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- II chapter, Katha Upanishad*



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Write to us at  
**[enews.camysore@gmail.com](mailto:enews.camysore@gmail.com)**

*Feedback & suggestions  
eagerly awaited.*

**E Newsletter,  
Mysore Branch of SIRC of ICAI  
February 2018, Edition 20**



Message from  
Chairman

Dear Members & Students,

Wish you all and your families a very blissful Shivarathri!

This is my last communication with you as the Chairman of Mysore Branch as the new team of office bearers will take over later this month to carry on the activities of your branch to a higher level! My tenure as the Chairman of your Branch has been a great learning experience for me in understanding the professional interests of our fraternity in Mysore as well as understanding (or misunderstanding) of the way the ICAI functions both at the SIRO and the HO level!

Before I share with you the activities of our Branch during January as well as my tenure as the Chairman, I deem it fit to share two key Economic/fiscal developments at the National Level:

**1. Economic Survey 2018: Highlights are:**

- a. GDP growth for 2018-19 forecast at 7-7.5%.
- b. GDP growth for 2017-18 now estimated at 6.75% supported by:
  - i. Industry 4.4%
  - ii. Farm Sector 2.1%
  - iii. Services 8.3%
- c. Current Account deficit for 2017-18 at 1.5-2% of GDP
- d. 50% increase in indirect tax payers
- e. CPI inflation at 3.3% until December
- f. Fiscal deficit overshoot the target by 12% until November, but now estimated at Rs. 5.95 lakh crores at 3.5% of GDP
- g. Demonetization and introduction of GST brought 1.8 million more Income tax assesses

**2. The Union budget 2018-19:**

- a. No change in Income tax rates, standard deduction restored at 40,000
- b. I T deduction on medical insurance for senior citizens up from Rs. 10,000 to Rs. 50,000
- c. LTCG on listed equity shares to be @ 10% over the base price as on Jan 31st 2018
- d. MSME"s with turnover up to Rs.250 crores pa to be taxed at a lower rate of 25%
- e. Total outlay of Rs. 24.42 lakh crores versus total receipts of Rs.18.17 lakh crores leaving a fiscal deficit at Rs. 6.25 lakh crores at 3.3% of GDP for 2018-19
- f. Key outlays are on:
  - i. Rural Sector Rs. 14.34 lakh crores
  - ii. Infrastructure Rs. 5.97 lakh crores
  - iii. Research for creating premier Educational Institutions Rs. 1lakh crore in the next 4 years
  - iv. Defense budget hiked by 7.81% to Rs. 2.95 lakh crores
  - v. Railways Rs. 1.48 lakh crores
- g. Introduction of the world's largest public health insurance scheme that would cover 500 million poor!

**Students:**

- 1. Your Branch launched the next two batches of ITTP with 37 students each and concluded one the other will be conclude in February.
- 2. Your branch also facilitated an online refresher course Refresher Course on Ind AS for the Students of Intermediate (IPC) and Final
- 3. The ICAI Commerce Wizard level II test was facilitated by the branch. Ms. S T Nidhi daughter of CA S R Tejasvi secured a consolation prize!
- 4. Final and CPT results were out in January.

**Members:**

The following were the programmes in January:

- 1. CPE seminar on "Opportunities for CAs in Public Finance"
- 2. Republic day celebrations, our senior member CA A K Ranganathan hoisted the National flag and addressed the members and Students
- 3. CPE live telecast on "E-way bill" under the

**Acknowledgements:**

I take this opportunity to thank:

1. My team on the Managing Committee for their unstinted support
2. All the faculty who handled programmes for members & students
3. All the members for their support & encouragement
4. The staff of Mysore Branch for their cooperation
5. The staff at the SIRO & the HO for their support
6. The chairman SIRC and Central Council members from Southern Region for their empathy & support

We invite many more interesting articles from the members and students. Your feedback to [enews.camysore@gmail.com](mailto:enews.camysore@gmail.com), would help us in improving further the contents and utility of this E Newsletter to our members & students. Any suggestions for naming our newsletter would also be welcome!

**Regards,**



CA C. K. Sabareeshan

Chairman

Mysore Branch of SIRC of ICAI

## Events Erstwhile

## Activities held in the month of January 2018

4.1.2018	CPE Seminar on "Opportunities for CA's in Public Finance" held at Branch Premises Speaker : CA Ashok Rao A, Bangalore CPE : 3 Hrs. Timings : 4pm To 7pm
5.1.2018 to 23.1.2018	58th ITTP Course started with 37 students. Faculty: Mr. Pradeep S.S. CA Mayuresh M
26.1.2018	69th Republic Day celebrated at Mysore Branch Premises at 9 am. Chief Guest : CA Ranganathan A.K., FCA, Mysore
27.1.2018	CPE Study Circle Meeting on "Important Decisions of Supreme Court & High Courts on Income Tax Reported during 2017 - a Round up" held at Branch Premises. Speaker : CA K.S. Satish, FCA, Mysore CPE : 2 Hrs. Timings 5pm to 7pm
7.1.2018 To 27.1.2018	Refresher Course on Ind AS for the Students of Intermediate (IPC) and Final Level held at Mysore Branch Premises. 3 Nos. of CA Students participated in the Course
28.1.2018	ICAI Common Wizard Exam Jan 2018, Second Level Test held at Branch. Students Participated: 6 Nos. (X,XI,XII & GRAD)
29.1.2018	Live Webcast on "E-Way Bill under GST" held at Branch Premises Speaker : CA Jatin Christopher, Bangalore & CA Gella Venugopal, Bangalore CPE : 3 Hrs. Timings : 3.30pm to 5.30pm
30.1.2018	9th M.C. Meeting held at Branch Premises
30.1.2018	59th ITTP Course started with 37 students. Faculty : Mr. Pradeep S.S.



## Companies (Amendment) Act, 2017- Analysis of few provisions

By CA. Raghuveera C.S. and CA. Pracheta M.

As a continuation of our previous article, please find below an analysis of few more provisions:

### Registration of Charges:

Companies Amendment Act 2017 has brought in the following changes related to Registration and satisfaction of charges.

