



Charitable or religious trusts registration.

CBDT revised application procedures for registration. (Rule 17A)

- (1). An application under clause (aa) or clause (ab) of sub-section (1) of section 12A for registration of a charitable or religious trust or institution shall be made in Form No. 10A and accompanied by the following documents, namely: ____
 - Where the trust is created, or the institution is established, under an instrument, self-certified copy of the instrument creating the trust or establishing the institution;
 - Where the trust is created, or the institution is established, otherwise than under an instrument, self-certified copy of the document evidencing the creation of the trust, or establishment of the institution;
 - Self-certified copy of registration with Registrar of Companies or Registrar of Firms and Societies or Registrar of Public Trusts, as the case may be;
 - self-certified copy of the documents evidencing adoption or modification of the objects, if any;
 - where the trust or institution has been in existence during any year or years prior to the financial year in which the application for registration is made, self-certified copies of the annual accounts of the trust or institution relating to such prior year or years (not being more than three years immediately preceding the year in which the said application is made) for which such accounts have been made up;
 - Note on the activities of the trust or institution;
 - self-certified copy of existing order granting registration under section 12A or section 12AA, as the case may be; and
 - self-certified copy of order of rejection of application for grant of registration under section 12A or section 12AA, as the case may be, if any.
- (2) Form No. 10A shall be furnished electronically, ____
 - (ii) under digital signature, if the return of income is required to be furnished under digital signature;
 - (ii) through electronic verification code in a case not covered under clause (i).
- (3) Form No. 10A shall be verified by the person who is authorised to verify the return of income under section 140, as applicable to the assessee.
- (4) The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be, shall specify the data structure, standards and procedure of furnishing and verification of Form No. 10A and be responsible for formulating and implementing appropriate security, archival and retrieval policies in relation to the said form so furnished".

EDITORS NOTE

Dear Reader, this edition features various changes in GST. Other facets of Corporate Law in different categories of Loan. expecting your your valuable suggestions.

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TAX DUE DATES - MARCH 2018

Quarterly Compliances		
Sl.No	Particulars	Due Dates
1	Due date for furnishing of challan-cum-statement in respect of tax deducted under Section 194A in the month of January, 2018	2 March 2018
2	Fourth instalment of advance tax	15 March 2018
Monthly Compliances		
Sl.No	Particulars	Due Dates
1	Due date for deposit of Tax deducted/collected for the month of February, 2018.	7 March 2018
2	(GSTR-1) for January 2018 (Registered person with aggregate turnover more than 1.50 crores)	10 March 2018
3	PF & ESIC Monthly payment for Feb. 2018	15th March 2018
4	GST monthly return for the month of February 2018 (GSTR-3B)	20th March 2018
5	PF Return filing for February 2018	25th March-2018
One Time Compliance		
Sl.No	Particulars	Due Dates
1	Due date for linking of Aadhar number with PAN, Insurance policy, Mutual funds, Post office scheme and Bank Accounts etc.	31 March 2018
2	Persons who have not Filed Income Tax Returns for AY 2016-17 and AY 2017-18 can file the same till 31 st 2018	31st March 2018
3	Condonation of Delay Scheme allows defaulting companies to file its overdue documents which were due for filing.	31st March 2018





GST Updates

GST eligibility criteria:

Items not eligible for GST	Criteria where ITC is applicable	Situation where ITC is not applicable
Motor Vehicles or Conveyances	ITC can be claimed only when they are used for making a further supply of such vehicles or conveyances or transportation.	Expenses related to the normal use of motor vehicles for office purposes cannot be claimed as an input tax credit.
Food, Beverages and Outdoor Catering	ITC can be claimed when inward supply of goods or services or both of a category is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply.	Regular taxpayers would not be eligible for claiming input tax credit on expenses relating to food, beverages and catering.
Beauty Treatment, Health Services & Cosmetic and Plastic Surgery		Regular taxpayers would not be eligible for claiming input tax credit on expenses relating to Beauty Treatment, Health Services & Cosmetic and Plastic Surgery.
Life and Health Insurance	Expenses relating to rent-a-cab facilities, life or health insurance can be claimed as input tax credit only when the Government notifies it as services which are obligatory for an employer to provide to its employees under law.	-
Works Contract Services	Work contract services can be claimed as an ITC when it is an input service for the further supply of works contract service.	Works contract services, when supplied for construction of an immovable property (other than plant and machinery), cannot be claimed as input tax credit.
Construction of Immovable Property	-	Goods or services received by a taxable person for construction of an immovable property (other than plant or machinery) on his own account or even when it's used in the course or furtherance of business cannot be claimed as input tax credit. Under GST Act, construction includes re-construction, renovation, additions or alterations or repairs.
Composition Supply	-	Goods or services or both on which tax has been paid under the



GST Updates

		Composition Scheme will not be eligible for input tax credit.
Personal Consumption	-	Goods or services used for personal consumption is not eligible for input tax credit.
Non-Resident Taxable Person	-	Goods or services received by a non-resident taxable person except on goods imported by him is not eligible for ITC.
Lost or Stolen or Damaged Goods	-	ITC is not available for goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples.
Travel Benefits for Employees	-	Travel benefits extended to employees on vacation such as leave, or home travel concession cannot be claimed as ITC.

