

CHANGES IN ITR FOR AY 2018-19

COMPANIES (AMENDMENT) ACT 2017

SIGNIFICANT BENEFICIAL OWNERSHIP



CA. PRAMOD JAIN

B. COM (H), FCA, FCS, FCMA, LL.B, MIMA, DISA

Shared at
West Delhi Study Circle of NIRC of ICAI
4th July 2018

**INCOME TAX
RETURN**

2018-19

WHICH ITR?

✖ No major change except ITR 1, 2 & 3

Form	AY 2017-2018	AY 2018-19
ITR- 1	<ul style="list-style-type: none"> For Individuals <ul style="list-style-type: none"> having Income from Salaries, one house property, other sources (Interest etc.) having total income up to Rs.50 lakh 	<ul style="list-style-type: none"> For individuals being a resident other than not ordinarily resident <ul style="list-style-type: none"> having Income from Salaries, one house property, other sources (Interest etc.) having total income up to Rs.50 lakh
ITR-2	<ul style="list-style-type: none"> For Individuals and HUFs not carrying out business or profession <i>Being a partner received Salary, bonus, interest, commission or remuneration from the firm treats as business Income</i> 	<ul style="list-style-type: none"> For Individuals and HUFs not carrying out business or profession

S. 234F FEE

2017

8 Interest payable			
a	For default in furnishing the return (section 234A)	8a	
b	For default in payment of advance tax (section 234B)	8b	
c	For deferment of advance tax (section 234C)	8c	
d	Total Interest Payable (8a+8b+8c)		

2018

8 Interest and fee payable			
a	Interest for default in furnishing the return (section 234A)	8a	
b	Interest for default in payment of advance tax (section 234B)	8b	
c	Interest for deferment of advance tax (section 234C)	8c	
d	Fee for default in furnishing return of income (section 234F)	8d	
e	Total Interest and Fee Payable (8a+8b+8c+8d)		

INCREASED SALARY & HP DETAILS

B1	i	Salary (excluding all allowances, perquisites and profit in lieu of salary)	i	
SALARY / PENSION	ii	Allowances not exempt	ii	
	iii	Value of perquisites	iii	
	iv	Profit in lieu of salary	iv	
	v	Deductions u/s 16	v	
	vi	Income chargeable under the head 'Salaries' (i + ii + iii + iv - v)		
B2	Tick applicable option <input type="checkbox"/> Self Occupied <input type="checkbox"/> Let Out			If let out, furnish c
HOUSE PROPERTY	i	Gross rent received/ receivable/ letable value	i	
	ii	Tax paid to local authorities	ii	
	iii	Annual Value (i - ii)	iii	
	iv	30% of Annual Value	iv	
	v	Interest payable on borrowed capital	v	
	vi	Income chargeable under the head 'House Property' (iii - iv - v)		

GENDER EQUALITY

2017

Pin code 	Sex (in case of individual) (Tick) <input checked="" type="checkbox"/> <input type="checkbox"/> Male <input type="checkbox"/> Female
Mobile No. 2 	Employer Category (if in employment) (Tick) <input checked="" type="checkbox"/> <input type="checkbox"/> Govt. <input type="checkbox"/> PSU <input type="checkbox"/> Others
	Income Tax Ward/Circle

2018

Pin code/Zip code 	Employer Category (if in employment) (Tick) <input checked="" type="checkbox"/> <input type="checkbox"/> Govt. <input type="checkbox"/> PSU <input type="checkbox"/> Others
Mobile No. 2 	
Income Tax Ward/Circle	

TRANSFER OF TDS CREDIT

Details of Tax Deducted at Source (TDS) on Income [As per Form 16 A issued or Form 26QB/26QC furnished by Deductor(s)]

Sl No	TAN of the Deductor/ PAN of the Buyer/ Tenant	Name of the Deductor/ Buyer/Tenant	Unique TDS Certificate Number	Unclaimed TDS brought forward (b/f)		TDS of the current fin. Year			TDS credit out of (7) or (8) being claimed this Year (only if corresponding income is being offered for tax this year)			TDS credit out of (7) or (8) being carried forward	
				Fin. Year in which deducted	Amount b/f	Deducted in own hands	Deducted in the hands of spouse as per section 5A or any other person as per rule 37BA(2) (if applicable)		Claimed in own hands	Claimed in the hands of spouse as per section 5A or any other person as per rule 37BA(2) (if applicable)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)	(10)		(11)	
							Income	TDS	PAN of spouse/ other person		Income	TDS	PAN of spouse/ other person

GSTR DETAILS – ITR 4

INFORMATION REGARDING TURNOVER/GROSS RECEIPT REPORTED FOR GST			
E9	GSTR No.	E9	
E10	Amount of turnover/Gross receipt as per the GST return filed	E10	

PRESUMPTIVE – NO BOOKS ???

