# Finalization of Financial Statements

for

FY 2017-18



### CA. PRAMOD JAIN

B. COM (H), FCA, FCS, FCMA, LL.B, MIMA, DISA
Shared at
Chandigarh Branch of NIRC of ICAI
11th August 2018

# THE PROCESS



Director's Report

Auditor's Report

**Financial Statements** 

**Balance Sheet** 

Profit /Loss

Statement of changes in equity, if any

**Cash Flow** 

**Notes** 



### FINANCIAL STATEMENTS

- > Financial Year 31st March
- Cash Flow for all except:
  - > OPC
  - >SC
  - > DC
  - > Start up Company w.e.f. 13th June 2017
- FS to be in Schedule III
  - Amended w.e.f. 4.9.15 to include MSMED details under Trade Payable

### **BASICS – CURRENT VS. NON-CURRENT**

- Current Asset satisfies any of following criteria;
  - + In the company's normal operating cycle it is;
    - ×Intended for sale; or
    - ×Intended to be consumed; or
    - **Expected to be realized.**
  - + Held primarily for the purpose of being traded; or
  - + Expected to be realized within 12 months after reporting date; or
  - + Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

### **BASICS - CURRENT LIABILITY**

- Current liability if it satisfies any of the following criteria; if it is:
  - + Expected to be settled in the company's normal operating cycle; or
  - + Held primarily for the purpose of being traded; or
  - + Due to be settled within 12 months after reporting date; or
  - + The company does not have an unconditional right to defer settlement of liability for at least 12 months after reporting date. Terms of a liability that could, at option of counterparty, result in its settlement by issue of equity do not affect its classification.

### **GENERAL**

- Balance Sheet Title 'as at' or 'as on' 31st March
- PL Title Statement of Profit & Loss / I & E
- **×** Rounding off based on turnover.
  - +< Rs. 100 Crores To the nearest hundreds, thousands, lakhs or millions or decimal thereof
  - +Rs. 100 Crores or more To the nearest lakhs or millions or crores or decimal thereof
- Comparative figures required to be disclosed for the last reporting period

### **GENERAL**

- Linking of notes with B/S & PL
- **×B/s & PL on letterhead of Auditors ??**
- Date of signing
- × Payment to shareholders for 2(22)(e)
- Issues in Sole Proprietorship / Partnership Firm Financials:
  - Significant Accounting Policies
  - +Accounting Standards

FORM OF BALANCE SHEET (PART 1)

Particulars	Note No.	Figures as at the end of the CRP	Figures as at the end of the PRP
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	1		
(b) Reserve and Surplus	2		
(c) Money received against share warrants			
(2) Share application money pending allotment	3		
(3) Non-current Liabilities			
(a) Long term borrowings	4		
(b) Deferred tax liabilities (net)	5		
(c) Other long term liabilities	6		
(d) Long term provisions	7		
(4) Current Liabilities			
(a) Short term borrowings	8		
(b) Trade payables			
(c) Other current liabilities	9		
(d) Short term provisions	10		
TOTAL			

### SHARE CAPITAL & RESERVES

- Authorized / Paid up Capital Check with Master Data
- Reconciliation of no of shares outstanding at beginning and at end of reporting period.
- Rights, preference & restrictions attaching to each class of shares etc.
- Is conversion of loans into shares in event of default in repayment – Non-cash?
- Share Premium A/c??