#### Section 77:

Section 77 provides that it shall be duty of every Company creating the charge on its properties or assets or any of its undertakings to register the particulars of charge with the Registrar of Companies with in thirty days of creation of the charge. (Within three hundred days on payment of additional fee).

Companies Amendment Act 2017 has added a proviso to the section stating that the provisions of this sub-section will not apply to such charges as may be prescribed in consultation with the Reserve Bank of India.

Under Companies Act 1956, charge creation on pledge of movable properties was exempt. This exemption was not available under the companies Act 2013. Now we may expect similar exemptions in the Companies Act 2013 also.

#### Section 82:

Section 82 provides that Company shall give intimation to Registrar of Companies of the payment or satisfaction in full of any charge registered within a period of 30 days from the date of such payment or satisfaction.

Companies Amendment Act 2017 has added a proviso which provides that Registrar may on an application by the Company or the Charge holder allow intimation of payment or satisfaction to be made within a period of three hundred days of such payment or satisfaction on payment of additional fee.

With this amendment, the time limit available for registration and satisfaction of charge has been increased from 30 days to 300 days, similar to creation and modification.

### **Loans and Investments:**

**Section 186:** Many amendments have been brought in Section 186 of the Companies Act 2013.

#### **Section 186(2):**

186(2)(a) prohibits giving loan to any person or other body corporate exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account.

Now an explanation is added to 186(2) which provide that the word “person” does not include any individual who is in the employment of the Company.

Hence, loan can be given to any employee in excess of the above said limits subject to compliance of section 185 of the Act.

#### **Section 186(3):**

Companies Amendment Act 2017 has substituted Section 186(3) with a new section. Highlights of the new sub-section are

Relaxation is provided from the requirement of passing the special resolution when loan/guarantee/security has been provided by a company to its wholly owned subsidiary company or a Joint venture.

Relaxation is provided from the requirement of passing special resolution for acquisition of securities by way of subscription, purchase or otherwise by holding company of it's wholly owned subsidiary.

The above two relaxations were available to companies as a part of the rules. However there were concerns that the rules were overriding the act. This amendment addresses the concern.

The company shall disclose the details of such loans or guarantee or security or any investment in the financial statements.

Loan/Security/Guarantee cannot be provided to any person other than body corporate in excess of the limits specified in sub-section (2) 186 even by passing a special resolution.

#### **Section 186(11):**

Except for the provisions of 186(1) the provisions of section 186 shall not apply to the following:

- a) To any loan made, any guarantee given or any security provided or any investment made by
  - i. Banking company; or

- ii. insurance company; or
- iii. Housing finance company in the ordinary course of its business; or
- iv. A Company established with the object of and engaged in the business of financing industrial enterprises, or of providing infrastructural facilities.

b) To any investment:

- i. Made by an investment Company;
- ii. Made in shares allotted in pursuance of clause (a) of sub-section (1) of section 62 or in shares allotted in pursuance of rights issues made by a body corporate; and
- iii. Made in respect of investment or lending activities, by a non-banking financial company registered under Chapter III-B of the Reserve Bank of India Act, 1934 (2 of 1934) and whose principal business is acquisition of securities.

### **Section 186(13):**

Explanation (a) to sub-section is expanded by deeming certain companies to be principally engaged in the business of the acquisition of shares, debentures or other securities and thus becoming an investment company.

A company will be deemed be principally engaged in the business of acquisition or shares, debentures, or other securities, its assets in the form of investment in shares, debentures or other securities constitute not less than 50% of its total assets, or if its income derived from investment business constitutes not less than 50% as a proportion of its gross income.

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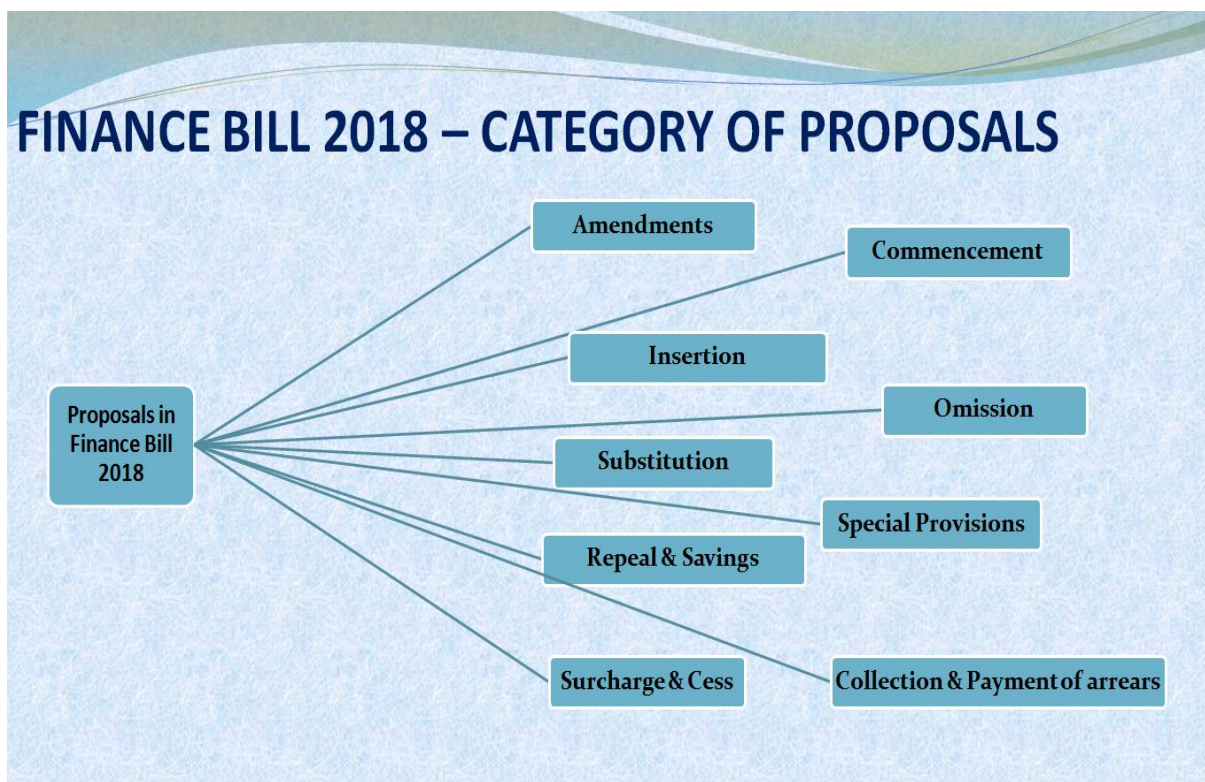
## FINANCE BILL 2018 – AN OVERVIEW

CA Annapurna Srikanth

### The Finance Bill 2018 - An Overview

The Finance Bill 2018 was tabled by our Hon. Finance Minister Arun Jaitley & a Budget Speech was rendered on 1st February 2018. There were a lot of expectations & anticipations about this budget as this was the last budget presented by the current government for this term.

