**Changing Director in a Company**

Any changing in the Board of Directors (BD) of an organization should be made according to the provision given in the Companies Act of 2013, the AOA of the company, and furthermore according to the concurred administration understanding, assuming any. Once more, the requirement for changing director in a company must be properly supported and approved by the shareholder of the company.

Here it might be noticed that change in director either removing a Director from the BD or designating another director to the BD as an Additional director. Provision mention below sperately deals with change in directors in private or public limited company.

Noteworthy here are the facts that as per the new Companies Act of 2013, a private limited company and an LLP company must have at least two directors always. On the other hand, a public limited company must have a minimum of three directors at all times. In the general cases, a company could have a maximum of 15 directors. Again, a foreign national can also become a director in any of these types of companies in India, provided he/she meets the requirements prescribed for becoming a company director. For making appointment of a new director in to company is governed under section 160 of the Companies Act of 2013, while the Section 168 is relevant for getting resignation/removal of a director from the BD of a company.

FORM REQUIRED TO BE filed to ROC FOR: DIR-12, DIR-11.

## Change of Auditor

Auditors must be rotated or changed periodically every 5 years by the company to maintain compliance with the Companies Act, 2013. In such cases, special notice is required expressly stating that a retiring auditor shall not be re-appointed for a resolution at an Annual General Meeting for appointing as Auditor a person other than a retiring Auditor. Based on the special notice, the Auditor can make a representation in writing to the company, accepting the change or contesting, as the case maybe

FORM REQUIRED TO BE SUBMITTED FOR: ADT-1, ADT-3

**DEFINITION OF AUTHORISED CAPITAL:-**

As per Section 2(8) of the [**Companies Act, 2013**](https://taxguru.in/company-law/woman-director-companies-act-2013.html), ‘authorised capital’ or ‘nominal capital’ means such capital as is authorised by the memorandum of a company to be the maximum amount of share capital of the company.

Therefore it is cleared via above mentioned definition that company can expand its business upto the level of authorised capital. If you want to expand your business by infusion of more funds then first you have to increase your authorised capital by following the few steps as mentioned below in the procedure to increase authorised capital. FORM REQUIRED TO BE SUBMITTED FOR: SH-7

**Income Tax Return** is the form in which assessee files information about his Income and tax thereon to [Income Tax Department](https://en.wikipedia.org/wiki/Income_Tax_Department). Various forms are ITR 1, ITR 2, [ITR 3](https://en.wikipedia.org/wiki/ITR_3), ITR 4, ITR 5, ITR 6 and ITR 7. When you file a belated return, you are not allowed to carry forward certain losses.[[1]](https://en.wikipedia.org/wiki/Income_tax_return_(India)#cite_note-1)

The [Income Tax Act, 1961](https://en.wikipedia.org/wiki/Income_Tax_Act,_1961), and the Income Tax Rules, 1962, obligates citizens to file returns with the Income Tax Department at the end of every [financial year](https://en.wikipedia.org/wiki/Financial_year).[[2]](https://en.wikipedia.org/wiki/Income_tax_return_(India)#cite_note-2) These returns should be filed before the specified due date. Every Income Tax Return Form is applicable to a certain section of the Assessees. Only those Forms which are filed by the eligible Assessees are processed by the Income Tax Department of India. It is therefore imperative to know which particular form is appropriate in each case. Income Tax Return Forms vary depending on the criteria of the source of income of the Assessee and the category of the Assessee.

**1. What is ITR?**

**Income Tax Return (ITR) is a form in which the taxpayers file information about his income earned and tax applicable to the income tax department. The department has notified 7 various forms i.e. ITR 1, ITR 2, ITR 3, ITR 4, ITR 5, ITR 6 & ITR 7 till date. Every taxpayer should file his ITR on or before the specified due date. The applicability of ITR forms varies depending on the sources of income of the taxpayer, the amount of the income earned and the category the taxpayer belongs to like individuals, HUF, company, etc.**

**Itr on salary**

Salaried individual are eligible to file itr 1 for salary income with conducted income tax slab , but , not all resident salaried individuals are eligible to file ITR 1? That is right. There are certain situations where ITR-1 will not be applicable to salaried individuals for the financial year 2018-19 or assessment year 2019-20. Here are those scenarios.