FINANCIAL PARTICULARS OF THE BUSINESS

NOTE—For E11 to E25 furnish the information as on 31st day of March, 2018

E11	Partners/ Members own capital
E12	Secured loans
E13	Unsecured loans
E14	Advances
E15	Sundry creditors
E16	Other liabilities
E17	Total capital and liabilities (E11+E12+E13+E14+E15+E16)
E18	Fixed assets
E19	Inventories
E20	Sundry debtors
E21	Balance with banks
E22	Cash-in-hand
E23	Loans and advances
E24	Other assets
E25	Total assets (E18+E19+E20+E21+E22+E23+E24)

PRESUMPTIVE – NO BOOKS ???

E25	Total assets (E18+E19+E20+E21+E22+E23+E24)
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NOTE ►	<i>Please refer to instructions for filling out this schedule (E15, E19, E20, E22 are mandatory and others if available)</i>
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GSTR DETAILS – ITR 3, 5 & 6

2017

Duties and taxes, paid or payable, in respect of goods and services purchased

i	Custom duty	7i	
ii	Counter veiling duty	7ii	
iii	Special additional duty	7iii	
iv	Union excise duty	7iv	
v	Service tax	7v	
vi	VAT/ Sales tax	7vi	
vii	Any other tax, paid or payable	7vii	
viii	Total (7i + 7ii + 7iii + 7iv + 7v + 7vi + 7vii)		

2018

Duties and taxes, paid or payable, in respect of goods and services purchased

i	Custom duty	7i	
ii	Counter veiling duty	7ii	
iii	Special additional duty	7iii	
iv	Union excise duty	7iv	
v	Service tax	7v	
vi	VAT/ Sales tax	7vi	
vii	Central Goods & Service Tax (CGST)	7vii	
viii	State Goods & Services Tax (SGST)	7viii	
ix	Integrated Goods & Services Tax (IGST)	7ix	
x	Union Territory Goods & Services Tax (UTGST)	7x	
xi	Any other tax, paid or payable	7xi	
xii	Total (7i + 7ii + 7iii + 7iv + 7v + 7vi + 7vii + 7viii + 7ix + 7x + 7xi)		

REFUND BANK – NON-RESIDENTS

2017

13	Details of all Bank Accounts held in India at any time during the previous year (excluding dormant accounts)					
	Sl.	IFS Code of the Bank	Name of the Bank	Account Number <i>(the number should be 9 digits or more as per CBS system of the bank)</i>	Indicate the account in which you prefer to get your refund credited, if any <i>(tick one account <input checked="" type="checkbox"/>)</i>	<i>Cash deposited during 09.11.2016 to 30.12.2016 (if aggregate cash deposits during the period ≥ Rs.2 lakh)</i>
	i					

2018

Details of all Bank Accounts held in India at any time during the previous year (excluding dormant accounts) (In case of non-residents, details of any one foreign Bank Account may be furnished for the purpose of credit of refund)

	Sl.	IFS Code of the Bank in case of Bank Accounts held in India (SWIFT Code in case of foreign Bank Account)	Name of the Bank	Account Number (IBAN in case of foreign Bank Accounts)	Indicate the account in which you prefer to get your refund credited, if any (tick one account <input checked="" type="checkbox"/>)
	i				

FOR NON-RESIDENTS- LTCG included in items B1 to B9 but not chargeable to tax in India as per DTAA

Sl.	Country name, code	Article of DTAA	Whether Tax Residency Certificate obtained?	Item B1 to B9 above in which included	Amount of LTCG	
I				B1e/B2e/B3e/ B4e/ B5c/B6e/B7c/B7f/B8e/B9		
II				B1e/B2e/B3e/ B4e/ B5c/B6e/B7c/B7f/B8e/B9		
III	Total amount of LTCG not chargeable to tax as per DTAA					B10

-Amount of LTCG included in items B1 to B9 but not chargeable to tax or chargeable at special rates in India as per DTAA

[illegible]

MORE DETAILS FOR CG DEDUCTIONS

2017

Information about deduction claimed

1	In case of deduction u/s 54/54B/54D/54EC/54EE /54F/54G/54GA/115F give following details					
	a	Section under which deduction claimed			1a	amount of deduction
	i	Cost of new asset			ai	
		Date of its acquisition/construction			aii	dd/mm/yyyy
		Amount deposited in Capital Gains Accounts Scheme before due date			aiii	
	b	Section under which deduction claimed			1b	amount of deduction
	i	Cost of new asset			bi	
		Date of its acquisition/construction			bii	dd/mm/yyyy
		Amount deposited in Capital Gains Accounts Scheme before due date			biii	
	c	Total deduction claimed (1a + 1b)			1c	

MORE DETAILS FOR CG DEDUCTIONS

2018

Information about deduction claimed against Capital Gains

1 In case of deduction u/s 54/54B/54D/54EC/54EE /54F/54G/54GA/115F give following details				
a	Deduction claimed u/s 54			
	i	Date of transfer of original asset	ai	dd/mm/yyyy
	ii	Cost of new residential house	aii	
	iii	Date of purchase /construction of new residential house	aiii	dd/mm/yyyy
	iv	Amount deposited in Capital Gains Accounts Scheme before due date	aiv	
	v	Amount of deduction claimed	av	
b	Deduction claimed u/s 54B			
	i	Date of transfer of original asset	bi	dd/mm/yyyy
	ii	Cost of new agricultural land	bii	
	iii	Date of purchase of new agricultural land	biii	dd/mm/yyyy
	iv	Amount deposited in Capital Gains Accounts Scheme before due date	biv	
	v	Amount of deduction claimed	bv	
c	Deduction claimed u/s 54D			
	i	Date of acquisition of original asset	ci	dd/mm/yyyy
	ii	Cost of purchase/ construction of new land or building for industrial undertaking	cii	
	iii	Date of purchase of new land or building	ciii	dd/mm/yyyy
	iv	Amount deposited in Capital Gains Accounts Scheme before due date	civ	
	v	Amount of deduction claimed	cv	

