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I. CHART OF FORTHCOMING DUE DATES: -

a) GST

Month	GSTR -1 Monthly	GSTR - 4	GSTR -3B	GSTR - 1 Quarterly
July 2018	10 th	18 th	20 th	31 st

b) Others

Month	TDS Payment	ESIC Payment	P.F. Payment	TDS Return (Q1)	Income Tax Return*
July 2018	7 th	15 th	15 th	31 st	31 st

*For Individuals and for those to whom Tax Audit is not applicable

II. OVERVIEW :

o LOANS AND ADVANCES AS PER COMPANIES ACT:

The Companies Amendment Act, 2017 vide its notification dated 7th May, 2018 has totally substituted the provisions for Loans to Directors (Sec. 185)

- To Director of the Company
- To director of a Holding company of that Company
- Any partner or relative of Director of the Company/Holding Company of such Director
- Any firm in which the following persons are partners:
 - Any Director of the Company
 - Director of holding Company
 - Relative of Director of the Company
 - Relative of Director of Holding Company

Not Allowed

- To any person in which any of the Directors of the Company is interested (*)

•Conditions

- Special resolution passed in general meeting
- Loan amount utilized by borrowing company for its principal business activities

Allowed, with Condition

* Any person in whom the Directors are interested means:

1. Any Private Company of which any Director of the Company is a Director or member
2. Any Body Corporate at a General Meeting of which $\geq 25\%$ of Total Voting Power may be exercised or controlled by one or more of the Directors of the Company together

3. Any Body Corporate, the Board of Director, Managing Director or manager whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any such Director(s) of the lending Company

EXEMPTIONS:

- The loan to Managing Director or Whole Time Director :
 - As part of conditions of service extended by the Company to all its employees
 - Pursuant to any scheme approved by the members by a Special Resolution
- Loan by company which in its ordinary course of business gives loan at a particular rate of interest.
- Loan or guarantee given by a Holding Company to its subsidiary
- Any guarantee given /security provided by Holding Companies for loan from Banks or Financial Institutions to its subsidiary company.

Note: Loan/guarantee/security from Holding Company to Subsidiary to be utilized for its principal business activities.

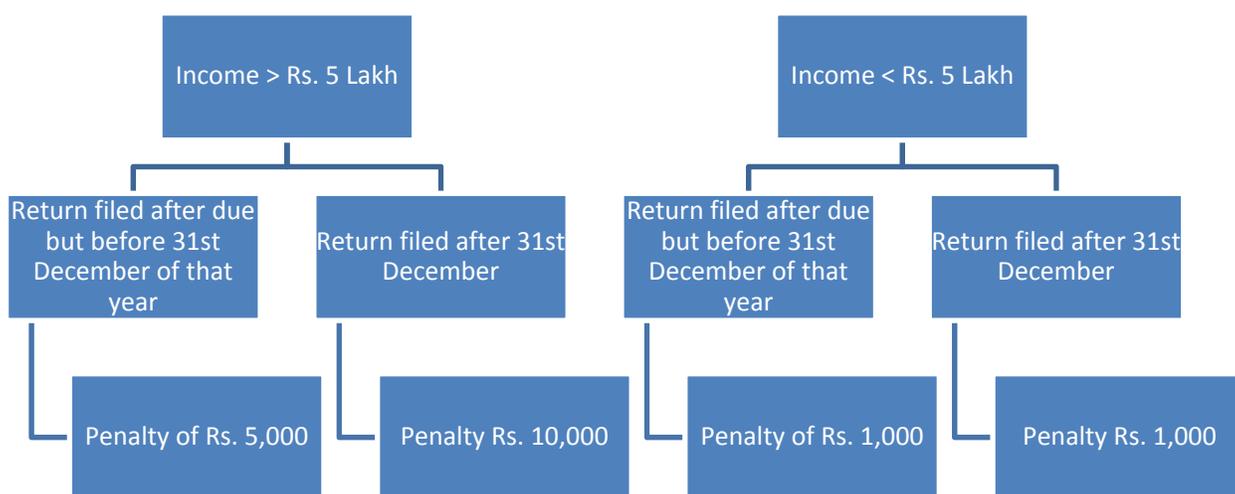
PENALTY FOR CONTRAVENTION:

- Lending Company shall be punishable with fine, which is \geq Rs 500,000/- and may extend to Rs 25,00,000/-
- Every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which is \geq Rs500,000/- but which may extend to Rs 25,00,000/-
- The Director or any other person to whom any loan is advanced or guarantee or security is given will be punishable with imprisonment for a term which may extend to six months or with fine which is \geq Rs500,000/- but which may extend to Rs 25,00,000/- or with both

