 14001:2004?

Following are the benefits to an organization by implementing IS/ISO 14001:2004:

- Provides framework for
- Pollution prevention and waste reduction
- Compliance with legislative and regulatory requirements
- Reduction in liability/risks
- Competitive advantage for 'Green' products globally
- Creation of improved community goodwill
- Improved environmental performance

13. What is HACCP?

Hazard Analysis and Critical Control Point (HACCP) is a process control system designed to identify and prevent microbial and other hazards in food production. It includes steps designed to prevent problems before they occur and to correct deviations as soon as they are detected. Such preventive control system with documentation and verification are widely recognized by scientific authorities and international organizations as the most effective approach available for producing safe food.

14. Why HACCP?

India is a signatory to WTO. The WTO Agreement on Sanitary and Phytosanitary (SPS) makes it obligatory to adopt the standards, guidelines and recommendations issued by Codex Alimentations Commission which advocates the adoption of HACCP. The Indian Standard on 'Food Hygiene – Hazard Analysis and Critical Control Point (HACCP) – System and Guidelines for Its Application' IS

15000:1998 is technically equivalent to the Codex document on the subject. For food industry in India, adoption of HACCP is becoming imperative to reach global standards, demonstrate compliance to Regulations/Customer requirements besides providing safer food to our millions.

15. Is there any standard published by ISO on HACCP?

No. Presently there is no ISO standard available for HACCP certification.

16. Tell me more about HACCP.

HACCP involves a system approach to identification of hazards, assessment of chances of occurrence of hazards during each phase, raw material procurement, manufacturing, distribution, usage of food products, and in defining the measures for hazard control. In doing so, the many drawbacks prevalent in the inspection approach are avoided and HACCP overcomes shortcomings of reliance only on microbial testing.

17. Who can implement HACCP?

HACCP enables the producers, processors, distributors, exporters, etc, of food products to utilize technical resources efficiently and in a cost effective manner in assuring food safety. Food inspection too would be more systematic and therefore hassle-free. It would no doubt involve deployment of some additional finances initially but this would be more than compensated in the long run through consistently better quality and hence better prices and returns.

17. HACCP - HIGHLIGHTS

- | Mandatory for export from certain sectors of food industry to some countries
- | Pro-active system for assuring safe production of foods
- | Emphasizes prevention rather than inspection
- | Addresses all types of Hazards-Microbiological, Physical and Chemical

- I Can be integrated into a more general quality assurance plan
- I Can be implemented in tiny, small, medium and large scale enterprises

18. BENEFITS OF HACCP

Reduces contamination

Reduces recall/product destruction

Provides market protection

Provides preferred supplier status

Demonstrates conformance to international standards and regulations, and requirements of overseas markets

Transforms commodities into branded products

International acceptance

19. HACCP CERTIFICATION

Food Safety Certification (HACCP) against IS 15000:1998

HACCP based Quality Management Systems Certification provides for twin Certification through one audit i.e. Certification of Quality Management Systems against IS/ISO 9001:2008 and Certification of HACCP against IS 15000:1998

20. HOW TO OBTAIN LICENCE?

Establish and implement documented HACCP SYSTEM (as per IS 15000:1998) and ensure its effectiveness. For QMS-HACCP, establish and implement integrated food and quality management system (as per IS 15000:1998 and IS/ISO 9001:2008) and ensure its effectiveness .

I Submit application on prescribed preformed (Form IV) along with the questionnaire (Form XII) and necessary fees (Application Form, Questionnaire and Fee Structure are available and can be downloaded from this website – Management Systems Certification)

I Submit the quality manual and/ or concerned documents, when asked for.

I Arrange audit by BIS Assessment Team

I Take actions on non-conformities observed by assessment team and get them verified. If we found satisfactory, grant of license is recommended.

I Obtain the License!!!

I The license will enable the company to compete effectively in national and international markets.

21. What is OHSMS?

Health and safety are important aspects of an organization's smooth and effective functioning. Good health and safety performance ensures an accident-free industrial environment. This demands adoption of a structured approach for the identification of hazards, their evaluation and control of risks. Bureau of Indian Standards (BIS) has formulated an Indian Standard on Occupational Health & Safety (OH&S) Management Systems, considering the above in view and a great demand from the industry for a comprehensive framework of OH&S i.e. IS 18001:2007 'Occupational Health and Safety Management Systems – Specification with Guidance for use'.

22. Is there any standard published by ISO on OHSMS?

No. Presently there is no ISO standard available for OHSMS certification.

23. Tell me more about IS 18001:2007.

This standard prescribes requirements for an OH&S Management Systems to enable an organization to formulate a policy and objectives, taking into account

legislative requirements and information about significant hazards and risks, which the organization can control and over which it can be expected to have an influence, to protect its employees and others, whose health and safety may be affected by the activities of the organization. All the requirements in this standard are intended to be incorporated into any OH&S management system. This standard also provides imperative guidance on the use of the specification.

24. How to obtain certification for OHSMS?

Organizations interested in obtaining license for OH&S Management System as per IS 18001 should ensure that they are operating the system according to this standard. The organization should apply on the prescribed preformed (Form IV) at the nearest Regional Office of BIS along with Questionnaire (Form X) and the prescribed application fee as applicable. The form, questionnaire and fee structure can be downloaded from this website – Management Systems Certification.

TRADEMARK SERVICES

1: What is a trademark?

A trademark is a word, symbol or design, or a combination of these, used to distinguish the goods or services of one person or organization from those of others in the marketplace. For a more detailed description read trademarks explained.

2. Are there different kinds of trademarks?

Yes, there are three basic types. Ordinary marks are words and/or symbols that distinguish the goods or services of a specific firm. Certification marks identify goods or services which meet a defined standard set by a governing organization. Distinguishing guise identifies the unique shape of a product or its package. For a more detailed description read trademarks explained.

3. What is the difference between trademarks and other forms of intellectual property?

Trademarks are only one form of intellectual property that can be protected through federal legislation. The other forms are: patents, for new technologies; copyrights, for literary, artistic, dramatic or musical works or computer software; industrial designs, for the shape, pattern, or ornamentation applied to an industrially produced object; and integrated circuit topographies, for the three dimensional configuration of the electronic circuits embodied in integrated circuit products or layout designs. For a more detailed description read introduction to intellectual property.