TRANSFER OF UNQUOTED SHARES

8	From sale of assets where B1 to B7 above are not applicable				
	a	i	In case assets sold include shares of a company other than quoted shares, enter the following details		
		a	Full value of consideration received/receivable in respect of unquoted shares		
		b	Fair market value of unquoted shares determined in the prescribed manner		
		c	Full value of consideration in respect of unquoted shares adopted as per section 50CA for the purpose of Capital Gains (higher of a or b)		ic
		ii	Full value of consideration in respect of assets other than unquoted shares		
		iii	Total (ic + ii)		aiii
	b	Deductions under section 48			
		i	Cost of acquisition with indexation		bi
		ii	Cost of improvement with indexation		bii
		iii	Expenditure wholly and exclusively in connection with transfer		biii
		iv	Total (bi + bii +biii)		biv
	c	Balance (8aiii – biv)			8c
	d	Deduction under section 54D/54EC/54EE /54F/54G/54GA (<i>Specify</i>			8d
	e	Long-term Capital Gains on assets at B8 above (8c-8d)			
9	Amount deemed to be long-term capital gains				

TRANSFER OF UNQUOTED SHARES

8	From sale of assets where B1 to B7 above are not applicable				
	a	i	In case assets sold include shares of a company other than quoted shares, enter the following details		
		a	Full value of consideration received/receivable in respect of unquoted shares		
		b	Fair market value of unquoted shares determined in the prescribed manner		
		c	Full value of consideration in respect of unquoted shares adopted as per section 50CA for the purpose of Capital Gains (higher of a or b)		ic
		ii	Full value of consideration in respect of assets other than unquoted shares		
		iii	Total (ic + ii)		aiii
	b	Deductions under section 48			
		i	Cost of acquisition with indexation		bi
		ii	Cost of improvement with indexation		bii
		iii	Expenditure wholly and exclusively in connection with transfer		biii
		iv	Total (bi + bii +biii)		biv
	c	Balance (8aiii – biv)			8c
	d	Deduction under section 54D/54EC/54EE /54F/54G/54GA (<i>Specify</i>			8d
	e	Long-term Capital Gains on assets at B8 above (8c-8d)			
9	Amount deemed to be long-term capital gains				

ADDITIONAL DETAILS FOR S. 56(2)

Others, Gross (excluding income from owning race horses)Mention the nature			
i	Winnings from lotteries, crossword puzzles etc.		1di
ii	a	Cash credits u/s 68	
	b	Unexplained investments u/s 69	
	c	Unexplained money etc. u/s 69A	
	d	Undisclosed investments etc. u/s 69B	
	e	Unexplained expenditure etc. u/s 69C	
	f	Amount borrowed or repaid on hundi u/s 69D	
	Total (a + b + c + d + e + f)		1dii
iii	Income of the nature referred to in section 56(2)(x) which is chargeable to tax		
	a	Aggregate value of sum of money received without consideration	
	b	In case immovable property is received without consideration, stamp duty value of property	
	c	In case immovable property is received for inadequate consideration, stamp duty value of property in excess of such consideration	
	d	In case any other property is received without consideration, fair market value of property	
	e	In case any other property is received for inadequate consideration, fair market value of property in excess of such consideration	
	Total (a+ b + c +d + e)		1diii
iv			1div
v			1dv
vi	Total (1di + 1dii+ 1diii+ 1div+1dv)		1dvi

S. 58 & S. 59

g	Gross amount chargeable to tax at normal applicable rates (1e – 1fvii)		
h	Deductions under section 57 (other than those relating to income under 1fi, 1fii, 1fiii, 1fiv, 1fv & 1fvi)		
	i	Expenses / Deductions	hi
	ii	Depreciation	hii
	iii	Total	hiii
i	Amounts not deductible u/s 58		
j	Profits chargeable to tax u/s 59		
k	Income from other sources (other than from owning race horses and amount chargeable to tax at special rate) (1g – hiii + 1i + 1j) (If negative take the figure to 4i of schedule CYLA)		
Income from other sources (other than from owning and maintaining race horses) (1fvii + 1k) (enter 1k as nil, if negative)			
Income from the activity of owning race horses			
a	Receipts	3a	
b	Deductions under section 57 in relation to (4)	3b	
c	Amounts not deductible u/s 58	3c	
d	Profits chargeable to tax u/s 59	3d	
e	Balance (3a – 3b + 3c + 3d) (if negative take the figure to 10xi of Schedule CFL)		
Income under the head “Income from other sources” (2 + 3e) (take 3e as nil if negative)			