### **BORROWINGS**

- Long Term vs. Short Term
  - + Directors??
  - + CC Limits?? Demand Loans??
- Secured / unsecured nature of security to be stated & guaranteed by directors to be shown separately.
- Term of repayment of term loans to be given
  - + Period of maturity with respect to B/S date
  - + Number of installments due; Amt of installments due
  - Applicable rate of interest
- Period & amount of default in payment of principal & interest as on B/S date

### OTHER CURRENT LIABILITIES

- **×** The amount shall be classified as:
  - + Current maturities of long term debts
  - + Current maturities of finance lease obligations
  - + Interest accrued but not due on borrowings
  - + Interest accrued and due on borrowings
  - + Income received in advance
  - + Unpaid dividends
  - + Share Application money due for refund and interest accrued thereon (including advances for allotment of share Capital)
  - Unpaid matured deposit and interest thereon
  - Unpaid matured debentures and interest thereon
  - + Other payables

### OTHER CURRENT LIABILITIES

- Others payable may include:
  - + Statutory obligations like, ESI, PF, VAT, CST, etc.
  - + Liability for purchase of fixed assets
  - + Contractually reimbursable expenses
  - + Interest accrued on trade payables
  - + Expenses Payable.
  - + TDS Payable
  - + Trade / Security Deposit
  - Mark-to-market loss on forward and option contracts
  - Retention Monies
  - + Accrued salaries and benefits

### LIABILITIES ??

- **Current / Non-Current Loans**
- **×Trade payables − Ageing**
- **×GST** input credit reversal

**FORM OF BALANCE SHEET (PART 2)** 

Particulars	Note No.	Figures as at the end of the CRP	Figures as at the end of the PRP
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets	12		
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development	13		
(b) Non- current investments			
(c) Deferred tax assets (Net)	14 15		
(d) Long term loans and advances	15		
(e) Other non-current assets			
(2) Current assets			
(a) Current investments	16		V.
(b) Inventories	17		
(c) Trade receivables			
(d) Cash and cash equivalents	18		
(e) Short term loans and advances	19		
(f) Other current assets	20		
TOTAL			

### FIXED ASSETS

- Fixed Asset on the face of the Balance Sheet has to be classified as follows:
  - + Tangible Assets
  - +Intangible Assets
    - **×**Software
  - + Capital work-in-progress
  - + Intangible assets under development
- Capital advances to be grouped as Capital Work-in-Progress or loans and advances? Long term or short term?

### INVENTORIES

#### **×** Classification into:

- + Raw Materials
- + Work-in-progress
- + Finished goods
- + Stock-in-trade (trading goods)
- + Stores and spares
- + Loose tools
- + Others (specifying nature)
- Finished goods should include all goods except acquired for trading purposes
- Goods-in-transit -disclose under relevant sub-head

### **ASSETS??**

- ×Investment Property
- **×Inventories**
- **×Cash**
- Debtors Ageing / Provisioning
- **\*Miscellaneous Expenditure**

# CA. Pramod Jain FORM OF STATEMENT OF PROFIT AND LOSS

Particulars	Note	Figures for	Figure for
	No.	the CRP	the PRP
I. Revenue from operations	21		
II. Other income	22		
III Total Revenue (I + II)			
Iv. Expenses	23		
V. Profit before exceptional and extraordinary items and tax (III - IV)			
VI. Exceptional items	24		
VII. Profit before extraordinary items and tax (V-VI)			
VIII. Extraordinary items	25		
IX. Profit before tax (VII-VIII)			
X. Tax Expenses	26		
XI. Profit (loss) for the period from continuing operations (IX-X)			
XII Profit (Loss) from the discontinuing business	27		
XIII Tax expenses of discontinuing operations	28		
XIV. Profit (Loss) from discontinuing operations (after tax) (XII-XIV)			
XV. Profit (Loss) for the period (XI+XIV)	29		
XVI. Earnings per equity share			

### REVENUE FROM OPERATIONS

- **×** For companies other than finance company:
  - + Sale of Products
  - + Sale of Services
  - + Other Operating Revenues
    - **×Less: Excise Duty**
- **×** For Finance company:
  - + Interest
  - + Other Financial services
- \* Recognition of Revenue as per AS 9 / 7 for Service Contracts / Construction Contracts

### **OTHER INCOME**

- **×** To be classified as:
  - + Interest income (other than for finance company)
  - + Dividend
  - + Dividend from subsidiary company
  - + Net gain / loss on sale of investments
  - + Other non-operating income
- Interest, dividend, etc. to be disclosed separately for Current as well as Non Current Investments

### **EXPENSES**

#### Disclosure on face of the PL:

- Cost of material consumed
- Purchase of stock-in-trade
- Changes in inventories of finished goods Work-in-progress and stock in trade
- Employee benefit expenses
- Finance cost
- Depreciation and amortization expenses
- × Other expenses.