The proposals in The Finance Bill would broadly fall under any of the following category of changes



Generally when we say Finance Bill what comes to our mind is the proposals about the changes in Direct Taxes as well as Indirect Taxes. However there are various other aspects which are part of the Finance Bill.

The Finance Bill 2018 has 8 Chapters, 6 Schedules namely -

### **The Eight Chapters**

Chapter I - Preliminary

Chapter II - Rates of Income Tax

Chapter III - Direct Taxes

Chapter IV - Indirect Taxes

Chapter V - Repeal & Savings

Chapter VI - Social Welfare Surcharge

Chapter VII - Road & Infrastructure Cess

Chapter VIII - Miscellaneous

### **The Six Schedules**

The First Schedule - pertaining to Income Tax

The Second Schedule

The Third Schedule

Custom's Tariff Act
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The Fourth Schedule

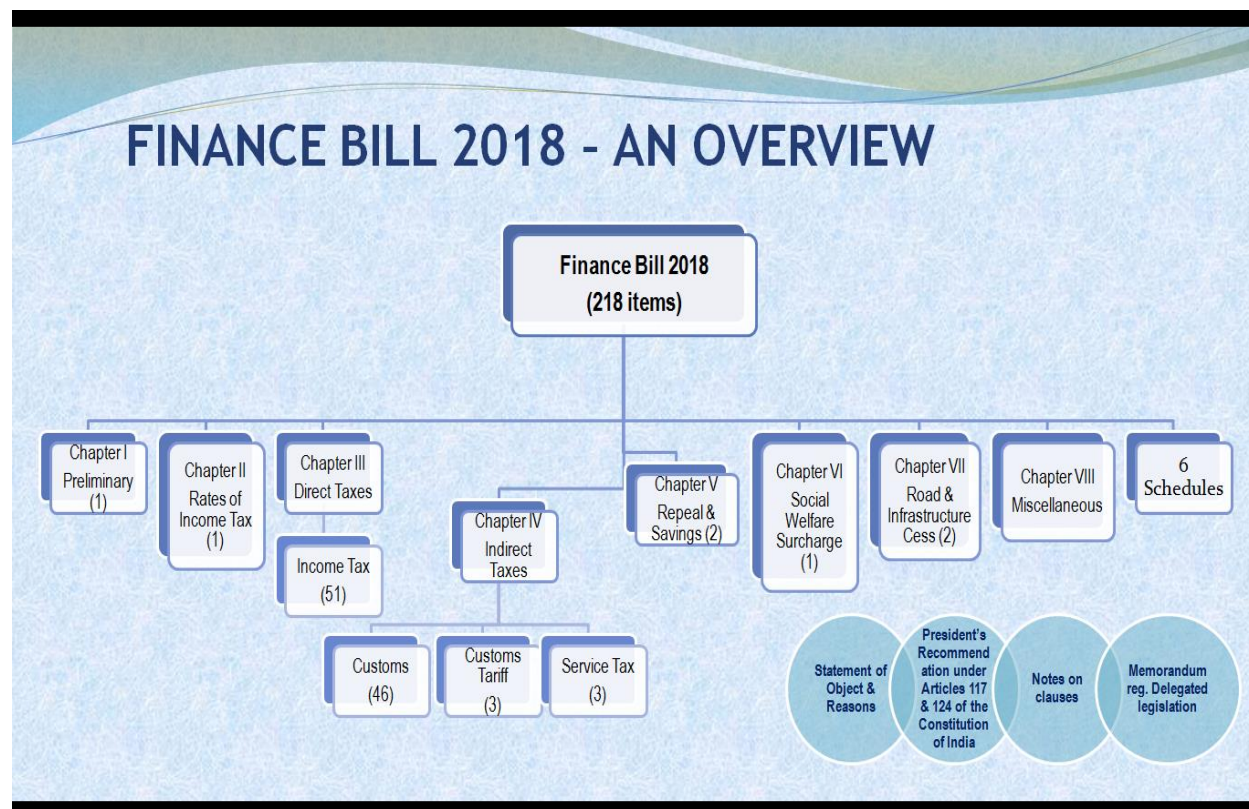
The Fifth Schedule - pertaining to Enactments & Extent of Repeal