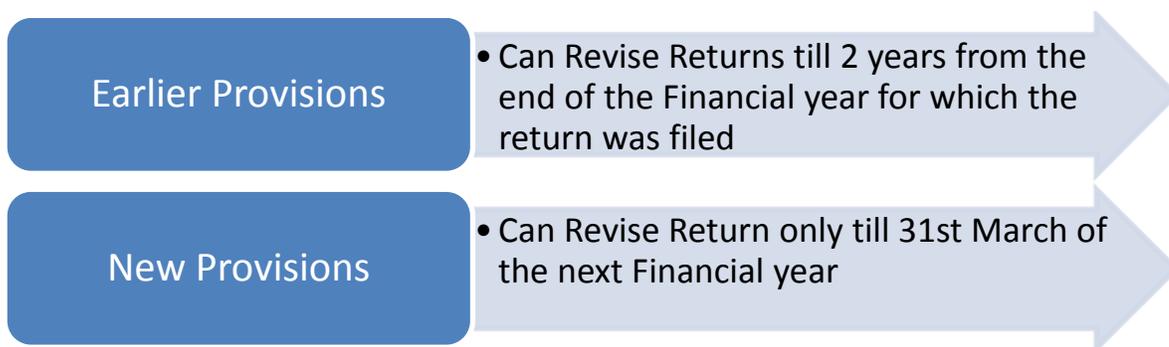
III. INCOME TAX:

o PENALTY ON LATE FILING OF ITR

The deadline for filing the Income Tax Returns is 31st July, 2018. Starting from April 1, if you file your ITR post the deadline of July 31, 2018 (unless the tax department extends it), you will be liable to pay a maximum penalty of Rs 10,000.



o REDUCTION IN THE TIME LIMIT TO REVISE ITR



o Change in E-Filing portal user Interface

- Now login to e-filing with PAN and Password without giving Date of Birth of the Taxpayer
- From now onwards, no password needed to open ITR forms, ITR V etc., downloaded from E-filing portal

IV. GOODS & SERVICE TAX

o EXEMPTION FROM GST FOR SHORT TERM LOANS GIVEN TO BUYERS OF MATERIAL

WHO ARE DCA?

Del Credere Agents (DCA) are appointed by the supplier of goods. The role of DCA is to promote sale and take orders for goods to be supplied by the principal directly and to guarantee the principal for the payment of goods supplied. If customers fail to make payment, the DCA is required to make the payment to the principal.

The role of the DCA is limited to order booking and guaranteeing payment. Supply of material is directly by the principal to the customer. Any delay in supply or any quality issue, it is principal who directly compensates the customer. DCA does not buy, store or sale any material of principal to any customer and therefore there is no transaction of any purchase or sale of goods in his books.

DELAY IN PAYMENT BY THE BUYER

In the entire transaction, the maximum interaction buyer of the material has with DCA. Due to this, on some occasions, when the buyer is not in a position to pay to principal on the due date, he approaches DCA to extend short term loan and the loan is extended by the DCA by making payment to the principal on behalf of the customer. The loan is repaid to DCA by the customer along with agreed interest. The rate of interest on such short term transaction based loan (from 10 days to 90 days) is as mutually agreed between buyer of the material and DCA.

For interest, DCA raises debit notes on the customers. Customer pays interest while repaying the loan amount. Such interest payments are subject to TDS in terms of Income Tax Act.

AAR in the Matter of M/s. Shreenath Polyplast Pvt. Ltd.

The Del Credere Agents being the applicant had raised the question whether the amount charged as interest on transaction based short term loan given by Del Credere Agent (DCA) to buyers of material is exempt from tax in terms of the Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 (Serial Number 27).

Sr. no. 27 of Notification No. 12/2017- Central Tax (Rate)

Exemption to the intra-State supply of services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.