### FINANCE COST

#### Interest expense

- + Interest on borrowings, debentures, bonds, etc.
- + Finance charges on finance lease are in nature of interest

#### Other borrowing costs

- + Commitment charges
- + Loan processing charges
- + Guarantee charges
- + Loan facilitation charges
- Discounts/ premium on borrowings
- Other ancillary costs
- Applicable net loss on foreign currency transactions to the extent they are regarded as adjust to interest cost
- Interest on Tax???

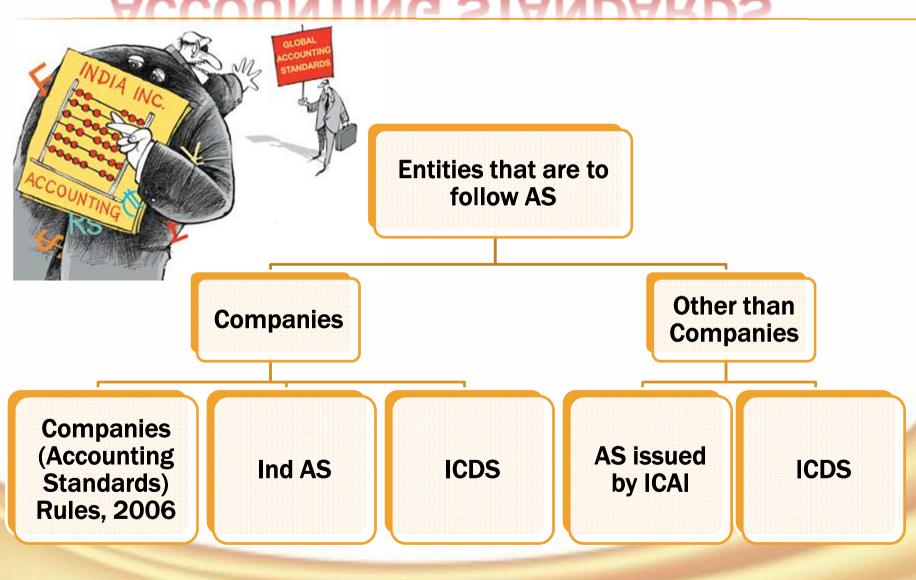
### **OTHER EXPENSES**

- All other expenses will be grouped here. Following to be disclosed separately:
  - Consumption of stores and spares
  - Power and fuel
  - ✓ Rent
  - Repairs to buildings
  - Repairs to machinery
  - ✓ Insurance
  - Rates and taxes, excluding taxes on income
  - Miscellaneous expenses
- Any expenditure which exceeds 1% of revenue from operations or Rs.1 L whichever is higher separate