The Sixth Schedule - pertaining to Road & Infrastructure Cess

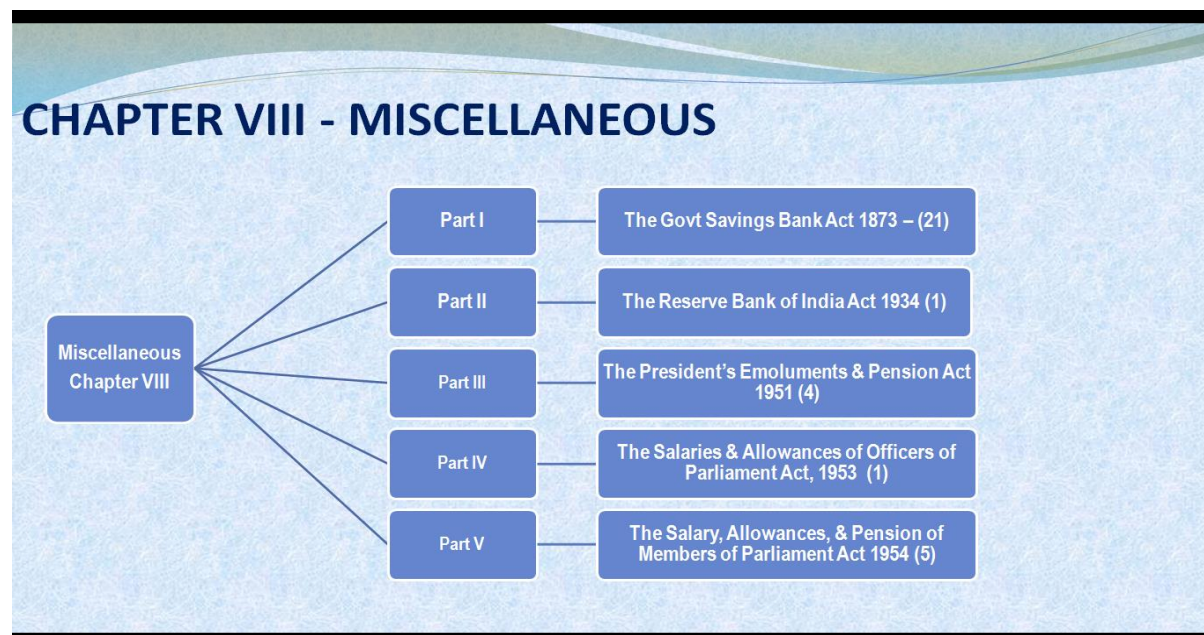
### **Others**

1. Statement of Objects & Reasons
2. President's Recommendation under Articles 117 & 124 of the Constitution of India
3. Notes on Clauses
4. Memorandum Regarding Delegated Legislation

The following flow charts helps in giving a bird's eye view of The Finance Bill 2018-