4. What is the difference between a registered and an unregistered trademark?

A registered trademark has been approved and entered on the Trademark Register held by the Trademarks Office. Registration is proof of ownership. An unregistered trademark may also be recognized through Common Law as the property of the owner, depending on the circumstances. For a more detailed description read trademarks explained.

5. Why register a trademark?

Registration is direct (prima facie) evidence of exclusive ownership across Canada and helps ward off potential infringers. It enables your client to more easily protect his rights should someone challenge them since the onus is on the challenger to prove rights in any dispute. The process of registration, with its thorough checks for conflicting trademarks, will ensure that your client is claiming a unique mark, and help him avoid infringement of other parties' rights. A registered trademark is a prerequisite for franchising a business. For a more detailed description read goodwill explained.

6. Is registration mandatory?

No, but it is advisable. For a more detailed description read trademarks explained.

7. Why hire a trademark agent?

Trademark registration can be a complex process; an experienced agent can save you time and money by avoiding pitfalls such as poorly prepared applications and improper research. However, the prime reason for hiring an experienced Agent is his ability to address concerns of the Trade Marks office. If you fail to respond correctly, your application will likely fail. For a more detailed description read trademarks explained.

8. Who can register a trademark?

Companies, individuals, partnerships, trade unions or lawful associations, provided they meet the requirements of the Trademarks Act.

9. Who should register a trademark?

There has always been a debate over who should own marks. As a rule, trademarks denote the source of goods. Therefore the owner of the mark should be the party who derives benefit from the goodwill attached to the goods. For a more detailed description read trademarks explained.

10. How long is registration effective?

Depending on the country registration is valid for 10 to 17 years and is renewable, upon payment of a fee, into perpetuity

11. How do I register a trademark?

You must file, or cause to be filed, an application with the Trademarks Office.

12. Does registration in one county protect my rights in other countries?

No. If your products are sold in other countries, you should consider applying for foreign registration. Contact a trademark agent or the embassy of the country in question to find out about procedures.

13. What is the difference between a trademark and a trade name?

A trade name is the name under which you conduct business. It can be registered as a trademark, but only if it is used as such, that is, used to identify wares or services.

14. May I register my own name as a trademark?

Normally, you may not register a proper name neither yours, nor anyone else's, as a trademark. An exception may be made if you can demonstrate that the name has become identified in the minds of the public with your specific wares or services.

15. What other kinds of marks may not be registered?

In general, marks that may not be registered are: words that are clearly descriptive (e.g. "delicious" ice cream), terms that are misleading, words that designate a place of origin (e.g. "Atlantic" cod), terms or symbols that are too similar to an existing trademark, and terms and symbols that are expressly prohibited under the Trademarks Act.

16. What are the steps of trademark registration?

Trademark registration usually involves: a preliminary search of existing trademarks; an application; examination of your application by the Trademarks Office; publishing of the application in the Trademarks Journal; time for opposition to the application; allowance and registration (if there is no opposition).

17. Why is the preliminary search important?

It helps you determine whether his application has a chance for success. It helps avoid infringing on other people's trademarks.

18. Will the Trademarks Office tell me during my preliminary search if my trademark can be registered?

No, the Office cannot provide an opinion at this stage. This can only happen during the examination process. Officials will give you general information about the rules and regulations.

19. What do I need to include in my application?

1. The appropriate completed application information.
2. Written authorization if someone other than yourself or your trademark agent has signed the application;
3. The application fee; and
4. Any required drawings and specimens.

20. May I allow other parties to use my registered trademark?

Yes. You may sell, bequeath or otherwise transfer rights to a trademark through process called assignments. You may also license rights to the trademark.

21. Will the Trademarks Office ensure that my trademark is not infringed?

The Trademarks Office does not act as an enforcement agency. You are responsible for monitoring the market place for cases of infringement and taking legal action, if necessary.

22. How current and accurate is your search process? Does it include pending applications?

Once a week, both the United States and Canada release all changes to their files. This includes new applications assigned application numbers (pending applications), status changes to all applications on file, and status changes to all registrations on file. This updated information is made available to us, which we in turn provide to you, typically within three days.

Our search engine does phonetic searches of all trademarks registered in the United States and Canada. The search looks at not only the trademark itself, but also for any similar words in the description of the registration as well.

23. What guarantee is there that an application won't be rejected?

There is no guarantee an application will be successful. The two primary reasons for rejection of an application are distinctiveness or confusion with other marks.

However, once a trademark agent deems your mark register-able, it is unlikely to be rejected as the agent can argue in favor of registration. See our basics section for more details.

24. What is the probability that a generic phrase can be registered as a trademarked?

Just about anything can be registered as a trademark including a generic term. The secret is to use the generic term in a unique manner such that the unique presentation has distinctiveness. In this regard you can stylized the words or letters or replace any of the words with the graphic version of the words. Potentially all these forms of the generic term

LOGO DESIGNING

1: When do you start working on my project?

We will start working on your project as soon as we receive your logo request and payment.

2. How long does it take before I can see my samples?

Your samples will be presented to you five business days or two business days after we receive your payment, according to the package you choose.

3. How can I see my logo design samples?

After we receive your payment we will create a personal web page for you, where we will upload your logo design samples.

4: How many changes may I ask for my logo design?

Unlimited changes can be applied to your chosen logo design, until you are 100% satisfied.

5. What if I don't like any of initial logo designs?

We will provide you with a free redraw session. You will be presented with six or more completely new logo design variations.

6. What if I have my own idea for the logo design?

Any ideas or requests for your future logo design you may indicate in your logo request, or contact your project coordinator. Please be as specific as possible.

7. Can you redo my existing logo design?

Yes. Please provide us with the latest version of your logo design, and mention it in your logo request.

8. What is the difference between a corporate image and an illustration?

There is a big difference between a corporate image and an illustration. Corporate images are very simple, which makes them unique, memorable and highly recognizable from any distance and at any size.

Illustrations are usually a very complicated artwork that loses its quality when reduced in size. Very busy images like these are hard to read and recognize.