S. 115BBG – TRANSFER OF CARBON CREDITS

Income by way of winnings from lotteries, crossword puzzles, races, games, gambling, betting etc (u/s 115BB)
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Dividend Income from domestic company that exceeds Rs.10 Lakh (u/s 115BBDA)

Deemed Income chargeable to tax u/s 115BBE
--

Income from patent chargeable u/s 115BBF
--

Income from transfer of credits u/s 115BBG
--

Any other income chargeable to tax at the rate specified under Chapter XII/XII-A
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ICDS IMPACT

2017

23	Any other item of addition under section 28 to 44DA	23	
24	Any other income not included in profit and loss account/any other expense not allowable (including income from salary, commission, bonus and interest from firms in which individual/HUF/prop. concern is a partner)	24	
25	Total (14 + 15 + 16 + 17 + 18 + 19 + 20 + 21+22 +23+24)		

30	Any amount disallowed under section 43B in any preceding previous year but allowable during the previous year(10g of PartA-OI)	30	
31	Deduction under section 35AC		
a	Amount, if any, debited to profit and loss account	31a	
b	Amount allowable as deduction	31b	
c	Excess amount allowable as deduction (31b – 31a)	31c	
32	Any other amount allowable as deduction	32	

2018

24	Any other income not included in profit and loss account/any other expense not allowable (including income from salary, commission, bonus and interest from firms in which individual/HUF/prop. concern is a partner)	24	
25	Increase in profit or decrease in loss on account of ICDS adjustments and deviation in method of valuation of stock (Column 3a + 4d of Part A - OI)	25	
26	Total (14 + 15 + 16 + 17 + 18 + 19 + 20 + 21+22 +23+24+25)		

31	Any amount disallowed under section 43B in any preceding previous year but allowable during the previous year(10g of PartA-OI)	31	
32	Any other amount allowable as deduction	32	
33	Decrease in profit or increase in loss on account of ICDS adjustments and deviation in method of valuation of stock (Column 3b + 4e of Part A- OI)	33	
34	Total (27+28+29+30+31+32+33)		

ICDS IMPACT

Schedule ICDS		Effect of Income Computation Disclosure Standards on profit
Sl. No.	ICDS	Amount (+) or (-)
(i)	(ii)	(iii)
I	Accounting Policies	
II	Valuation of Inventories (<i>other than the effect of change in method of valuation w/s 145A, if the same is separately reported at col. 4d or 4e of Part A-OI</i>)	
III	Construction Contracts	
IV	Revenue Recognition	
V	Tangible Fixed Assets	
VI	Changes in Foreign Exchange Rates	
VII	Government Grants	
VIII	Securities (<i>other than the effect of change in method of valuation w/s 145A, if the same is separately reported at col. 4d or 4e of Part A-OI</i>)	
IX	Borrowing Costs	
X	Provisions, Contingent Liabilities and Contingent Assets	
11a.	Total effect of ICDS adjustments on profit (I+II+III+IV+V+VI+VII+VIII+IX+X) (if positive)	
11b.	Total effect of ICDS adjustments on profit (I+II+III+IV+V+VI+VII+VIII+IX+X) (if negative)	

REVISED DEPRECIATION

2017

Schedule DPM		Depreciation on Plant and Machinery (Other than assets on which full capital expenditure is allowable as deduction under any other section)						
1	Block of assets	Plant and machinery						
2	Rate (%)	15	30	40	50	60	80	100
		(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
3	Written down value on the first day of previous year							

2018

Schedule DPM		Depreciation on Plant and Machinery (Other than assets on which full capital expenditure is allowable as deduction under any other section)		
1	Block of assets	Plant and machinery		
2	Rate (%)	15	30	40
		(i)	(ii)	(iii)
3(a)	Written down value on the first day of previous year			

ITR-6 SPECIFIC CHANGES

- ✖ Separate Format for Balance Sheet and Profit & Loss Account has provided for companies on which Ind-AS is applicable in ITR-6
- ✖ CSR appropriation

51	Appropriations			
	i	Transfer to reserves and surplus	51i	
	ii	Proposed dividend/ Interim dividend	51ii	
	iii	Tax on dividend/ Tax on dividend for earlier years	51iii	
	iv	Appropriation towards Corporate Social Responsibility (CSR) activities (in case of companies covered under section 135 of Companies Act, 2013)	51iv	

ITR-6 SPECIFIC CHANGES - GST

Schedule GST Break-up of total expenditure with entities registered or not registered under the GST (Details in respect of expenditure on or after 01st July, 2017 to be filled up by the assessee who is not liable to get accounts audited u/s 44AB)

DETAILS OF GST	Sl. No.	Total amount of Expenditure during the year (aggregate of expenditure reported at items 6, 8 to 35, 37 & 38 of Part-A-P&L / P&L – Ind AS)	Expenditure in respect of entities registered under GST				Expenditure relating to entities not registered under GST
			Relating to goods or services exempt from GST	Relating to entities falling under composition scheme	Relating to other registered entities	Total payment to registered entities	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)

ITR-6 – FOREIGN CURRENCY

Schedule FD Break-up of payments/receipts in Foreign currency (to be filled up by the assessee who is not liable to get accounts audited u/s 44AB)

Foreign Currency Transaction	S. No.		Amount (in Rs.)
	i	Payments made during the year on capital account	
	ii	Payments made during the year on revenue account	
	iii	Receipts during the year on capital account	
	iv	Receipts during the year on revenue account	

NOTE ► Please refer to instructions for filling out this schedule.