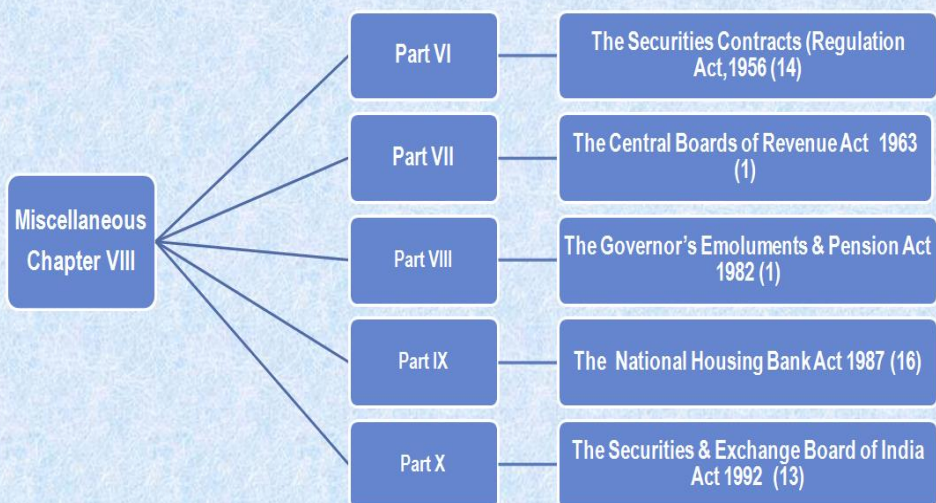


Under the Chapter Miscellaneous there are 20 Parts which are depicted below

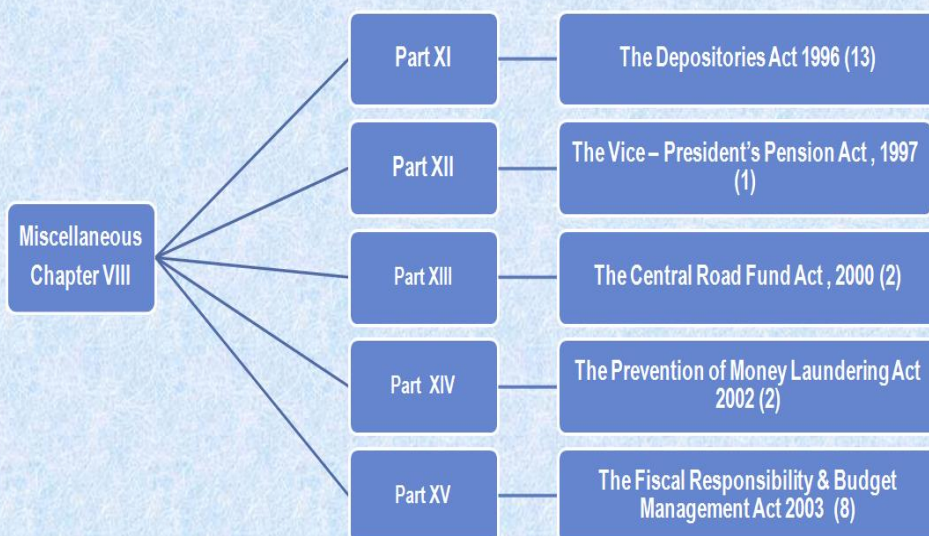




## CHAPTER VIII - MISCELLANEOUS

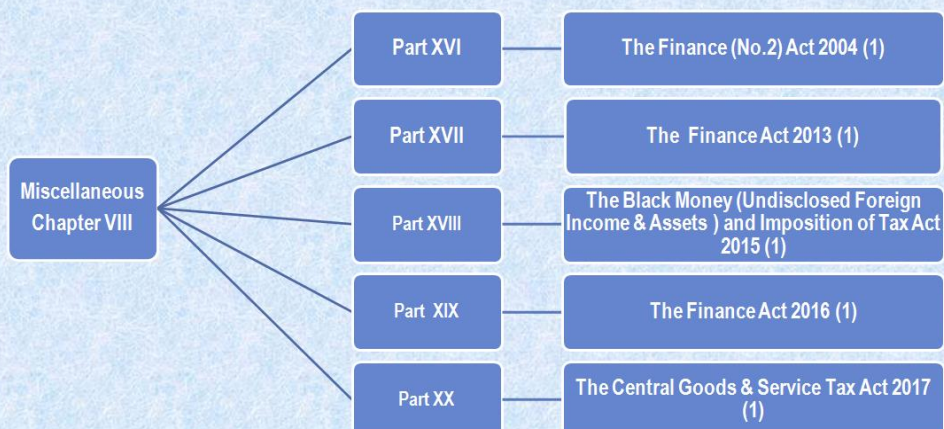


## CHAPTER VIII - MISCELLANEOUS



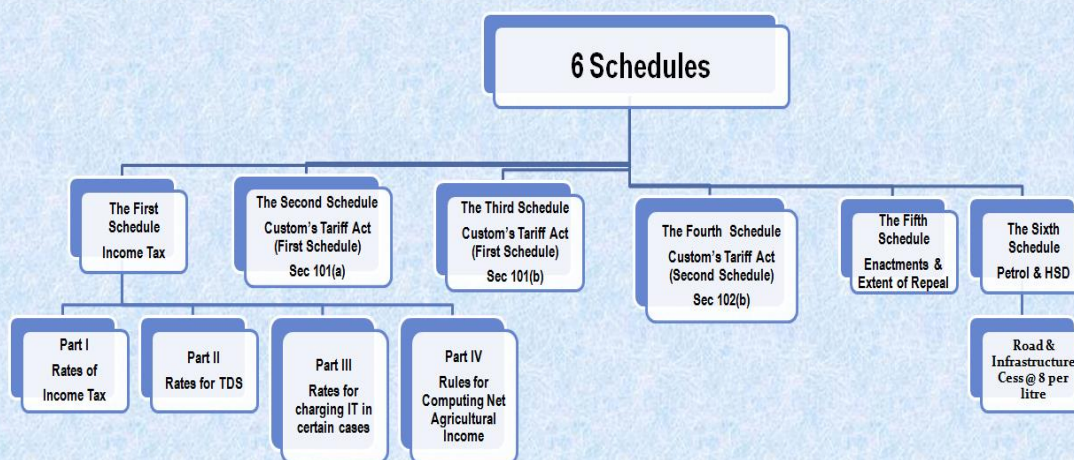


## CHAPTER VIII - MISCELLANEOUS



The detailing of the Six Schedules is given below

## THE SIX SCHEDULES



## IMPORTANT PROPOSALS IN DIRECT TAXES

The important proposals from the Context of Direct Taxes have been nailed down in the Brief points as laid out below -

- **No personal Income Tax** changes proposed in budget
- **Education cess** 2% and Secondary and Higher Secondary Education Cess 1% (Total 3%) are replaced by Education and Health Cess @ 4%.
- **Corporate Tax** of 25% extended to companies with turnover/gross receipts up to Rs. 250 crores in financial year 2016-17 as against present ceiling of Rs 50 Crore or less turnover / gross receipt in FY 2015-16..

**Long term Capital gain** exemption under section 10(38) in respect of listed STT paid shares is proposed to be withdrawn; and it is proposed to tax LTCG @10% exceeding Rs. 1 lakh on transfer of equity shares/units of equity oriented mutual fund traded on or after April 1,2018. The 4 possible scenarios have been tabulated below -

Scenario	Cost of Acquisition as on 1st Jan 2017 (Rs.) (B)	Fair Market Value as on 31st Jan 2018 (Rs.) (C)	Full Value of Consideration as on 1st April 2018 (Rs.) (D)	Actual Cost of Acquisition (Rs.) (Higher of B or C) sub to D>B or C)	LTCGain/LTCLoss (Rs.) (D) - (E)
1	100	200	250	200	50
2	100	200	150	150	0
3	100	50	150	100	50
4	100	200	50	100	-50

- **Section 80PA** provides for 100% deduction for a period of 5 years to Farmer Producer Company having turnover up to Rs.100 Crores during the FY.
- **Exemption U/s 54EC** relating to investment in specified bonds of NHAI and REC will be available only for transfer of Immovable property & the lock in period extended from 3 years to 5 years.
- **5% variation** of sales consideration from Stamp value is acceptable Sec. 50C will not be applicable if variation between stamp value and the sale consideration is not more than 5% of the sale consideration.
- **Disallowance of expenditure** paid in cash by Trust in excess of Rs.10,000/- through banking channel. It will also be required to comply with TDS requirement.
- **Dividend Distribution of tax @ 30%** will be levied on deemed dividend u/s 2(22)(e) to be taxed in the hands of the company.
- **Section 80JJA** to be amended to rationalize this deduction of 30% by allowing the benefit for new employee who is employed for less than the minimum period during the first year but continues to remain employee for the minimum period in subsequent years.

- Section 43(5) to be amended to provide that a transaction in respect of trading of **agricultural commodity derivatives**, which is not chargeable to CTT, in a registered stock exchange or registered association, will be treated as **non-speculative transaction**.
- **Section 115JB** to be amended to provide that aggregate amount of unabsorbed **depreciation** and loss brought forward (excluding unabsorbed depreciation) shall be allowed to be **reduced from the book profit**, if a **Company's application for Corporate Insolvency** resolution process under the Insolvency and Bankruptcy Code 2016 has been admitted by the adjudicating authority.
- **No adjustment u/s 143(1)(a)(vi) in respect of any return furnished** on or after the assessment year commencing on the first day of April 2018.
- Assessment to be **E-assessment** under new section 143(3A)
- Provisions **amended retrospective** w.e.f. 01/04/2017 to regularize the compliance with the notified **ICDS** by a large number of taxpayers

## IMPORTANT PROPOSALS IN INDIRECT TAXES

The important proposals from the Context of Indirect Taxes have been nailed down in the Brief points as laid out below -

### SERVICE TAX

**Retrospective exemption** has been proposed for following services

**Life insurance services** provided by Naval Group of Insurance Fund to personnel of Coast Guard

**Share of profit petroleum** of Central Government for services by way of grant of license to mine petroleum crude or natural gas.

Services provided by **GST Network** to Central Government.

### CUSTOMS

The Govt. has made amendments in rates of basic custom duty (BCD).

Such changes would be applicable from February 02, 2018.

The comparative analysis of Custom Duty is shown in below table:

S.No.	Commodity	Old Rate	New Rate
1	Food Processing	30%	50%
2	Perfumes and toiletry preparations	10%	20%
3	Automobiles parts	7.5%/10%	15%
4	Footwear	10%	20%
5	Jewellery	15%	20%
6	Cellular Mobile phones	15%	20%
7	LCD/LED/OLED panels	7.5%/10%	15%
8	Furniture	10%	20%
9	Watches and Clocks	10%	20%
10	Toys and Games	10%	20%

### PROPOSED REPEAL AND SAVINGS OF CERTAIN ENACTMENTS -

The following tabulation details the various enactments repealed and also the extent of repeal.