9. Do you make logo design for products & titles or names?

Yes, we create any type of graphic identity.

10. Why my logo samples look less attractive than samples you have online?

We have a unique presentation. Every sample was carefully chosen and placed in the most favourable position on the page. A special background designed to enhance the viewing experience. This is not in any way done to confuse the viewer, but actually to show how the logo looks like in the optimal settings. We present your samples on a default white background unless otherwise specified in the order form.

11. Will you design a background for my logo?

The background is not a part of a logo. Background design is not included in any of the packages.

12. Who keeps the rights of the created logo design?

All the rights of the Artwork and Logos we create for our customers belong to our customers.

DESIGN REGISTRATION

1. What is meant by 'Design' under the Designs Act, 2000?

'Design' means only the features of shape, configuration, pattern or ornament or composition of lines or color or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and does not include any trade mark, as define in clause (v) of sub-section of Section 2 of the Trade and Merchandise Marks Act, 1958, property mark or artistic works as defined under Section 2(c) of the Copyright Act, 1957.

2: What is meant by an article under the Designs Act, 2000?

Under the Designs Act, 2000 the "article" means any article of manufacture and any substance, artificial, or partly artificial and partly natural; and includes any part of an article capable of being made and sold separately.

3: What is the object of registration of Designs?

Object of the Designs Act is to protect new or original designs so created to be applied or applicable to particular article to be manufactured by Industrial Process or means. Sometimes purchase of articles for use is influenced not only by their

practical efficiency but also by their appearance. The important purpose of design Registration is to see that the artisan, creator, originator of a design having aesthetic look is not deprived of his bonafide reward by others applying it to their goods.

4: Can stamps, Labels, tokens, cards be considered an article for the purpose of registration of Design?

No. Because once the alleged Design i.e., ornamentation is removed only a piece of paper, metal or like material remains and the article referred ceases to exist. Article must have its existence independent of the Designs applied to it. [Design with respect to label was held not registrable, by an Order on civil original case No. 9-D of 1963, Punjab, High Court]. So, the Design as applied to an article should be integral with the article itself.

4: When does the Applicant for Registration of Design get the registration certificate?

When an application for registration of a Design is in order, it is accepted and registered and then a certificate of registration is issued to the applicant. However, a separate request should be made to the Controller for obtaining a certified copy of the certificate for legal proceeding with requisite fee.

5: What is a Register of Designs?

The Register of Designs is a document maintained by The Patent Office, Kolkata as a statutory requirement. It contains the design number, class number, date of filing (in this country) and reciprocity date (if any), name and address of Proprietor and such other matters as would affect the validity of proprietorship of the design and it is open for public inspection on payment of prescribed fee & extract from register may also be obtained on request with the prescribed fee.

6: What is the effect of registration of design?

The registration of a design confers upon the registered proprietor 'Copyright' in the design for the period of registration. 'Copyright' means the exclusive right to apply a design to the article belonging to the class in which it is registered.

7: What is the duration of the registration of a design? Can it be extended?

The duration of the registration of a design is initially ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years from the priority date. This initial period of registration may be extended by further period of 5 years on an application made in Form-3 accompanied by prescribed fees to the Controller before the expiry of the said initial period of ten years. The proprietor of a design may make application for such extension even as soon as the design is registered.

8: What is the date of registration?

The date of registration except in case of priority is the actual date of filing of the application. In case of registration of design with priority, the date of registration is the date of making an application in the reciprocal country.

9: Is it possible to re-register a design in respect of which Copyright has expired?

No. A registered design, the copyright of which has expired cannot be re-registered.

10: How one can ascertain whether registration subsists in respect of any design?

For ascertaining whether registration subsists in respect of a design, a request should be made to the Patent Office, Kolkata. If the Design number is known, the request should be made on Form 6, otherwise on Form 7, together with prescribed fees. Each such request should be confined to information in respect of a single design.

11: What is piracy of a Design?

Piracy of a design means the application of a design or its imitation to any article belonging to class of articles in which the design has been registered for the purpose of sale or importation of such articles without the written consent of the registered proprietor. Publishing such articles or exposing terms for sale with knowledge of the unauthorized application of the design to them also involves piracy of the design.

12: What is the penalty for the piracy of a registered Design?

If anyone contravenes the copyright in a design he is liable for every offence to pay a sum not exceeding Rs. 25,000/- to the registered proprietor subject to a maximum of Rs. 50,000/- recoverable as contract debt in respect of any one design. The registered proprietor may bring a suit for the recovery of the damages for any such contravention and for injunction against repetition of the same. Total sum recoverable shall not exceed Rs. 50,000/- as contract debt as stated in Section 22(2)(a). The suit for infringement, recovery of damage etc should not be filed in any court below the court of District Judge.

13: Is marking of an article compulsory in the cases of article to which a registered design has been applied?

Yes, it would be always advantageous to the registered proprietors to mark the article so as to indicate the number of the registered design except in the case of Textile designs. Otherwise, the registered proprietor would not be entitled to claim damages from any infringer unless the registered proprietor establishes that the registered proprietor took all proper steps to ensure the marking of the article, or unless the registered proprietor show that the infringement took place after the person guilty thereof knew or had received notice of the existence of the copyright in the design.

14: Can the Registration of a Design be cancelled?

The registration of a design may be cancelled at any time after the registration of design on a petition for cancellation in form 8 with prescribed fee to the Controller of Designs on the following grounds:

- That the design has been previously registered in India or
- That it has been published in India or elsewhere prior to date of registration or
- The design is not new or original or
- Design is not registrable or
- It is not a design under Clause (d) of Section 2.

15: Is it mandatory to make the article by industrial process or means before making an application for registration of design?

No, design means a conception or suggestion or idea of a shape or pattern which can be applied to an article or capable to be applied by industrial process or means. Example- a new shape which can be applied to a pen thus capable of producing a new appearance of a pen on the visual appearance. It is not mandatory to produce the article first and then make an application.

16: Why is it important for filing the application for registration of design at the earliest possible?

First-to-file rule is applicable for registrability of design. If two or more applications relating to an identical or a similar design are filed on different dates only first application will be considered for registration of design.