ITR-6 – OWNERSHIP – UNLISTED CO

OWNERSHIP INFORMATION	In case of unlisted company, particulars of natural persons who were the ultimate beneficial owners, directly or indirectly, of shares holding not less than 10% of the voting power at any time of the previous year <i>(if available)</i>			
	S.No.	Name and Address	Percentage of shares held	PAN (if allotted)

ITR 7 CHANGES – CHANGE IN OBJECTS

2017

i	Whether Registered u/s 12A/12AA?	<input type="checkbox"/> Yes <input type="checkbox"/> No
ii	If yes, then enter Registration No.	
iii	Commissioner/Director of Income-tax (Exemptions) who granted registration	
iii	Date of Registration (DD/MM/YYYY)	____/____/____
iv	Whether activity is,- <input type="checkbox"/> charitable, <input type="checkbox"/> religious or <input type="checkbox"/> both? Please tick <input checked="" type="checkbox"/> as applicable.	

i	Is there any change in the objects/activities during the Year on the basis of which approval/registration was granted?
ii	If yes, date of such change (DD/MM/YYYY)

ITR 7 CHANGES – CHANGE IN OBJECTS

2018

i	Is there any change in the objects/activities during the Year on the basis of which approval/registration was granted?		
ii	If yes, please furnish following information:-		
	a	date of such change (DD/MM/YYYY)	
	b	whether an application for fresh registration has been made in the prescribed form and manner within the stipulated period of thirty days as per Clause (ab) of sub-section (1) of section 12A	
	c	whether fresh registration has been granted under section 12AA	
	d	date of such fresh registration (DD/MM/YYYY)	

ITR 7 CHANGES – CORPUS DONATION

2017

5	Additions		
	i	Income chargeable under section 11(1B)	5i
	ii	Income chargeable under section 11(3)	5ii
	iii	Income in respect of which exemption under section 11 is not available by virtue of provisions of section 13	
	a	Being anonymous donation at Diii of schedule VC to the extent applied for charitable purpose	5iiia
	b	Other than (a) above	5iiib
	iv	Income chargeable under section 12(2)	5iv
	v	Total [5i + 5ii+5iiia+5iiib+5iv]	

ITR 7 CHANGES – CORPUS DONATION

2018

5	Additions			
	i	Corpus donation to other trust or institution chargeable as per Explanation 2 to section 11(1) [item No. 15(i) of Schedule ER]		
	ii	Income chargeable under section 11(1B)		
	iii	Income chargeable under section 11(3)		
	iv	Income in respect of which exemption under section 11 is not available by virtue of provisions of section 13		
	a	Being anonymous donation at Diii of schedule VC to the extent applied for charitable purpose	5iva	
		Other than (a) above	5ivb	
	v	Income chargeable under section 12(2)		
	vi	Total [5i + 5ii+5iii+5iva+5ivb+5v]		

COMPANIES (AMENDMENT) ACT 2017



SUMMARY

- ✖ **93 Amendments in all – This ppt contains major amendments**
- ✖ **3 Provisions applicable from 3rd January 2018 – related to IBC**
- ✖ **43 Provisions applicable from 9th February 2018**
- ✖ **25 Provisions applicable from 7th May 2018**
- ✖ **6 Provisions applicable from 13th June 2018**
- ✖ **Compliances emphasized**
- ✖ **Penalties rationalized**

AMENDMENTS – IMPORTANT DEFINITIONS

- ✖ **2(51) – KMP to include 1 level below director who is in whole time employment, designated as KMP by Board**
- ✖ **2(57) – Net worth to include debit / credit balance of Profit Loss Account**
- ✖ **2(76) – Related party to include – Investing co. or Venturer of the company i.e., a body corporate whose investment in company would result in the company becoming an associate company of the body corporate**

AMENDMENTS – IMPORTANT DEFINITIONS

- ✗ **2(85) - Small co- upper limit of capital 5 Cr to 10 Cr & turnover 20 Cr to 100 Cr**
- ✗ **2(87) – Subsidiary –voting power now**
- ✗ **2(91) – Turnover – realization confusion removed - means the gross amount of revenue recognised in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by a company during a financial year**

AMENDMENTS- INCORPORATION

- ✖ **3A introduced – If members below limit & business carried for > 6 months- and cognisant of the fact - severally liable for the payment of the whole debts of the company contracted during that time, and may be severally sued therefor -(9.2.2018)**
- ✖ **4 Memorandum – Name reservation period reduced from 60 days to 20 or as may be prescribed. Change in name – 60 days**