1. If your total income is more than Rs 50 lakh;

2. If any income arises from more than one house property;

3. If your agricultural income exceeds Rs 5,000 per year;

4. If you are a director of a company;

5. If you have held any unlisted equity shares at any time during the financial year;

6. If you want to claim a deduction against "income from other sources" (other than family pension). This can include activity of owning and maintaining race horses, or winning a lottery; ..

7. If any resident and ordinarily resident of India has assets (including financial interest in any entity) outside India or signing authority in any account located outside India. Basically, having income from any source outside India.

8. If you have received dividend income taxable at special rates (example exceeding Rs 10 lakh per annum from Indian companies);

9. If you have received income from capital gains (short-term and long-term);

10. If you have claimed relief of foreign tax paid or double taxation relief under section 90 and/or section 91;

11. If you have earned income under the head business and profession

12. Residents not ordinarily resident and non-residents cannot file returns using ITR -1.

**Proprietorship Tax Return Filing**

Proprietorship firms are required to file income tax return like LLPs and Companies registered in India. Since proprietorship firms are considered to be one and same as the proprietor, the income tax return filing of the proprietorship firm is the same that of the proprietor. Under Income Tax Act, all proprietors below the age of 60 years are required to file income tax return if total income exceeds Rs. 2.5 lakhs. In the case of proprietors over the age of 60 years but below 80 years, income tax filing is mandatory if total income exceeds Rs.3 lakhs. Proprietors over the age of 80 years and above are required to file income tax return if the total income exceeds Rs.5 lakhs. IndiaFilings provides income tax return filing for thousands of small and medium sized proprietorship firms across the country. Get in touch with an IndiaFilings Tax Expert to file the income tax return for your proprietorship firm today.

**Form ITR-3**

Form ITR-3 can be filed by a proprietor or a Hindu Undivided Family who is carrying out a proprietary business or profession

**Tax Audit for Proprietorship Firm**

An audit would be required for a proprietorship firm if the total sales turnover is over Rs.1 crore during the financial year. In the case of a professional, audit would be required if total gross receipts is more than Rs.50 lakhs during the financial year under assessment. Also, an audit would be required for any proprietorship firm under presumptive taxation scheme irrespective of turnover if the income claimed is lower than the deemed profits and gains under the scheme.

**GST Returns**

GST is the single indirect tax that is levied on the supply of goods and services between different entities. GST returns are the tax return forms that are required to be filed by these entities with the Income Tax authorities of India.

All individuals registered under the [GST](https://www.bankbazaar.com/tax/gst.html) Act has to furnish the details of the sales and purchases of goods and services along with the tax collected and paid. This can be done by filing online returns. GST Returns are the Goods and Services Tax Return forms that taxpayers of all types have to file with the income tax authorities of India under the new GST rules.

Implementation of a comprehensive [Income Tax](https://www.bankbazaar.com/income-tax.html) system like GST in India will ensure that taxpayer services such as registration, returns, and compliance are transparent and straightforward. Individual taxpayers will be using 4 forms for filing their returns such as the return for supplies, return for purchases, monthly returns, and annual return. Small taxpayers who have opted for composition scheme will have to file quarterly returns. All filing of returns will be done online.

**KYC OF DIRECTORS**

As per MCAs recent announcement, any director who was allotted a DIN by or on 31 March 2018 and whose DIN is in approved status, will have to submit his KYC details to the MCA. Further, this procedure is mandatory for the disqualified directors too.