17: Can the same applicant make an application for the same design again, if the prior application has been abandoned?

Yes, the same applicant can apply again since no publication of the abandoned application is made by the Patent Office, provided the applicant does not publish the said design in the meanwhile.

18: How to get information on registration of design?

After registration of designs the best view of the article along with other bibliographic data will be notified in the Official Journal of The Patent Office, which is being published on every Friday.

19: Are the registered designs open for public inspection?

Yes, registered designs are open for public inspection only after publication in the official journal on payment of prescribed fee on a request in Form-5.

20: Can the application for registration of design be filed by the applicant himself only or through a professional person?

The application for registration of design can be filed by the applicant himself or through a professional person (i.e. patent agent, legal practitioner). However, for the applicants not resident of India an agent residing in India has to be employee.

PATENT REGISTRATION

1: What is a Patent?

A Patent is a statutory right for an invention granted for a limited period of time to the patentee by the Government, in exchange of full disclosure of his invention for excluding others, from making, using, selling, importing the patented product or process for producing that product for those purposes without his consent.

2: Does Indian Patent give protection worldwide?

Patent protection is territorial right and therefore it is effective only within the territory of India. However, filing an application in India enables the applicant to file a corresponding application for same invention in convention countries, within or before expiry of twelve months from the filing date in India. Therefore, separate patents should be obtained in each country where the applicant requires protection of his invention in those countries. There is no patent valid worldwide.

3: Is it possible to file international application under Patent Cooperation Treaty (PCT) in India?

It is possible to file an international application known as PCT application in India in the Patent Offices located at Kolkata, Chennai, Mumbai and Delhi. All these offices act as Receiving Office (RO) for International application.

4: What can be patented?

An invention relating either to a product or process that is new, involving inventive step and capable of industrial application can be patented. However, it must not fall into the categories of inventions that are non- patentable under section 3 and 4 of the Act.

5: Who can apply for a patent?

A patent application can be filed either by true and first inventor or his assignee, either alone or jointly with any other person. However, legal representative of any deceased person can also make an application for patent.

6: How can I apply for a patent?

A patent application can be filed with Indian Patent Office either with complete specification or with provisional specification along with fee as prescribed in schedule I. In case the application is filed with provisional specification, then one has to file complete specification within 12 months from the date of filing of the application. There is no extension of time to file complete specification after expiry of said period.

7: Is there provision for filing patent application electronically by online system?

From 20th July, 2007 the Indian Patent Office has put in place an online filing system for patent application. More information for filing online application is available on the website of Patent Office. This facility is also available for filing trademarks application.

8: What are the criteria of patentability?

An invention to become patentable subject matter must meet the following criteria -

- It should be novel.
- It should have inventive step or it must be non-obvious
- It should be capable of Industrial application.
- It should not fall within the provisions of section 3 and 4 of the Patents Act 1970.

9: Should application for patent be filed before or after, publication of the details of the invention?

The application for patent should be filed before the publication of the invention and till then it should not be disclosed or published. Disclosure of invention by publication before filing of the patent application may be detrimental to novelty of the invention as it may no longer be considered novel due to such publication.

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10: Can any invention be patented after publication or display in the public exhibition?

Generally, a patent application for the invention which has been either published or publicly displayed cannot be filed. However the Patents Act provides a grace period of 12 months for filing of patent application from the date of its publication in a journal or its public display in a exhibition organised by the

Government or disclosure before any learned society or published by applicant. The details conditions are provided under Chapter VI of the Act (Section 29-34).

11: How a Patent Specification is prepared?

A patent specification can be prepared by the applicant himself or his registered and authorized agent. The patent specification generally comprises of the title of the invention indicating its technical field, prior art, draw backs in the prior art, the solution provided by the inventor to obviate the drawbacks of the prior art, a concise but sufficient description of the invention and its usefulness, drawings (if Any) and details of best method of its working. The complete specification must contain at least one claim or statement of claims defining the scope of the invention for which protection is sought for.

12: What is a provisional specification?

Indian Patent Law follows first to file system. Provisional specification describes the nature of the invention to have the priority date of filing of the application in which the inventive idea has been disclosed. It must be followed by a complete specification describing the details of the invention along with a statement of claims within 12 months after filing of the provisional application. If the complete specification is not filed within the prescribed period, the application is treated as deemed to have been abandoned

13: Is it necessary to file a provisional application?

Generally, an application filed with provisional specification is known as provisional application which is useful in establishing a priority date for your invention. Moreover, filing of a provisional application is useful as it gives sufficient time to the applicant to assess and evaluate the market potential of his invention before filing complete specification. However, it is not necessary to file an application with provisional specification and one can file application directly with complete specification.

COPYRIGHT REGISTRATION

1: Who is the owner of a copyright?

The owner of a copyright is the individual or the individuals that created the work. However, the following circumstances change ownership:

- The copyright was sold to another person or a company.
- The work was "made for hire."
- An independent contractor was hired to create the work.

2: How long does copyright protection last?

Copyright protection begins the moment the creation of an original work occurs in a tangible form. For works published after 1977, protection applies for the following term:

- For 70 years after the death of the author
- For 70 years after the death of the last surviving author of a joint work
- For 95 years from the date of publication or 120 years from creation if the work was made for hire by an employee or an independent contractor

3: How do I register a copyrightable work?

An applicant can register a basic copyright claim with the U.S. Copyright Office through the mail or online. Basic claims include literary works, visual arts works, performing arts works, sound recordings, and single serials

4: Is a copyright notice required for protection and enforcement?

Works published prior to March 1, 1989 were required to contain a valid copyright notice to receive protection. Under current copyright law this is unnecessary, but notice does increase the likelihood of a claimant winning a copyright infringement lawsuit and makes it easier for others to ascertain the

owner. A valid copyright notice should include the word "copyright," the symbol ©, the date of publication, and the author or owner of the work.

5. Someone has infringed on my copyright. How do I enforce my legal rights?

The owner of a copyright can file a copyright enforcement lawsuit against the infringer in federal court. If successful, the owner may be entitled to a restraining order or injunction to stop the infringement, monetary damages, and attorney fees.