## Notes to the Accounts



### **ACCOUNTING STANDARDS**



### **AS DISCLOSURES IN NOTES**

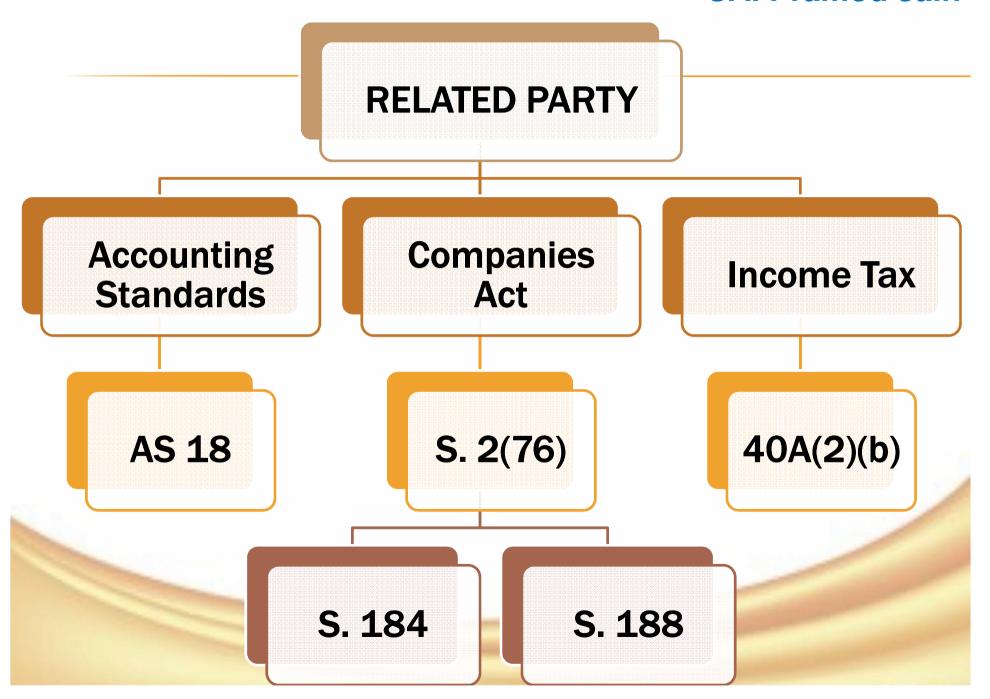
- **\*SMC / Non-SMC**
- ×AS 1
- **\*FS** to be prepared in compliance of AS
- **×FS** has to be AS compliant:
  - +FS to disclose deviation from AS
  - +Reason for deviation
  - +Financial effect arising of deviation

### **AS APPLICABILITY**

AS	Short Title	Companies		Other than Companies		
No.		Non-SMC	SMC	Level I	Level II	Level III
1	<b>Accounting Policies</b>	Y	Y	Y	Y	Y
2	Inventories	Y	Y	Y	Y	Y
3	Cash Flow	Y	N	Y	N	N
4	<b>Events after Balance Sheet date</b>	Y	Y	Y	Y	Y
5	<b>Prior Period Items &amp; Policies</b>	Y	Y	Y	Y	Y
6	Depreciation (Omitted w.e.f. 30.3.16)	NA	NA	NA	NA	NA
7	Construction	Y	Y	Y	Y	Y
9	Revenue	Y	Y	Y	Y	Y
10	Property, Plant & Equipment	Y	Y	Y	Y	Y
11	Foreign Exchange	Y	Y	Y	Y	Y
12	<b>Government Grants</b>	Y	Y	Y	Y	Y
13	Investments	Y	Y	Y	Y	Y
14	Amalgamations	Y	Y	Y	Y	Y
15	<b>Employee Benefits</b>	Y	Partly	Y	Partly	Partly

### **AS APPLICABILITY**

16	<b>Borrowing Cost</b>	Y	Y	Y	Y	Y
17	Segment	Y	N	Y	N	N
18	Related Party	Y	Y	Y	Y	N
19	Leases	Y	Partly	Y	Partly	Partly
20	Earning Per Share	Y	Partly	Y	Partly	Partly
21	Consolidation	Y (listed)	N	Y (listed)	N	N
22	Deferred Taxes	Y	Y	Y	Y	Y
23	<b>Consolidated Statements</b>	Y (listed)	N	Y (listed)	N	N
24	<b>Discontinuing Operation</b>	Y	Y	Y	Y	N
25	Interim Reporting	Y (listed)	N**	Y (listed)	N**	N**
26	Intangible Assets	Y	Y	Y	Y	Y
27	Interest in Joint Ventures	Y (listed)	N	Y (listed)	N	N
28	Impairment	Y	Partly	Y	Partly	Partly
29	Contingency	Y	Partly	Y	Partly	Partly