For FY 2017-18, in cases where a director who is supposed to file the e-Form does not file it by the 5 October 2018 (the extended due date) on MCA 21 portal, the department will mark the DIN of such director as ‘Deactivated due to Non-filing of DIR-3 KYC’.  
If the director wishes to re-activate his DIN in future by filing the missed out eForm DIR-3 KYC, he can do so after paying a late fee of Rs 5,000. This fee would be payable on or after October 5, 2018. This form needs to be filed annually by the directors.

**ACTIVE FORM INC-22A**

The MCA introduced the form for validating the addresses of all registered companies under the Companies Act, 2013. The form goes by the name tag ACTIVE (Active Company Tagging Identities and Verification). The[KYC](https://cleartax.in/s/kyc-check-kyc-status) form was introduced with the idea to ensure that the companies E-file their details accurately so that a proper check is maintained, and also, to ensure that the creation of shell companies is prevented in the years to come. The due date for filing this form is 25th April 2019.

## ****Applicability of Form Inc – 22A****

All companies incorporated on or before 31st of December, 2017 shall file the particulars of the company and the address validation of the registered office in E-Form INC – 22A on or before the 25th of April, 2019 with the Registrar. However, there are certain companies that are exempted from filing this form:-

* Companies incorporated after 01.01.2018
* Companies struck off from the Register
* Companies under the process of strike-off
* Companies under amalgamation
* Companies under liquidation
* Companies that are dissolved

CHANGE OF COMPANY NAME

Changing company names amounts to a significant alteration since Memorandum of Association and Articles of Association need to be altered.

As per Section 13 of the Companies Act 2013, a company may change its name by passing a special resolution in general meeting and receiving approval from the Central Government.

FORM REQUIRED TO BE SUBMITTED: ----------------

CHANGE IN COMPANY MAIN OBJECT

The object clause of the Company is the third clause of memorandum of association of any Company stating the objects i.e. the business/purpose for which the Company is incorporated and any other matter considered necessary in furtherance thereof. Any act done by the Company that is beyond the objects and powers as mentioned in the[**Companies Act, 2013**](https://taxguru.in/company-law/presidents-assent-companies-act-2013.html) shall be considered as ultra virus making object clause one of the most importance clause. On registration of a Company, the subscribers decide upon the objects they want to pursue on incorporation but in case after incorporation they want to change the objects of the Company, they can do so by following the requisite legal procedure as prescribed under Section 13 of the [**Companies Act, 2013**](https://taxguru.in/company-law/presidents-assent-companies-act-2013.html) read with[**Companies (Incorporation) Rules, 2014**](https://taxguru.in/company-law/companies-act-2013companies-incorporation-rules-2014-related-formation-companies.html)that shall be discussed further in this article:

To discuss, primarily it is important to note that the object clause of the Company can be divided into following:

* The objects to be pursued by the Company on its incorporation (i.e. main objects); and
* Matters which are necessary for furtherance of the objects (i.e. ancillary objects)

# Registered Office Change Address

The registered office of a company is a place to which all official communications pertaining to a Company is sent. In addition to a registered office, a company can have an corporate office or administrative office or branch office or factory, etc., However, only the registered office of the Company needs to be registered with the Ministry of Corporate Affairs. All other offices or additional locations can be opened by a company without any intimation to the ROC.

The registered office of the Company will also determine the domicile of the company (State of Incorporation). The state or location in which the registered office of the Company is situated will determine the Registrar of Company (ROC) to which the application for company registration must be made. Any change of address of Registered Office must be notified to the Registrar of Company (ROC) within 15 days.

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**MSME REGISTRATION**

**Definitions of Micro, Small & Medium Enterprises** In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes- (1) **Manufacturing Units** and (2) **Service Units**

MSME sector has been raising a demand for revision / amendment in the MSME definition. Now the Cabinet has approved a draft which proposes to change the definition of MSMEs. Now the definition has changed classification of MSME from Investment in Plant & Machinery to define MSMEs on the basis of annual sales turnover. There is no distinction between manufacturing and service units.