THE FIFTH SCHEDULE  
(See sections 106 and 107)

Year	No.	Short title of enactments	Extent of repeal
(1)	(2)	(3)	(4)
1998	21	The Finance (No.2) Act, 1998	Sections 103 and 111
1999	27	The Finance Act, 1999	Sections 116 and 133
2004	23	The Finance (No.2) Act, 2004	Chapter VI
2007	22	The Finance Act, 2007	Chapter VI

### PROPOSED LEVY OF SOCIAL WELFARE SURCHARGE

There shall be levied and collected, a duty of Customs, to be called a Social Welfare Surcharge, on the goods specified in the First Schedule to the Customs Tariff Act, 1975

### PROPOSED LEVY OF ROAD AND INFRASTRUCTURE CESS

There shall be levied and collected, an additional duty of customs, to be called the Road and Infrastructure Cess, on the goods specified in the Sixth Schedule being the goods imported into India at the rates specified in the said Schedule for the purpose of financing infrastructure projects.

There shall be levied and collected, an additional duty of excise, to be called the Road and Infrastructure Cess, on the goods specified in the Sixth Schedule being the goods manufactured or produced, at the rates specified in the said Schedule for the purpose of financing infrastructure projects.



THE SIXTH SCHEDULE  
(See sections 109 and 110)

Item No.	Description of goods	Rate
(1)	(2)	(3)
1.	Motor spirit commonly known as petrol	Rupee 8 per litre
2.	High speed diesel oil	Rupee 8 per litre

## PROPOSED CHANGES IN MISCELLANEOUS CHAPTER

Miscellaneous Chapter contains 20 Parts & the proposals in each part is laid out briefly as below-

### PART I - AMENDMENTS TO THE GOVERNMENT SAVINGS BANKS ACT, 1873 - PROPOSALS

Many amendments have been proposed with respect to definitions & provisions of the Act. Few schemes have been proposed to be continued while few have been proposed to be discontinued.

Few terms like Accounts, Administrator, Authorised Officer, Banking Company, Depositor, Executor, Government Savings Bank, guardian, minor, prescribed, Savings Schemes, Schedule have been defined

The Government Savings Certificates Act, 1959 and the Public Provident Fund Act, 1968 are hereby repealed. However there are saving provisions with respect to things already done.

THE SCHEDULE annexed to the Act applies to the Savings Schemes listed in the Schedule.

PART A of THE SCHEDULE annexed to above contains - EXISTING SAVINGS SCHEMES

PART B of THE SCHEDULE annexed to above contains - DISCONTINUED SAVINGS SCHEMES

### PART II - AMENDMENTS TO THE RESERVE BANK OF INDIA ACT, 1934

The following clause has been proposed to be inserted to Section 17

“(1A) The accepting of money as deposits, repayable with interest, from banks or any other person under the Standing Deposit Facility Scheme, as approved by the Central Board, from time to time, for the purposes of liquidity management;

### PART III - AMENDMENTS TO THE PRESIDENT’S EMOLUMENTS AND PENSION ACT, 1951

In Section 1A - Rs. 5 lakhs proposed to be substituted to Rs. 1.5lakhs with retrospective effect from 1st January 2016.

In Section 2 - Rs. 1 lakh proposed to be substituted to Rs.60,000/-

In Section 1A - Rs. 20,000/- proposed to be substituted to Rs.12,000/-

#### **PART IV - AMENDMENTS TO THE SALARIES AND ALLOWANCES OF OFFICERS OF PARLIAMENT ACT, 1953**

In Section 3(1) - Rs. 4 lakhs proposed to be substituted to Rs. 1.25lakhs with retrospective effect from 1st January 2016.

#### **PART V - AMENDMENTS TO THE SALARIES ALLOWANCES AND PENSION OF MEMBERS OF PARLIAMENT ACT, 1954**

In Section 3(1) - Rs. 1 lakh proposed to be substituted to Rs. 50,000/- with retrospective effect from 1st January 2016.

In Section 8A(1)(a) - Rs. 25,000/- proposed to be substituted to Rs.20,000/-

In Section 8A(1)(b) - Rs. 2,000/- proposed to be substituted to Rs.1,500/-

The salary, daily allowance, pension & additional pension of members shall be increased after every five years commencing from 1st April, 2023 on the basis of Cost Inflation Index provided under clause (v) of Explanation to section 48 of the Income -tax Act, 1961.”.

#### **PART VI - AMENDMENTS TO THE SECURITIES CONTRACTS (REGULATION) ACT, 1956**

Few minor amendments have been proposed along with the following major insertions/amendments

##### ***Insertion of Section 23GA - Penalty for failure to conduct business in accordance with rules***

Where a stock exchange or a clearing corporation fails to conduct its business with its members or any issuer or its agent or any person associated with the securities markets in a manner not in accordance with the rules or regulations made by the Securities and Exchange Board of India and the directions issued by it under this Act, the stock exchange or the clearing corporations, as the case may be, shall be liable to penalty which shall not be less than five crore rupees but which may extend to twenty-five crore rupees or three times the amount of gains made out of such failure, whichever is higher.”.

##### ***Insertion of Section 23JC -Continuance of proceedings***

Where a person dies, his legal representative shall be liable to pay any sum which the deceased would have been liable to pay, if he had not died, in the like manner and to the same extent as the deceased:

Provided that, in case of any penalty payable under this Act, a legal representative shall be liable only in case the penalty has been imposed before the death of the deceased person.

## **PART VII - AMENDMENTS TO THE CENTRAL BOARDS OF REVENUE ACT, 1963**

“The Central Board of Excise and Customs” shall be renamed as “The Central Board of Indirect Taxes and Customs”

## **PART VIII - AMENDMENTS TO THE GOVERNORS (EMOLUMENTS, ALLOWANCES AND PRIVILEGES) ACT, 1982**

In Section 3 - Rs. 3.5 lakhs proposed to be substituted to Rs.1.1 lakhs- with retrospective effect from 1st January 2016.