### AMENDED W.E.F. 30<sup>TH</sup> MARCH 2016

- X AS 2 (Valuation of Inventories )
- X AS 4 (Contingencies and Events Occurring after the Balance Sheet Date)
- × AS 6 (Depreciation Accounting requirements for depreciation are now incorporated in revised AS 10)
- As 10 (Property, Plant and Equipment)
- **×** AS 13 (Accounting for Investments)
- **×** AS 14 (Accounting for Amalgamation)
- AS 21 (Consolidated Financial Statements)
- × AS 29 (Provisions, Contingent Liabilities and Contingent Assets)

### AS 6 & AS 10

- × AS 6 omitted
- × AS 10 Property Plant & Equipment. For tangible only
- PPE are tangible items that:
  - Are held for use in production or supply of goods or services, for rental to others, or for administrative purposes; AND
  - Are expected to be used during more than a period of twelve months
- It now includes bearer plants, biological assets too
- Provides for recognizing & derecognizing costs of replacement of:
  - Parts (Other than small parts)
  - Major inspection costs

### **AS 10**

- Capitalization of decommissioning, restoration & similar liabilities other than for producing inventories )- in old AS too
- If deferred payments interest subject to AS 16
- Revaluation model or Cost model
- **×** Revaluation of entire class not specific asset
- Investment Property in AS 13 only at Cost Model
- Enhanced disclosures
  - Existence and amounts of restrictions on title, and PPE pledged as security for liabilities
  - + Contractual commitments for PPE

### **AS 10**

- Component accounting
- Change in depreciation is now accounting estimate
- No gross block / net block but now carrying amounts
- Spare parts, which were being treated as inventory & are now required to be capitalised as per AS 10, to be capitalised at their carrying amounts & depreciated over their remaining useful lives prospectively

### OTHER IMPORTANT AMENDMENTS

- AS 2 Earlier Machinery Spares which can be used only with item of a fixed asset were FA if its use is irregular.
  - + Now spare parts, servicing equipment and standby equipment to be FA only as per AS 10 (PPE) 12 month
  - + Common classification for inventories would include Stock-in-trade (in respect of goods acquired for trading)
- × AS 4 no provision for proposed dividends now

#### OTHER IMPORTANT AMENDMENTS

- AS 13 Investment property at cost model AS
   10 less depreciation and any impairment costs
- X AS 14 Amalgamation Limited revision to include reference to Companies Act, 2013
- X AS 21 Where no subsidiary but an associate / JV, to prepare CFS as per applicable AS
- X AS 29 Discounting of decommissioning, restoration & similar liabilities as per AS 10 at pre-tax rate that reflect the current market assessment of time value of money & and the risks specific to the liability

## **IMPORTANT NOTES**

- Contingent Liabilities / Commitments (to the extent not provided for)
- **×** Broad Heads RM, Income, Purchases
- × Value of imports made during the year on CIF basis:-
  - + Raw Materials
  - + Components (intermediaries & components) & Spare Parts (for capital equipment)
  - + Capital Goods

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#### **IMPORTANT NOTES**

- **Expn.** in foreign currency (accrual basis) on:
  - + Royalty
  - + Know-how
  - + Professional & consultation fee
  - + Interest
  - + Others
- Dividend if paid in FC (cash Basis):
  - + Total amount remitted during the year in FC
  - Total no. of non-resident shareholders
  - + No. of shares held by them on which dividend due
  - + Year to which dividend relates

## **IMPORTANT NOTES**

- Foreign Exchange Earnings (Accrual basis):
  - + Export of goods (calculated on F.O.B. basis)
  - + Royalty, know how, professional and consultation fees
  - + Interest and dividends
  - +Other income (indicating the nature thereof)

#### OTHER DISCLOSURES IN NOTES

- **×** To disclose in FS full particulars of:
  - + Loan given;
  - + Investment made;
  - + Guarantee given; or
  - + Security Provided.
  - + Purpose for which loan or guarantee or security is proposed to be utilised by recipient of loan or guarantee or security [186(4)]
- Contribution during year to National Defence Fund
- \* Amount contributed to Political Party [182(3)]