**The revised classification of MSME is Turnover based-**

**Manufacturing Units/Service Units**

**Micro Enterprises**Turnover up to Rs. 5.00 Crore

**Small Enterprises**Turnover Rs. 5.00 crore to 75.00 crore

**Medium Enterprises**Turnover Rs. 75.00 crore to Rs. 250 Crore

**Earlier these were classified based on investment in Plant & Machinery** (excluding investments in land and building)-

**Manufacturing Units**

**Micro Enterprises**Investment up to Rs. 25.00 lakh

**Small Enterprises**Investment from Rs. 25.00 lakh to Rs. 5.00 Crore

**Medium Enterprises**Investment from Rs. 5.00 Crore to Rs. 10.00 Crore

**Service Units**

**Micro Enterprises**Investment up to Rs. 10.00 lakh

**Small Enterprises**Investment from Rs. 10.00 lakh to Rs. 2.00 Crore

**Medium Enterprises**Investment from Rs. 2.00 Crore to Rs. 5.00 Crore

**Benefits of MSME Registration**

1. **Higher creditability-** MSME registered units get higher preference as compared to non-registered units.
2. **Lower rate of Interest-** the bank loans become lower than interest on regular loans.
3. **Tax Rebate-** There are various tax rebates offered to MSME.
4. **MAT credit utilized enhanced**- It also allowed credit for minimum alternate tax (MAT) to be carried forward for up to 15 years instead of 10 years
5. Opportunities like apply to government tenders etc.

[**Shops & Establishment Act**](https://vakilsearch.com/shop-and-establishment-license)**– When do I need the registration?**

If you are starting a commercial establishment or a shop, you need to file for registration under the Act, within 30 days of commencement of your establishment.

This registration is mandatory for several reasons, including the opening of the current account in a bank. This Shop and Establishment Act license, forms as a basic license and a proof of your business to apply for other registrations required to run a business in India.

Shop and Establishment forms are available online on the [government website](https://www.tn.gov.in/forms/category/4).

Accounting

Accounting is the process of recording financial transactions pertaining to a business. The accounting process includes summarizing, analyzing, and reporting these transactions to oversight agencies, regulators, and tax collection entities. The financial statements used in accounting are a concise summary of financial transactions over an accounting period, summarizing a company's operations, financial position

Tds

* **Tax Deducted at Source or TDS** is a type of advance tax which is deducted from the earnings of an individual or an organization before the money is actually credited into that entity’s account, according to the Indian Taxation Code. The government is able to generate revenues by implementing the provisions of TDS on the earnings of individuals as well as businesses. Rules and regulations regarding TDS are controlled and governed under the Income Tax Act, 1961 by the Central Board of Direct Taxes (CBDT).
* As the name suggests, “Tax Deducted at Source” implies that the payee or the employer deducts the tax before making a payment to the receiver. Tax Deducted at Source is applicable on income earned regularly and also on the income earned occasionally or irregularly. Thus, TDS is applicable on various incomes, including, but not limited to Salary, Commission, Rent, Professional Fees and Interest.

Commencement of business

The Ministry of Corporate Affairs has re-introduced the concept of commencement of business certificate. Under the newly introduced [The Companies (Amendment) Ordinance 2018,](https://www.indiafilings.com/learn/the-companies-amendment-ordinance-2018/)all companies registered in India after the commencement of the Companies (Amendment) Ordinance, 2018 and having a share capital is required to obtain commencement of business certificate before commencing any business or exercising any borrowing powers. Since The Companies (Amendment) Ordinance 2018 was introduced in November 2nd 2018, any company incorporated after November 2018 would be required to obtain Commencement of Business Certificate.

**Time Limit for Obtaining Commencement of Business Certificate**

The commencement of business certificate must be obtained within 180 days of incorporation of the company. While filing the application for commencement, each of the Directors of the company must declare that every subscriber to the [memorandum](https://www.indiafilings.com/learn/memorandum-of-association/) has paid the value of the shares agreed to be taken by him/her on the date of the making of such declaration.