AMENDMENTS – PRIVATE PLACEMENT

- ✗ **S. 42 to be substituted**
- ✗ **PP offer not to contain right of renunciation**
- ✗ **Can have more than one offer at one time, however offer to no. of persons to be within limit of 50 identified persons**
- ✗ **Amount cannot be utilized unless shares allotted and Form PAS-3 is filed**
- ✗ **PAS-3 is to be filed within 15 days of allotment**
- ✗ **Late filing of PAS 3 – Penalty on company, promoters & directors for each default - Rs. 1k p. d. Max 25L**

AMENDMENTS – PRIVATE PLACEMENT

- ✗ **Penalty for contravention changed to amount involved or Rs. 2 Cr whichever is **lower**.**
- ✗ **Amount to be refunded within 30 days of imposing penalty along with **interest****
- ✗ **If offer not as per ss.(2) – 50 limit – public offer – SEBI Act would also apply**

AMENDMENTS – SHARES

- ✖ **S. 62 - Preferential issue – Chapter III (s. 42) also to be complied **-(9.2.2018)****
- ✖ **S. 62 - Right Issue – Offer letter allowed to be given by courier or any other mode of having proof of delivery. Earlier only speed post or electronic mode **-(9.2.2018)****

AMENDMENTS – DEPOSITS

- ✗ **S. 73(2) From members:**
 - ✗ Amount to be deposited –20% (E-15%) by 30th April
 - ✗ Deposit insurance not required now
 - ✗ In case of default in repayment of deposits which is made good later and 5 years has elapsed can raise deposits
- ✗ Existing deposits period increased from 1 yr to 3 years. Renewal to be done as per Chapter V
- ✗ Penalty u/s 76A - lower limit changed– 1 Cr or twice the amount of deposit whichever is lower. Officer in default – Imp. – 7 yrs & fine (earlier or) – 25 L to 2 Cr **-(9.2.2018)**

AMENDMENTS – CHARGES

- ✖ **S. 77 - Section may not apply to such charges as prescribed by RBI -(7.5.2018)**
- ✖ **S. 82 - Registrar may allow on application reporting of satisfaction of charge within 300 days with additional fee -(7.5.2018)**

MANAGEMENT - 13.6.2018

- ✗ **Beneficial interest defined in S. 89(10) -**
 - + **Beneficial interest in a share includes, directly or indirectly, through any contract, arrangement or otherwise, the right or entitlement of a person alone or together with any other person to—**
 - ✗ **Exercise or cause to be exercised any or all of the rights attached to such share; or**
 - ✗ **Receive or participate in any dividend or other distribution in respect of such share.**
- ✗ **S. 90 substituted to provide for Register of significant beneficial owners in a company**

UBO / SBO – NEW CONCEPT??

- ✘ **Concept of identifying Ultimate Beneficial Owner/ Significant Beneficial Owner is not a new.**
- ✘ **Already been prescribed by following:**
 - + **SEBI under Guidelines on Identification of Beneficial Ownership;**
 - + **RBI under RBI (KYC) Directions, 2016;**
 - + **Rule 9 of Prevention of Money-laundering (Maintenance of Records) Rules, 2005**
- ✘ **Purpose is to identify such individuals, who directly or indirectly, holds beneficial interest over co. & whose names do not reflect in the register of members as holder of such shares**

MANAGEMENT S. 90 - 13.6.2018

- ✗ **Every individual:**
 - + who acting alone or together, or
 - + through 1 or more persons or
 - + trust, including trust & persons resident outside India,
- ✗ **holds beneficial intt. of not less than 25% / 10% in shares of a co. or**
- ✗ **right to exercise, or actual exercising of significant influence or control as defined in s. 2(27)**
- ✗ **shall make a declaration to co.in Form BEN 1 specifying nature of his interest&other particular**

MANAGEMENT S. 90(5) - 13.6.2018

- ✘ **A company shall give notice, in BEN 4, to any person (whether or not a member of company) whom the company knows or has reasonable cause to believe—**
 - + to be a significant beneficial owner of the company;
 - + to be having knowledge of the identity of a SBO or another person likely to have such knowledge; or
 - + to have been a SBO of company at any time during the 3 yrs immediately preceding the date on which the notice is issued
- ✘ **and who is not registered as a SBO with the company as required under this section.**

COMPANY (SBO) RULES 2018

- ✖ **“Significant beneficial owner” means an individual referred to in S. 90(1) holding ultimate beneficial interest of not less than 10%) read with S. 89(10) but whose name is not entered in the register of members of a company as the holder of such shares.**
- + **Company as member – SBO would be the natural person who alone or with other natural person or more other persons or trusts is holding not less than 10% of share capital of the company or exercises significant influence or control in the company.**

COMPANY (SBO) RULES 2018

- ✖ **“Partnership Firm as member?? – SBO would be the natural person who whether acting alone or together with other natural persons, or through one or more other persons or trusts, holds not less than 10% of capital or has entitlement of not less than 10%. of profits of the partnership.**
- ✖ **Where no natural person is identified the SBO is the relevant natural person who holds the position of senior managing official**
- ✖ **Trust as member (through trustee) - the SBO will be the trustee who holds not less than 10% interest in trust & any other natural person exercising ultimate effective control over trust through a chain of control or ownership**