A copyright infringer can create a legal defense by claiming the following:

- The doctrine of fair use applies;
- The statute of limitations prevents the lawsuit;
- The infringer obtained a license from the owner;
- The infringer was unaware of the copyright status of the work (innocent infringer);
- The infringer did not rely on the copyrighted work.

6. What international laws protect copyright?

Copyright protection for original, creative works enjoy worldwide protection through international treaties. The Berne Convention applies to nationals of member countries. The treaty affords automatic protection to authors for their life plus 50 years. GATT (General Agreement on Tariffs and Trade) also provides copyright protection to the authors of member countries.

7. Learn How Copyright Enforcement Works?

A trained legal professional can guide you through the copyright enforcement process. If you feel your work has been infringed upon, or you are defending against an infringement case, speak to an intellectual property attorney.

BUSINESS PLAN PREPARATION

1: What is business plan?

A business plan is a written document that describes in detail how a business is going to achieve its goals.

2: Why do you need a business plan?

Business plans are needed for the following purposes:

- a formal, explicit document of the planning process;
- a joint-venture partner;
- a sale of the business;
- a request for funding, both equity and debt;
- a framework for approval;
- a tool for operational business management.

3: What should a business plan contain?

Whilst there are some that believe that the business plan should be tailored to the specifics of the business, we believe that it should be tailored to the purpose of the plan (in addition to the specifics of the business), and generally this will be 'the backer'. The contents of the plan should be as follows:

1. Executive summary;
2. The business;
3. Market demand;
4. Competition;
5. Strategy;

6. Resources;
7. Financials and forecasts;
8. Risk, opportunity and sensitivity; and
9. Conclusion.

4: What makes a good business plan?

Your business plan should be:

- clear;
- crisp;
- concise;
- consistent;
- coherent;
- credible; and
- Convincing.

5: What steps are needed to prepare a business plan?

Why should you employ a business consultant to help you prepare a business plan?

You should employ a consultant to assist to some or full degree in the preparation for your business plan for the following reasons:

- a consultant brings in external expertise which may not reside in your organisation;
- being external to your organisation, a consultant can see different things and things differently; and

- a consultant can take some of the load through conducting research, preparing forecasts, doing the writing, proof reading, etc.

6: What is business planning?

Business planning, or long-range planning, is an exercise aimed at formulating a long-term plan, to meet future needs. The introduction of scenario planning builds in some flexibility into plans, with the intent of looking at possible outcomes based on unknown/uncertain events. Such scenarios usually include plausible, but unexpectedly important situations.

7: What is the difference between a business plan and business planning?

A business plan is a specific document, periodically updated, for specific purposes. Business planning is a process looking forward and envisaging different scenarios which are likely to impact on the business. These can be either good or bad, but the importance lies in having strategies in place to deal with them should they occur.

8: Why do you need to undertake business planning?

Business planning is important to businesses in that it may allow them to react more positively to an unexpected event should it occur. It is also useful in making businesses think about the future and in particular what may or may not occur.

9: Why should you employ a business consultant to help you undertake your business planning?

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- a consultant can help facilitate the process;
- being external to your organisation, a consultant can see different things and things differently; and

- a consultant can take some of the load through conducting research, preparing forecasts, doing the writing, proof reading, etc.

10: Why do clients hire consultants?

There are various reasons for hiring consultants:

- ‘Buying-in” specialist skills not available in house;
- Help with the implementation of large scale projects;
- Help with devising and planning large scale projects;
- Additional capacity at peak times;
- Independent input or validation;
- Responding to regulatory change;
- External consultants are less susceptible to internal politics and/or sensitive situations;
- Hiring consultants may prove cheaper than retaining the expertise in-house;
- Consultants can do the ‘dirty’ work.

11: Why should you use Innovation for Growth?

Innovation for Growth was founded in 2010, with the aim of helping local businesses grow and prosper. This aim has not changed over the intervening years and we are delighted to continue to achieve this aim.

Unlike a number of other consultancies, when you instruct us, as we are a sole director firm, Chris will do the work.

CREDIT SCORE CHECK

1: What happens when I have a great credit score?

Truly, it doesn't enhance your loan credibility as of now. The direct effect is yet to be designed by the lenders. As of now, only the credit appraiser feels comfortable that you are not defaulting on any other credit. So, the impact is that of you not being bad, not being very good.

2. Can a credit score be really improved?

Good practice of returning borrowed funds on time enhances your credibility and improves the score. But the score is a trend, which develops gradually. Same like a character of a person. It can't be drastically improved or altered. So, if you suddenly pay off all your debts, your credit score does not jump up immediately.

3. Will a lender give me loan at a better rate if I have a good credit score?

Lenders look at various comforts in a home loan application and credit score is one of them. The profile of the borrower, his educational background, number of years in service, number of dependents, income, savings, other assets, property he chooses to buy and many more. So, it will be wrong to say that one gets a better deal just for great credit score.

4. Will I get a loan quicker if I have a good credit score and submit the report?

That is completely untrue. Unlike the commercials which come on media, the processing of any loan takes a basic period of time as the credit appraiser waits for reports from various other agencies to issue a loan approval letter. Credit score is available online and rather a very less time-consuming thing. By having a credit report in hand, doesn't enhance the process-time. Most of the lenders anyways do the credit check once more.

5. What if one credit report company shows bad numbers but another one shows good?

Most of the lenders now are using one major credit scoring service & others are yet to catch up. Even then when above is the scenario, the final call lies with the credit appraiser of the lender. There has been a case where though the credit report has come unsatisfactory or low in numbers, with clear justification & supporting proof of the reason, credit managers have agreed to do the loan. They are authorised to take calls on such home loan applications.

6. If I have never borrowed or never even had a credit card, will my score below?

Yes, it will be. Gone are those days when our previous generation boasted of never borrowing a single penny Credit looks at a new borrower with a magnifying lens and scrutinises more critically thinking 'why no one has ever lent him a single penny?' Don't get it wrong. You are not being encouraged to borrow more than you can pay up, but a basic credit card facility or a home loan for tax-savings will be no harm to have.