ITC for Nil rated, Non-taxable, Exempt, Zero rated supplies

	Nil rated Supplies	Non taxable supplies	Exempt supplies	Zero rated supplies
Meaning	Supply of goods or services which attract nil rate tax	Such supply of goods or services which is not chargeable to tax under this act	Such supply of goods or services which attract nil rate or Not chargeable to tax under this act or Which may be notified to be exempt u/s11*	Such supply of goods or services namely: a) export b) Supplies to SEZ developer of SEZ unit Two options for such taxpayers: 1)Supply of goods or services under bond or letter of undertaking, without payment of tax and claim of refund of unutilised ITC or 2)Supply of such goods or services on payment of IGST and claim refund of IGST paid on goods and services exported.
Availability of ITC	No Input Tax Credit	No Input Tax Credit	No Input Tax Credit	Input Tax Credit can be claimed



CORPORATE LAW

The Companies Amendment Act 2017

Section 185(1) - Loan to Directors etc.,

LOAN TYPE	CONDITIONS AS SPECIFIED
<p>Loans to directors, relatives and firms with which such directors are associated</p> <ol style="list-style-type: none"> Loan to director of a company, director of the holding company Partner or relative of such director referred above A firm in which the director or relative is a partner 	<p>No company shall,</p> <ul style="list-style-type: none"> - directly or indirectly - advance any loan, - including loan in the nature of a book debt - or give any guarantee - or provide any security <p>in connection with any loan taken by the categories of persons specified.</p>
<p>Any Person in whom such directors are interested as per Explanation to Section 185 of the Companies Amendment Act, 2017</p> <ol style="list-style-type: none"> any private company of which any such director is a director or member Any body corporate in which not less than twenty-five per cent. of the total voting power may be exercised or controlled by any such director, or by two or more such directors, together or Any body corporate, the Board of directors, managing director or manager, whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company. 	<p>Such loans may be granted provided the following conditions are satisfied</p> <p>Condition 1: (a) a special resolution is passed by the company in general meeting</p> <p>Condition 2: (b) the loans are utilised by the borrowing company for its principal business activities</p> <p>Condition 3: The explanatory statement to the notice for the relevant general meeting shall disclose</p> <ul style="list-style-type: none"> - the full particulars of the loans given, or - guarantee given or security provided and - the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security - any other relevant fact

Penalties for non-compliance of Section 185

Offence By	Penalty	Imprisonment
Company	Rs. 5 to Rs 25 lakhs	Not applicable
Officer in default	Rs. 5 to Rs 25 lakhs	Upto 6 months
Director or other beneficiary	Rs. 5 to Rs 25 lakhs	Upto 6 months



The Companies Amendment Act 2017

Section 185(3): Categories of loans not covered above

LOAN TYPE	CONDITIONS AS SPECIFIED
a) Any loan to a managing or whole-time director	(i) as a part of the conditions of service extended by the company to all its employees; or (ii) pursuant to any scheme approved by the members by a special resolution; or
b) A company which in the ordinary course of its business provides loans or gives guarantees or securities for the due repayment of any loan	In respect of such loans an interest is charged at a rate not less than the rate of prevailing yield of one year, three-years, five years or ten years. Government security closest to the tenor of the loan
c) Any Loan made by a holding company to its wholly owned subsidiary company or Any guarantee given or security provided by a holding company in respect of any loan made to its wholly owned subsidiary company	The subsidiary should be wholly owned The loans are utilised by the subsidiary company for its principal business activities.
d) Any guarantee given or security provided by a holding company in respect of loan made by any bank or financial institution to its subsidiary company:	Guarantees and Security can be provided to a non-wholly owned subsidiary This can be only in respect of loans from banks or financial institutions to the subsidiary The loans are utilised by the subsidiary company for its principal business activities.

Relaxations for Private Limited Companies

As per the notification dated 5 Jun 2015, the following private companies were exempted from the provisions of Section 185.

- A company in whose share capital no other body corporate has invested any money
- If the borrowings of such companies from banks or financial institutions or any body-corporate is less than twice of its paid-up share capital or fifty crores whichever is lower
- If such a company has no default in repayment of such borrowings subsisting at the time of making transactions under this section.

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