COMPANY (SBO) RULES 2018

- ✖ **Rules are not made applicable to the holding of shares of companies/body corporates, in case of pooled investment vehicles/investment funds such as Mutual Funds, Alternative Investment Funds (AIFs), Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (Inv ITs) regulated under SEBI Act**
- ✖ **BEN 1 – SBO to file to company within 90 days from 13.6.2018 & within 30 days of any change in SBO**
- ✖ **BEN 1 – within 30 days of acquiring or change therein**
- ✖ **BEN 2 – within 30 days to ROC of receipt of BEN 1**
- ✖ **BEN 3 – Register of SBO**
- ✖ **BEN 4 - Notice**

MANAGEMENT - 13.6.2018

- ✗ **S. 90 – Register of beneficial ownership to be maintained by co – file return. Penalty:**
 - + **On person not making declaration – Min. 1 L to 10 L – continuing 1k p.d.**
 - + **On Co. for not maintaining register and filing return Min. 10 L to 50 L – continuing 1k p.d.**
 - + **Willfully False or incorrect information or suppress – s. 447**
- ✗ **S. 92 - Abridged Annual Return for OPC & small Co. – to exclude indebtedness and details of name address, etc of Flls -(7.5.2018)**

MANAGEMENT - 13.6.2018

- ✗ S. 92 - AR on website, if any - link in B. Report
- ✗ Listed Co. change in shareholding by top 10 shareholders reporting – omitted (S. 93)
- ✗ S. 94 – Place to keep registers & AR – if to be kept at other than R.O. i.e. where more than 1/10 members – no need to give copy of the proposed special resolution in advance to RoC now. AOC-5 for separate place.
- ✗ Certain particulars of register or index or return as may be prescribed not to be available for inspection u/s 94(2)

AMENDMENTS – NFRA – S. 132 **-(9.2.2018)**

- ✘ **Firm minimum penalty reduced from Rs. 10L to 5 L**
- ✘ **Appellate authority not to be constituted now – ss. 6,7,8 7 9 omitted**
- ✘ **Appeal now to Appellate Tribunal**

AMENDMENT – FILING OF FS – S. 137

- × **(7.5.2018)**
- × **While filing AOC-4 – accounts of foreign subsidiary(s) is also to be attached – in case of unaudited – attached unaudited. If in other language, translate in English and attach**

AMENDMENTS – AUDIT

- ✖ **S. 139(1) 1st Proviso - Annual Ratification of auditors not required -(7.5.2018)**
- ✖ **S. 140 - ADT 3 – Auditor resignation minimum penalty reduced to 50k or audit fee whichever is less -(9.2.2018)**
- ✖ **S. 143(1) - Auditor to have access to records of associate companies also as it relates to CFS -(9.2.2018)**
- ✖ **S. 143(3)(i) - Auditor to report on Internal Financial Controls with reference to Financial Statements -(9.2.2018)**

AMENDMENTS – AUDIT

- ✖ **141(3)(i) disqualification changed from -**
(9.2.2018)
 - + **‘any person whose subsidiary or associate company or other form of entity is engaged on the date of appointment in consulting and specialized services u/s 144’ to**
 - + **‘a person who, directly or indirectly, renders any service referred to in s.144 to the company or its holding company or its subsidiary company’.**
 - + **Directly, Indirectly same as in s. 144**

AMENDMENTS – AUDIT -(9.2.2018)

- ✗ **147(2) maximum penalty reduced to 5 L or 4 times the audit fee whichever is less**
- ✗ **Where default with intention to deceive penalty reduced from 1 L - 25L to 50k - 25L or 8 times the audit fee whichever is less**
- ✗ **147(3) - For damages (class action) – any other person substituted (restricted to) - members or creditors of company**
- ✗ **147 (5) - Criminal liability restricted to the concerned partner who acted in fraudulent manner or abetted or colluded..**

AMENDMENTS – DIRECTORS (7.5.2018)

- ✗ **S. 149 (3) - Resident director (182 days) requirement changed from calendar year to FY. In case of co. incorporated during year – proportionate.**
- ✗ **S. 149 (6) - Pecuniary relationship for independent director to exclude director remuneration or transactions > 10% of his total income or prescribed amount. Relatives pecuniary limits also specified holding, indebtedness & guarantee-wise**

AMENDMENTS – DIRECTORS

- ✖ **S. 161 (2) – A person holding directorship in company cannot be appointed as alternate director in same company **-(9.2.2018)****
- ✖ **S. 161 (4) – Casual vacancy in office of director may be filled by Board to be approved in next GM in case of all companies (earlier only Public companies) **-(9.2.2018)****
- ✖ **S. 164(2) - Disqualification not applicable for 6 months of new appointment in defaulting co. Existing director disqualified in all Cos except said Co. [S. 167(1)] **-(7.5.2018)****

AMENDMENTS – DIRECTORS

- ✖ **S. 164(3) - Disqualification related to conviction, by tribunal or not paid calls (6 months) shall continue to apply even if the appeal or petition has been filed against order of conviction or disqualification -(7.5.2018)**
- ✖ **S. 165 - 20 limit to exclude D Cos -(9.2.2018)**
- ✖ **S. 167(1) – Vacation due to conviction not applicable for 30 days from conviction, if appeal preferred – until 7 days appeal or further appeal is disposed off -(7.5.2018)**
- ✖ **S. 168 - DIR 11 made optional -(7.5.2018)**