7. What if a wrong report has been uploaded on one of these bureaus? How to address that & get rectification?

Please understand that all these credit bureaus are maintaining a mere databank and has no direct influence on a low or high score. Yes, they draw up the numbers, but strictly basis the input they receive from various lenders where the individual has borrowed from. If you ever notice any anomaly, you can download the report yourself, find out the flaw, speak with the lender who has wrongly uploaded erroneous data, ask them to send the corrected information to the credit bureau and the bureau will correct it within 3 days. But if the discrepancy isn't resolved between the borrower and the lender, then credit bureau cannot change anything on their own accord.

8. What if I cannot contact the lender who uploaded the issue and sold the portfolio to another unknown company?

That is a big concern as contacting the current portfolio holder, if not the lender,

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These days, many employers have started perusing credit scores of potential employees, especially the financial services companies. As mentioned earlier, many consider the credit report as reflection of the character and try to read the person through that. Without saying that it is the right way, I am only presenting facts here.

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Yes, it will. If you are employed by a company which is defaulting on their own loan to one or various lenders, then being an employee of that company, lenders may refuse to extend a loan to you, basis 'unstable job'. They might simply consider that the financial strength of the employer is poor and your pay might get affected too, if it already has not!

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Surprising, but yes! If many employees of a company had defaulted in the past, the lender may blacklist the company and decline to lend you without any fault of yours.

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It does not if you inform the bank, pay up the dues, take a no-due letter and then cancel the card. But if you just decline to pay any dues and think that destroying the card is the end of it, it is not.

13. NRI-s who apply for loans will also have a credit rating?

NRI-s will have credit rating in their respective countries. Those reports are generally required to process a home loan in India. However, countries where credit scoring system is not followed, no such report can be provided by the potential borrower. Please note that credit score report of an NRI is also

generated by the lender here in India, basis PAN card and Indian address. So, those you think getting an NRI status is end of the problem, it is not.

14. What happens to my credit score when I negotiate with the bank/lender and do a settlement payment?

Credit reports are quite categorised. Closing a loan by paying the complete due amount and closing with lesser amount by negotiating a deal doesn't get reported in the same way. So, potential borrowers who exclaim-"I don't have either credit or default elsewhere." need to introspect on that statement. If you pay, say 20,000/- as 'settlement amount' to a lender when they claim to have a 80,000/- due, they will report that to credit scoring company too.

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That's truly bad and if the amount isn't a small one like a couple of thousand, which can be considered 'overlooked', all lenders in future may decline to lend you. 'Write-off' means you never paid off the dues and the lender had to let go of the money completely either because they could not trace you or you have denied to pay. That is not a welcome 'character' by the new lender.

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It does. Lenders upload your address, DOB, landline and mobile number, father's name, spouse name (if available) etc. along with the data. This is to ensure that people with same name do not get each other's report. So, if you default in a loan & your brother applies later, his loan might get rejected. Sounds unreal, but there has been incidence when son-in-law's home loan application was denied for bad credit report of father-in-law where wife was co-applicant and her PAN card

showed her father's name!

18. Can I raise a dispute with the credit scoring company, if I identify any anomaly in my report and/or scoring?

As explained earlier, please raise the dispute with the reporting lender instead of the credit scoring company, since the scoring company bases their numbering on the data reported and available with them with no power of alteration

BANK LOAN SYNDICATION

1. What happens when I have a great credit score?

Truly, it doesn't enhance your loan credibility as of now. The direct effect is yet to be designed by the lenders. As of now, only the credit appraiser feels comfortable that you are not defaulting on any other credit. So, the impact is that of you not being bad, not being very good.

2. Can a credit score be really improved?

Good practice of returning borrowed funds on time enhances your credibility and improves the score. But the score is a trend, which develops gradually. Same like a character of a person. It can't be drastically improved or altered. So, if you suddenly pay off all your debts, your credit score does not jump up immediately.

3. Will a lender give me loan at a better rate if I have a good credit score?

Lenders look at various comforts in a home loan application and credit score is one of them. The profile of the borrower, his educational background, number of years in service, number of dependents, income, savings, other assets, property he chooses to buy and many more. So, it will be wrong to say that one gets a better deal just for great credit score.

4. Will I get a loan quicker if I have a good credit score and submit the report?

That is completely untrue. Unlike the commercials which come on media, the processing of any loan takes a basic period of time as the credit appraiser waits

for reports from various other agencies to issue a loan approval letter. Credit score is available online and rather a very less time-consuming thing. By having a credit report in hand, doesn't enhance the process-time. Most of the lenders anyways do the credit check once more.

5. What if one credit report company shows bad numbers but another one shows good?

Most of the lenders now are using one major credit scoring service & others are yet to catch up. Even then when above is the scenario, the final call lies with the credit appraiser of the lender. There has been cases where though the credit report has come unsatisfactory or low in numbers, with clear justification & supporting proof of the reason, credit managers have agreed to do the loan. They are authorised to take calls on such home loan applications.

6. If I have never borrowed or never even had a credit card, will my score below?

Yes, it will be. Gone are those days when our previous generation boasted of never borrowing a single penny Credit looks at a new borrower with a magnifying lens and scrutinises more critically thinking 'why no one has ever lent him a single penny?' Don't get it wrong. You are not being encouraged to borrow more than you can pay up, but a basic credit card facility or a home loan for tax-savings will be no harm to have.

7. What if a wrong report has been uploaded on one of these bureaus? How to address that & get rectification?

Please understand that all these credit bureaus are maintaining a mere databank and has no direct influence on a low or high score. Yes, they draw up the numbers, but strictly basis the input they receive from various lenders where the individual has borrowed from. If you ever notice any anomaly, you can download the report yourself, find out the flaw, speak with the lender who has wrongly uploaded erroneous data, ask them to send the corrected information to the credit bureau and the bureau will correct it within 3 days. But if the discrepancy isn't resolved between the borrower and the lender, then credit bureau cannot

change anything on their own accord.

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TDS RETURN

What is TDS?

Tax Deducted at Source (TDS) is a system introduced by Income Tax Department, where person responsible for making specified payments such as salary, commission, professional fees, interest, rent, etc. is liable to deduct a certain percentage of tax before making payment in full to the receiver of the payment. As the name suggests, the concept of TDS is to deduct tax at its source.