## **PART IX - AMENDMENTS TO THE NATIONAL HOUSING BANK ACT, 1987**

Few minor amendments have been proposed along with the following major insertions/amendments

In Section 4 - The following proviso is proposed to be inserted

“Provided that the Central Government may, by notification, increase the authorised capital up to two thousand crore rupees or such other amount as may be determined by it from time to time.”

Subsection 3 proposed to be inserted

The subscribed capital of one thousand four hundred and fifty crore rupees of the National Housing Bank, which has been subscribed to by the Reserve Bank, shall stand transferred to, and vested in the Central Government upon payment of the face value of the subscribed capital, to the Reserve Bank from such date as may be notified by the Central Government .

## **PART X - AMENDMENTS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992**

Few minor amendments have been proposed along with the following major insertions/amendments

In Section 11 the following sub section is proposed to be inserted

“(4A) Without prejudice to the provisions contained in sub-sections (1), (2), (2A), (3) and (4),section 11B and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.”;

In Section 11B the following sub section is proposed to be inserted

“(2) Without prejudice to the provisions contained in sub-section (1), sub-section (4A) of section 11 and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.”.

The following Sections are proposed to be inserted

“15EA. Where any person fails to comply with the regulations made by the Board in respect of alternative investment funds, infrastructure investment trusts and real estate investment trusts or fails to comply with the directions issued by the Board, such person shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees or three times the amount of gains made out of such failure, whichever is higher.

15EB. Where an investment adviser or a research analyst fails to comply with the regulations made by the Board or directions issued by the Board, such investment adviser or research analyst shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.”.

‘28B. (1) Where a person dies, his legal representative shall be liable to pay any sum which the deceased would have been liable to pay, if he had not died, in the like manner and to the same extent as the deceased:

Provided that, in case of any penalty payable under this Act, a legal representative shall be liable only in case the penalty has been imposed before the death of the deceased person

## **PART XI - AMENDMENTS TO THE DEPOSITORIES ACT, 1996**

Few minor amendments have been proposed along with the following major insertions/amendments

In Section 19 the following sub section is proposed to be inserted

(2) Without prejudice to the provisions contained in sub-section (1) and section 19H, the Board may, by order, for reasons to be recorded in writing, levy penalty under sections 19A, 19B, 19C, 19D, 19E, 19F, 19FA and 19G after holding an inquiry in the prescribed manner.”.

The following Sections are proposed to be inserted

“19FA. Where a depository fails to conduct its business with its participants or any issuer or its agent or any person associated with the securities markets in a fair manner in accordance with the rules, regulations made by the Board or directions issued by the Board under this Act, it shall be liable to penalty which shall not be less than five crore rupees but which may extend to twenty-five crore rupees or three times the amount of gains made out of such failure, whichever is higher.”.

‘19-IC. (1) Where a person dies, his legal representative shall be liable to pay any sum which the deceased would have been liable to pay if he had not died, in the like manner and to the same extent as the deceased:

Provided that, in case of any penalty payable under this Act, a legal representative shall be liable only in case the penalty has been imposed before the death of the deceased person.

## **PART XII - AMENDMENTS TO THE VICE-PRESIDENT’S PENSION ACT, 1997**

In Section 2(2) - Rs.90,000/- proposed to be substituted to Rs.60,000/- with effect from 1st April 2018.

## **PART XIII - AMENDMENTS TO THE CENTRAL ROAD FUND ACT, 2000**

Few minor amendments have been proposed along with the following major insertions/amendments

The Second proviso to Section 3 substituted with the following proviso-

“Provided that the additional duty of customs and the additional duty of excise on motor spirit commonly known as petrol and on high speed diesel oil levied under sub-section (1) of section 109 and

sub-section (1) of section 110, as the case may be, of the Finance Act, 2018 shall be deemed to be the cess for the purposes of this Act from the date of its levy and the proceeds thereof shall be credited to the Fund.”;

In Section 7

(A) for clauses (iv) and (v), the following clauses shall be substituted, namely:—

‘(iv) construction of roads either under or over the railways by means of bridges and erection of safety works at unmanned rail-road crossings, new lines, conversion of existing standard lines into gauge lines and electrification of rail lines; and (v) undertaking other infrastructure projects.

The following subsections inserted

“(2) The Central Government may, depending upon the requirement for development of infrastructure projects, and if it considers necessary or expedient to do so, by notification in the Official Gazette, amend Schedule II relating to any Category of projects or Infrastructure Sub-Sectors.

(3) Every notification issued under this Act by the Central Government shall be laid, as soon as may be after it is issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the notification or both Houses agree that the notification should not be made, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification.”;

(g) after section 7, the following section shall be inserted, namely:—

“7A. The share of the Fund to be apportioned to each of infrastructure projects shall be finalised by a Committee, constituted by the Central Government by notification published in the Official Gazette, headed by the Finance Minister, depending on the priorities of the project.”;

Schedule II is proposed to be inserted which is pertaining to - **Category of projects and Infrastructure Sub-Sectors**

#### **PART XIV - AMENDMENTS TO THE PREVENTION OF MONEY-LAUNDERING ACT, 2002**

Few minor amendments have been proposed along with the following major insertions/amendments

In Section 5 - the following provisos inserted -

Provided also that for the purposes of computing the period of one hundred and eighty days, the period during which the proceedings under this section is stayed by the High Court, shall be excluded and a further period not exceeding thirty days from the date of order of vacation of such stay order shall be counted.”;

“Provided further that the Special Court may, if it thinks fit, consider the claim of the claimant for the purposes of restoration of such properties during the trial of the case in such manner as may be prescribed.”;

In Section 66 the following subsection introduced -

“(2) If the Director or other authority specified under sub-section (1) is of the opinion, on the basis of information or material in his possession, that the provisions of any other law for the time being in force are contravened, then the Director or such other authority shall share the information with the concerned agency for necessary action.”;

(h) in the Schedule, in Part A, after Paragraph 28, the following Paragraph shall be inserted, namely:-

“PARAGRAPH 29	
OFFENCE UNDER THE COMPANIES ACT, 2013	
(18 of 2013)	
Section	Description of offence
447	Punishment for fraud.”.