#### OTHER DISCLOSURES IN NOTES

- **×** Public Companies:
  - + Money received from director
- **×** Private companies
  - + Money received from director
  - + Money received from relative of director

## **AUDIT**



## **AUDIT PROCEDURE**

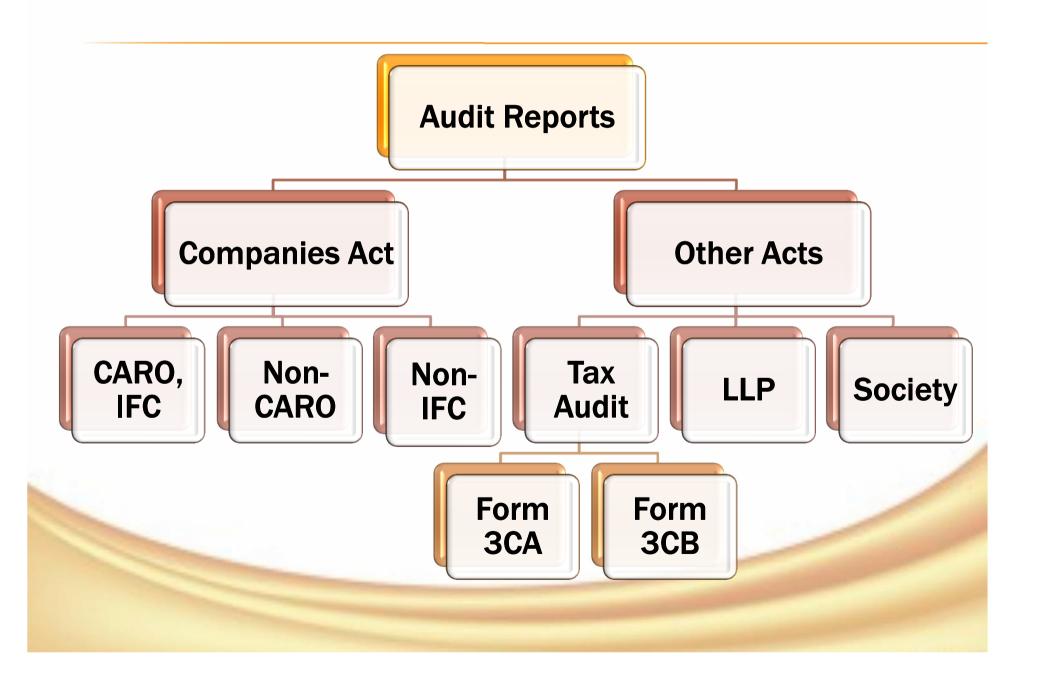


#### **AUDITING STANDARDS**

- Auditor to comply with auditing standards
- NFRA to notify auditing standards. Till NFRA does – as by ICAI
- Total 38 SAs

SA. No.	Sub-division	No.
100-199	Introductory Matters	0
200-299	General Principles & Responsibilities	9
300-499	Risk Assessment and Response to Assessed Risks	6
500-599	Audit Evidence	11
600-699	Using Work of Others	3
700-799	Audit Conclusions and Reporting	6
800-899	Specialized Areas	3

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## **COMPNY'S AUDIT REPORT**

- Inquiry u/s 143(1) 6 points
  - To be reported when comments required
- > Report to also include:
  - > Matters specified u/s 143(3) 9 points
  - Matters specified in Rules 3 points
  - > Any order made u/s 143(3) for specified Companies in consultation with NFRA CARO 2016 16 points

#### IFC APPLICABILITY W.E.F. 13.7.2017

- Not applicable to Private company which:
  - + Is OPC; or
  - + Is Small Company; or
  - +Has:
    - Turnover less than Rs. 50 crores as per latest audited financial statement; and
    - ×Aggregate borrowings at any point of time during the FY less than Rs. 25 crore from:
      - ★ Banks or
      - Financial Institutions or
      - Any body corporate

# CARO 2016

- Applicable to all including Foreign Co. for a/cing period after 1.4.15 except:
  - +Banking Co. / Insurance Co.
  - +Section 8 Co.
  - +OPC
  - +Small Co.
  - +Not applicable on CFS
  - +Branch auditor also covered, if applicable to co.