1) What Is TAN and How to apply for TAN?

TAN stands for Tax Deduction Account Number. It is 10 digit alpha numeric number required to be obtained by all persons who are responsible for deducting or collecting tax. Under Section 203A of the Income Tax Act, 1961, it is mandatory to quote Tax Deduction Account Number (TAN) allotted by the Income Tax Department (ITD) on all TDS returns. The procedure for application of TAN is very simple and can be done online by filling up Form 49B.

2) What is TDS Certificate?

TDS certificates are issued by the deductor (the person who is deducting tax) to the deductee (the person from whose payment the tax is deducted). There are mainly two types of TDS certificates issued by the deductor.

1. Form 16: which is issued by the employer to the employee incorporating details of tax deducted by the employer throughout the year, and
2. Form 16A: which is issued in all cases other than salary?

3) When TDS should be deducted?

The concept of TDS is based on a simple principle i.e. tax is to be deducted at the time of payment getting due or actual payment whichever is earlier. A set of scenarios for will be helpful in understanding the concept:

Say, ABC Private Limited has to make payment of Rs 50,000/- to Mr. XYZ in exchange of professional services.

Scenario 1:

Mr. XYZ was paid Rs 30,000/- in advance on 15th July. XYZ raised invoice after completion of work on 31st July and rest of payment is to be made.

In such case the company should have deducted tax in the following manner:

On 15th July: Rs 3000/- (@ 10% on advance of Rs 30000/-)

On 31st July: Rs 2000/- (@ 10% of total invoice amount as deducted by tax already deducted i.e. Rs 5000/- deducted by Rs 3000/-)

Scenario 2:

Mr. XYZ raised the invoice on 15th July and was paid whole consideration at one go on 31st July.

In such whole amount of Rs 5000/- shall be deducted on 15th July, the date when payment got due, and a net payment of Rs 45000/- shall be made on 31st July.

Scenario 3:

Mr. XYZ is to receive the whole amount of Rs 50,000/- well in advance before completion of the assignment.

In such particular case tax of Rs 5000/- shall be deducted right at the time of payment of advance and no tax is to be deducted at the time of making an entry for the bill due.

4) How much tax should be deducted from salary?

Persons responsible for paying salary are liable to deduct tax on estimated salary at prescribed rate of 15% subject to following:

1. Exemption Limit: No tax is required to be deducted at source unless the estimated salary exceeds basic exemption limit.
2. Exempt allowances: Allowances such as LTC, HRA, conveyance, travelling exempt as per prescribed limits and other perquisites not forming part of salary should be deducted from total salary while calculating taxable salary.
3. Other deductions: Other deductions such as deductions under section 80C, 80CCC, 80CCD, 80CCG, 80D, 80DD, 80DDB, 80E, 80EE, etc. should be considered before the calculation of tax on salary.

5) What is the minimum salary one should have for TDS to be deducted by the employer?

If after comprehensive calculation of allowable allowances, taxable perquisites and deductions under chapter VI-A, income from salary head exceeds a sum of basic exemption limit, then tax has to be deducted by the employer @ 15% on the amount over and above the basic exemption limit. For example, the salary of Mr. A arrives at Rs 2,80,000/- assuming that all the allowances, perquisites, and deductions have been taken into consideration, tax @ 15% on Rs 30000/- (2,80,000 – 2,50,000) shall be deducted by the employer.

Hence, provisions of TDS shall attract only if minimum salary is above the basic exemption limit.

6) What are the due dates for TDS?

Payment of TDS each month and filing of quarterly return of TDS are 2 separate processes and due dates for these processes are different

The due dates for the payment of the deducted TDS are on or before 7th of next month. It means, if the deductor has deducted tax from payments in month of November, then he has to pay the TDS on or before 7th of December. Key point to note here is that the due dates are same for all type of assesses whether its Salaried case or non-salaried case.

These due dates are applicable to all non-Government assesses and also to Government assesseees who deposit tax with Challan as specified by income tax department. If the challans are not used to make payment of TDS by government assesses, then the due date for payment of TDS will be the same day on which the amount is deducted.

Monthly due dates for payment TDS.

Month	Due date for payment of TDS
April	7th of May
May	7th of June
June	7th of July
July	7th of August
August	7th of September
September	7th of October
October	7th of November

November	7th of December
December	7th of January
January	7th of February
February	7th of March
March	30th of April

You can even pay TDS online. In next question, we will cover the Due date for filing of TDS returns.

7) Which are the different forms prescribed for TDS Return?

Before that we will get a general idea about which forms are applicable to different cases. These forms are to be prepared in consultation with your tax advisor to avoid any mistake and then to file corrected TDS return.

Here is how ProfitBooks can help

Form	Detector type
Form 24 Q	Deductions made in a salaried case
Form 26 Q	Deductions made in the non-salaried ca
Form 27 Q	Deductions made in the case of NRIs

Now that we know the different forms, in the below table we can see the due dates for different forms and different quarters as well:

Quarter	Form 24Q & 26Q	Form 27Q
April to June	15 July	15 July
July to September	15 October	15 October
October to December	15 January	15 January
January to March	15 May	15 ay

8. What are penalty provisions for non-deduction of TDS?

There are several instances where interest, fees, and penalty are levied on non-compliance of TDS provisions. The same are discussed here step by step:

Consequences of non-deduction of TDS

If a person who was responsible for deducting tax at source fails to do so, then the ASSESSING OFFICER has powers to disallow whole of such expenditure for ascertaining taxable profits. For example, ABC Limited paid a commission of Rs 2,00,000/- during the year to a single person and omitted to deduct tax on the same, then the Assessing Officer has powers to disallow deduction whole of such expenses while ascertaining taxable profits.

Late deduction of TDS

Tax is to be deducted at the time of payment/credit getting due or payment whichever is earlier. In the terms of income tax, even a single day is counted as a month for the purpose of calculating interest. In cases of late deduction of tax, interest @ 1% per month of the TDS amount subject to maximum amount of TDS is levied. For example, ABC company was supposed to deduct tax of Rs 20000/- on 15th July but instead the same was deducted by the company on 1st August. In this case interest of Rs 200/- (@1% for one month) is required to be paid by the assessed.