AMENDMENTS – LOAN TO DIRECTORS -(7.5.2018)

- ✗ **S. 185 substituted. Following restriction on giving loan etc. continues:**
 - + **Director of Company**
 - + **Director of holding Company**
 - + **Partner or relative of Director**
 - + **Firm in which director or relative is partner**
- ✗ **Others including to Private Co. in which director is director or member allowed, subject to:**
 - + **SR, with complete details in Explanatory statement and proposed utilization by recipient**
 - + **Loans to be utilized for principal business activities**

AMENDMENTS – LOAN TO DIRECTORS -(7.5.2018)

- ✖ **Exemption to a company which in the ordinary course of business gives loans or guarantees or securities... in respect of loan if interest is charged — not less than bank rate — changed to 1,3, 5 or 10 year govt. securities prevailing yield (similar to s. 186)**
- ✖ **All other conditions – same**
- ✖ **Penalty – same on giver and receiver – Officer in default added –Imprisonment upto six months or fine min – Rs. 5 L & Max 25 L or both**

AMENDMENTS – LOAN BY COMPANY - (7.5.2018)

- ✗ **S. 186(2) - Loan to employees excluded**
- ✗ **S. 186(3) – Limits - aggregating past loans, investments, etc and proposed loans investments, etc. No requirement of SR if loan, guarantee or security is given to WOS or JV Co or investment in WOS. Disclosure u/s 186(4) in FS required**
- ✗ **S. 186 not applicable to investment made by Invt. co. Investment Co. means whose asset in investments is not less than 50% of total assets or income therefrom is not less than 50% of total income**
- ✗ **Not applicable on loan etc given by Cos, established with object of and engaged in business of financing Industrial enterprises (earlier Cos)**

AMENDMENTS – FEE – S. 403 – (7.5.2018)

- ✗ If not filed within the due period of section:
 1. 92 – Annual Return
 2. 137 – Financial Statements to be filed with ROC
- ✗ Additional Fee not less than Rs. 100 p.d.
1.7.2018
- ✗ Others additional fee (12 times) other than s. 92, 137 & increase in nominal capital
- ✗ Fee payable - at actual time of filing applicable
- ✗ Higher additional fee – not less than twice the additional fee in case of default on 2 or more occasions

S. 403 AMENDMENT & IMPACT

- ✖ **Within the time specified u/s 403 omitted**
- ✖ **S. 89 – MGT 6 – declaration by beneficial owner – within 30 days of declaration received**
- ✖ **S. 92 – MGT 7 - Annual return**
- ✖ **S. 117 – MGT 14 - Filing of resolutions**
- ✖ **S. 121 – MGT 15 – Report on AGM by listed Cos**
- ✖ **S. 137 – AOC-4 – Filing of FS**
- ✖ **S. 157 – Furnishing of DIN**

AMENDMENTS – FEE – S. 403

- ✖ **Shall without prejudice to the liability for the payment of fee and additional fee, be liable for the penalty or punishment provided under this Act for such failure or default**
- ✖ **Declaration by beneficial owner (89):**
 - + **Rs. 500 p.d. if continuing Rs. 1000 p.d.**
- ✖ **AR (92) :**
 - + **Co – Rs. 50 K to Rs. 5 L**
 - + **OLD – Imp upto 6 Months or fine 50K to 5 L or both**
- ✖ **FS (137)– Rs. 1000 p.d. max 10 L**

AMENDMENTS – FEE – S. 403

✖ **Filing of resolution – amended (117):**

- + Co - 1 L to 25 L
- + OID – 50K L to 5 L

✖ **Report on AGM by listed Cos (121):**

- + Co – 1 L to 5 L
- + OID – 25k to 1 L

✖ **Furnishing of DIN (157)**

- + Co – 25k to 1 L
- + OID – 25k to 1 L

AMENDMENT - OTHERS

- ✖ **S. 441 - Compounding allowed if imprisonment not mandatory or punishable with imprisonment and also with fine**
- ✖ **New S. 446A – Due regard to be given for imposing fine or imprisonment **-(9.2.2018)** :**
 - + **Size of the company;**
 - + **Nature of business carried on by the company;**
 - + **Injury to public interest;**
 - + **Nature of the default; and**
 - + **Repetition of the default.**

AMENDMENT - OTHERS

- ✖ **New S. 446B - OPC & SC only $\frac{1}{2}$ of fine/imp. -s. 92, 117 & 137 **-(9.2.2018)****
- ✖ **S. 447 - If amount involved in fraud is less than Rs. 10L or 1% of turnover – imprisonment upto 5 years or fine upto Rs. 25 Lacs or with both. No minimum term or amount **-(9.2.2018)****

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Q. An NRI wanted to invest the following amounts,

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Digest for nmore-25@googlegroups.com - 3 updates in ...
Today's topic summary
Concept by
CA Pramod Jain

Together ...we shall make it....

THANK YOU!



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