- **Pub. Co. whose:** 
  - +Paid up Capital & Reserves < 1 Cr as at B/s date; and
    - ×Bonus, Pref. shares to be included
    - **×Share Application money!!**
    - ×All reserves to be included including revaluation reserve

- Pvt. Co not being sub. or holding of Pub. Co. whose:
  - +Outstanding Loans Bank or FIs < 1 Cr during FY; and
    - ×All borrowings included non fund based to extent devolved, invoked guarantees & devolved LCs
    - ×TL interest accrued & due only to be considered
    - ×CC balance on any day as per books
    - OD against FD included
    - Outstanding due of Credit card also included
    - × Foreign banks covered Fls include NBFC

- Pvt. Co not being sub. or holding of Pub. Co. whose:
  - +Total Revenue (including from discontinuing operations) < 10 crores as per Financial Statements as per Schedule III
    - ×Other income included

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#### **COMPANIES (AMENDMENT) ACT 2017**



#### **SUMMARY**

- 93 Amendments in all This ppt contains major amendments
- 3 Provisions applicable from 3<sup>rd</sup> January 2018
   related to IBC
- **×** 43 Provisions applicable from 9.02.2018
- × 25 Provisions applicable from 7<sup>th</sup> May 2018
- 6 Provisions applicable from 13<sup>th</sup> June 2018
- 2 Provisions applicable from 27<sup>th</sup> July 2018
- Compliances emphasized
- Penalties rationalized

#### **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 orownership

#### 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 indebtness and details of name address, etc of FIIs -(7.5.2018)

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#### **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

#### AMENDMENTS - AUDIT

- S. 139(1) 1<sup>st</sup> 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)

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#### 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 - 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

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#### 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

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#### 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
  - OID 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 ½ 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)
- **\*DIR-3 KYC**

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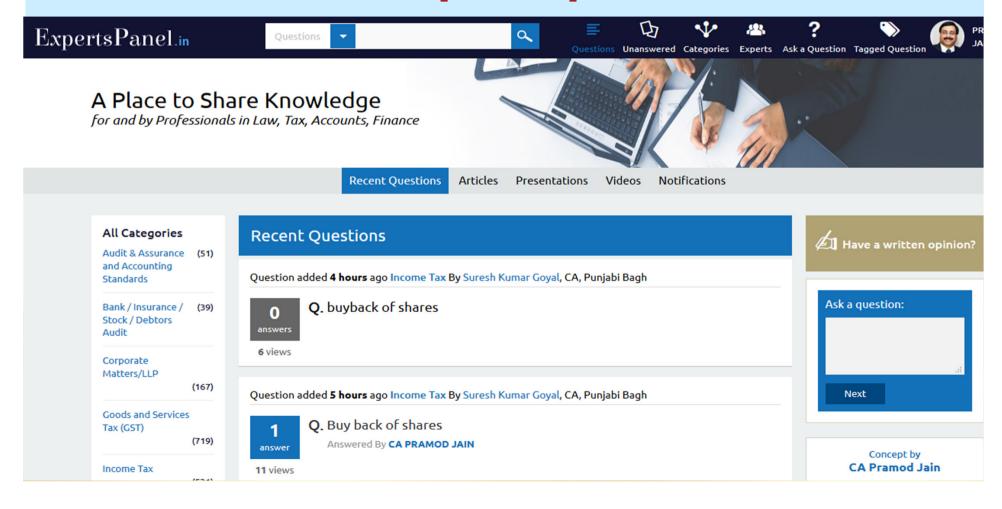
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