Late payment of TDS

Tax is to be deducted and paid to the credit of government on every 7th day of the succeeding month in which the tax has been deducted, otherwise, interest @ 1.5% per month of TDS amount subject to maximum amount of TDS is levied. For example, ABC Ltd was supposed to deposit TDS of Rs 20000/- deducted in the month of April by 7th of May but fails to deposit the same on time and actually deposited the same in the following month. In this case interest of Rs. 300/- (@ 1.5% for one month) is required to be paid by the assessed.

Late filing of return of TDS

TDS returns are required to be filed in the last month of following quarter i.e. 31st July, 31st October, 31st January and in the case of March it is 31st May. Fees under section 234E are levied @ Rs 200/- per day subject to maximum amount of TDS until the return is filed. Example, M/s ABC, a partnership deducted and paid a total TDS of Rs 40000/- in the first quarter of FY and was supposed to file its TDS return by 31st July but filed its return on 31st August. Total fees of Rs 6200 (200/- per day for 31 days) shall be paid before filing of return.

Penalty for late filing of TDS return

Assessing officer may direct a person who fails to file the statement of TDS within due date to pay penalty minimum of Rs. 10,000 which may extend to Rs.1,00,000. The penalty under this section is in addition to the penalty u/s 234E and also covers the cases of incorrect filing of TDS return.

11) How do I know how much TDS has been deducted and whether it has been credited to me?

It is very simple to know how much TDS has been deducted and whether it is credited to you or not. Follow these simple process to find it out:

Step 1: Log on to [Income Tax India eFiling website](https://www.incometax.gov.in) and click on the link "Register Yourself"

Step 2: Enter your details as per PAN and generate a password

Step 3: Once you have logged into the portal, click on the option “View Tax Credit Statement (26 AS)”

Step 4: After clicking on this link you will be directed to another website called TRACES (TDS Reconciliation Analysis and Correction Enabling System) where you can know about complete details of your tax deducted at source, advance tax paid and other important details.

26AS is a tax credit statement and covers all the amounts of TDS deducted by others. This might happen that someone has deducted your tax but the same isn't appearing in your tax credit statements, which may be simply due to non-filing of TDS return by the deductor. In such cases, please make sure to obtain a TDS certificate as this will be an ultimate proof that your tax has been deducted at source.

9) Can I request tax deductions to not deduct tax from an amount and pay the whole amount to me?

Yes, if your gross income is well below the basic exemption limit then you can request the person who is responsible for TDS, to not to deduct tax on such income. For doing the same you have to options:

1. Apply to the Assessing officer under whose jurisdiction you fall in Form 13 to get a certificate approving deduction of tax at a lower rate or NIL rate.
2. Submit a declaration in Form 15G/15H in which you declare that your income is below the basic exemption limit during the financial year and tax is required to be deducted at source. This certificate has to be submitted every year and non-submission may lead to deduction of tax. Please note that Form 15G is for individuals and Form 15H is for senior citizens.

One major difference between Form 13 and Form 15G/15H is Form 15G/15H can be issued only by individuals assesses, whereas request in Form 13 can be submitted by any person i.e. individual, partnership firm, company, etc. to the ASSESSING OFFICER to get approval for deduction of taxes at lower or NIL rate.

10) How to apply for TDS refund?

There is this major misconception that refund of excess TDS is different from income tax refund and is called as TDS refund. However, the fact is that there is only one kind of return which you claim while filing your annual income tax return. Nowadays, it is compulsory to quote bank account details such as account number and IFSC code while filing of return and non-entering of such details will not generate a valid .xml file. In case if someone has deducted more tax than he should have deducted, then income tax refund will arise which can be claimed upon the filing of your annual income tax return.

For example, you own a goods transport agency and yours is a proprietorship firm. You presented an invoice of Rs 50,000/- and the person paying freight paid you a net amount of Rs 49,000/- (after deducting tax of Rs 1,000/- @ 2% under section 194C). In this case, the deductor deducted tax @ 2% instead of 1% and hence deducted excess TDS by Rs 500/-. This excess TDS will arise as a refund in the income tax return.

11) What is applicability of TDS on transactions of immovable property?

There are mainly two sections that prescribe for deduction of taxes on transactions related to an immovable property:

1. Section 194-I: Section 194-I requires for deduction of tax at source on rental income @ 10% for rent on land & building if the total amount of rent paid/credited or to be paid/to be credited exceeds the cap of Rs 1,80,000/- during a financial year. Please note that individuals and HUFs who are not subject to tax audits under section 44AB need not deduct tax at source on such rental expenses.
2. Section 194IA: Section 194IA came into effect from June 2013 which required deduction of tax by the transferee before making payment to transferor @ 1% of the consideration for immovable property. Any sum paid by way of consideration for the transfer of any immovable property

(other than agricultural land) is covered under section 194-IA, provided the consideration for the transfer of an immovable property is not less than Rs. 50 lakhs.

3. **Section 194LA:** Section 194LA provides for deduction of tax at source @ 10% for the payment to be made to the assessee as a compensation on account of compulsory acquisition of immovable property. Please note that no deduction shall be made under this section where the amount of such payment or, as the case may be, the aggregate amount of such payments to a resident during the financial year does not exceed Rs 250000/-.

12) What are TDS rules?

There are certain rules set out by the tax authorities in regard to TDS, that if complied properly you will not end up paying penalty, interest, and fees.

1. **Tax deduction rules:** Tax is required to be deducted at the time of payment getting due or actual payment whichever is earlier. Delay in deduction of tax will attract interest @ 1% per month until the tax is deducted.
2. **TDS payment rules:** Every person is required to pay the tax deducted to the credit of government by the 7th day of the following month. Non-payment or late payment of TDS will attract interest @ 1.5% per month until the tax has not been deposited.
3. **TDS return filing rules:** TDS returns are required to be filed timely on the 31st day of July, October, January, and May during a financial year. Non-filing or filing of return after the due date will attract fees under section 234E @ Rs 200/- per day until the return is filed. However, this amount shall not exceed the amount of tax.