## PART XV - AMENDMENTS TO THE FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT ACT, 2003

Few minor amendments have been proposed along with the following major insertions/amendments

Few terms like Central Government debt, General Government debt, “gross domestic product”, “real gross domestic product”, “real output growth” have been defined.

In Section 4 - The following section shall be substituted

“4.(1) The Central Government shall,—

(a) take appropriate measures to limit the fiscal deficit upto **three per cent.** of gross domestic product by the 31st March, 2021;

(b) endeavour to ensure that—

(i) the general Government debt **does not exceed sixty per cent.**;

(ii) the Central Government debt **does not exceed forty per cent.** of gross domestic product by the end of financial year 2024-2025;

(c) not give additional guarantees with respect to any loan on security of the Consolidated Fund of India in excess of **one-half per cent.** of gross domestic product, in any financial year;

(d) endeavour to ensure that the fiscal targets specified in clauses (a) and (b) are not exceeded

after stipulated target dates.

(2) The Central Government shall prescribe the annual targets for reduction of fiscal deficit for the period beginning from the date of commencement of Part XV of Chapter VIII of the Finance Act, 2018 and ending on the 31st March, 2021:

Provided that exceeding annual fiscal deficit target due to ground or grounds of national security, act of war, national calamity, collapse of agriculture severely affecting farm output and incomes, structural reforms in the economy with unanticipated fiscal implications, decline in real output growth of a quarter by at least three per cent. points below its average of the previous four quarters, may be allowed for the purposes of this section.

(3) Any deviation from fiscal deficit target under sub-section (2) shall not exceed one-half per cent. of the gross domestic product in a year.

(4) The Central Government shall, in case of increase in real output growth of a quarter by at least three per cent. points above its average of the previous four quarters, reduce the fiscal deficit by at least one-quarter per cent. of the gross domestic product in a year.

(5) Where the fiscal deficit is allowed to vary from the target prescribed under the proviso to sub-section (2) or deviation is initiated under sub-section (4), a statement explaining the reasons thereof and the path of return to annual prescribed targets under this section shall be laid, as soon as may be, before both the Houses of Parliament.”.

## **PART XVI - AMENDMENTS TO THE FINANCE (NO.2) ACT, 2004**

In Section 97 the following clause shall be substituted

‘(5) “equity oriented fund” means a fund referred to in clause (a) of Explanation to section 112A of Income-tax Act, 1961.’.

## **PART XVII - AMENDMENTS TO THE FINANCE ACT, 2013**

Few minor amendments have been proposed along with the following major insertions/amendments

Substitution of Sections 117 & 118

On and from the 1st day of April, 2018, there shall be charged a commodities transaction tax in respect of taxable commodities transaction specified in column (2) of the Table below, at the rate specified in the corresponding entry in column (3) of the said Table, on the value of such transaction and such tax shall be payable by the purchaser or the seller, as the case may be, as specified in the corresponding entry in column (4) of the said Table:



TABLE			
Sl.No.	Taxable commodities transaction	Rate	Payable by
(1)	(2)	(3)	(4)
1.	Sale of a commodity derivative;	0.01 per cent.	seller
2.	Sale of an option on commodity derivative;	0.05 per cent.	seller
3.	Sale of an option on commodity derivative, where option is exercised.	0.0001 per cent.	purchaser

118. The value of taxable commodities transaction referred to in section 117,—

(a) in the case of a taxable commodities transaction relating to a commodity derivative, shall be the price at which the commodity derivative is traded;

(b) in the case of a taxable commodities transaction relating to an option on commodity derivative, shall be—

(i) the option premium, in respect of transaction at serial number 2 of the Table in section 117;

(ii) the settlement price, in respect of transaction at serial number 3 of the Table in section 117.”;

## **PART XVIII - AMENDMENTS TO THE BLACK MONEY (UNDISCLOSED FOREIGN INCOME AND ASSETS) AND IMPOSITION OF TAX ACT, 2015**

Few minor amendments have been proposed along with the following major insertions/amendments

In Section 55 the following substitutions brought in

(i) for the marginal heading, the following marginal heading shall be substituted, namely:—

“Prosecution to be at instance of Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General or Principal Commissioner or Commissioner.”;

(ii) in sub-section (2), after the words “the Chief Commissioner”, the words “or the Principal Director General or the Director General” shall be inserted.

## **PART XIX - AMENDMENTS TO THE FINANCE ACT, 2016**

In the Finance Act, 2016, in section 236, in the opening paragraph, for the words, figures and letters “the 26th September, 2010”, the words, figures and letters “the 5th August, 1976” shall be substituted.

**PART XX - AMENDMENTS TO THE CENTRAL GOODS AND SERVICES TAX ACT, 2017**

In the Central Goods and Services Tax Act, 2017, in section 2, in clause (16), for the words “Central Board of Excise and Customs”, the words “Central Board of Indirect Taxes and Customs” shall be substituted

There is also the following declaration as follows -

***Declaration under the Provisional Collection of Taxes Act, 1931***

It is hereby declared that it is expedient in the public interest that the provisions of clauses 101 (a), 102 (b), 108, 109 and 110 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931.

**Conclusive Note :**

It is appreciable that the Government has taken plethora of steps to enable comprehensive development of our nation. There has been path breaking initiatives like E-assessments, etc . However the real challenge is the setting up of the requisite infrastructure, frameworks & also the level of preparedness in all the essential arenas to ensure the efficacy of implementation.

*Disclaimer: The above are the views of the author of the article based on the Author's comprehension and interpretation of the Acts, Rules & Notifications available in the public domain.*

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Picture Gallery



58<sup>th</sup> ITTP Batch students





59th ITTP Batch Inaugural Session



59th ITTP Batch - Inaugural Address  
by Chairman CA Sabareeshan C.K.



69th Republic Day Celebrated at Branch



ICAI Common Wizard Exam held at Branch on 28.1.2018





“Ask the right questions, and nature will open the doors to her secrets.”

— Sir C V Raman

National Science Day is celebrated in India on 28 February each year to mark the discovery of the Raman effect by Indian physicist Sir Chandrashekhara Venkata Raman on 28 February 1928.

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