Thus, in view of the above, the Authority for Advance Ruling (AAR) Gujarat, has ruled that the amount charged as interest on transaction-based short-term loan given to buyers of material is covered by the aforesaid Sl. No. 27 of the table to Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017, and hence **exempted** from payment of Goods and Services Tax

V. COMPANIES LAW

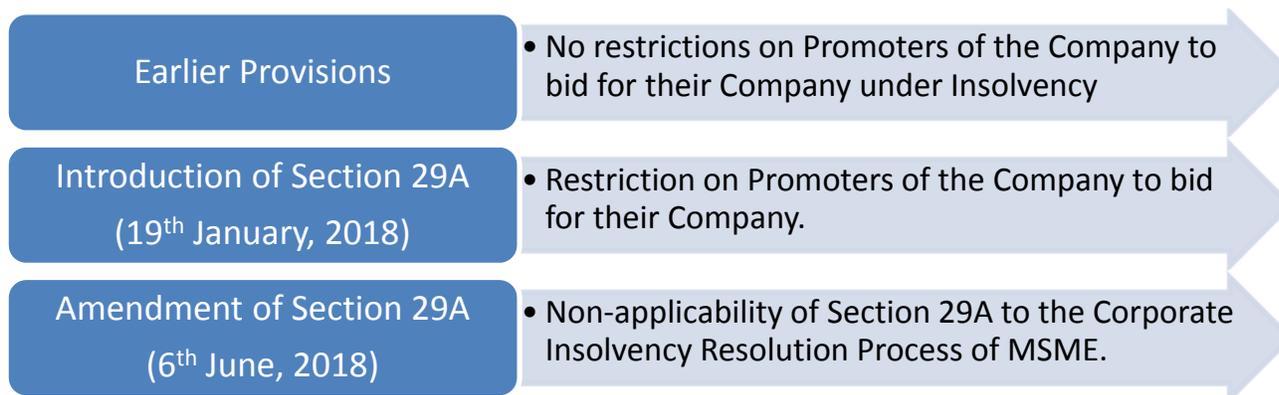
o MANDATORY KYC OF DIRECTOR

Every Director who has been allotted Din on or before 31st March 2018 and whose DIN is in "Approved Status", would be mandatorily required to file form DIR-3 KYC on or before 31st August 2018. While filing the form, the Unique Personal Mobile Number and Personal Email ID would have to be mandatorily indicated and would be duly verified by One Time Password (OTP). The form should be filed by every Director using his own DSC and should be duly certified by a practicing professional (CA/CS/CMA). Filing of DIR-3 KYC would be mandatory for Disqualified Directors also.

After expiry of the due date by which the KYC form is to be filed, the MCA21 system will mark all approved DINs (allotted on or before 31st March 2018) against which DIR-3 KYC form has not been filed as 'Deactivated' with reason as 'Non-filing of DIR-3 KYC'. After the due date, filing of DIR-3 KYC in respect of such deactivated DINs shall be allowed upon payment of a specified fee only, without prejudice to any other action that may be taken.

VI. INSOLVENCY AND BANKRUPTCY CODE

o NON-APPLICABILITY OF SECTION 29A TO MSME



- Around 97 per cent Indian MSMEs are proprietorships or partnerships, thus it raises a question whether the Insolvency is creating a relief to the MSME sector or not.

VII. RBI

o FOREIGN INVESTMENT IN INDIA- REPORTING IN SINGLE MASTER FORM (SMF)

RBI, with the objective of integrating the various reporting structures of Foreign Investment in India, through its Master Circular dated 7th June 2018, has introduced Single Master Form (SMF), for all types of reporting in respect of Foreign Investment in India. The SMF will be filed online and would provide the facility for reporting total foreign investment in Indian entity. Prior to implementation, RBI would provide an interface to the Indian entities to input the data on total Foreign Investment in a specified format. The interface will be available on RBI website from 28th June 2018 to 12th July 2018. Indian entities

not complying with this prerequisite, will not be able to receive foreign investment (including indirect foreign investment) and will be non-compliant with Foreign Exchange Management ACT 1999 and regulations made thereunder.

VIII. SECURITIES AND EXCHANGE BOARD OF INDIA

BOARD INTER-LOCKS

Report of The Committee

The Kotak committee constituted by the Securities and Exchange Board of India (SEBI) under the chairmanship of Mr. Uday Kotak for improving the Standards of Corporate Governance of Listed Companies in India submitted its report to SEBI. Board Inter-Locks arise due to common non-independent directors on boards of listed entities.

A non-independent Director of a Company on the Board of which any non-independent Director of the listed Entity (i.e. An Entity in which the Non-Independent Director is proposed to be appointed as the Independent Director) is an Independent Director, such a non-Independent Director cannot be the Independent Director of the Listed Entity.

For e.g. Mr. X, is proposed to be appointed as the Independent Director of A Ltd. where Mr. Y is an Executive Director. Mr. X is also an executive director and Mr. Y is the Independent Director of B Ltd.

Thus, in such as case, since Mr. Y is the Executive Director of A Ltd., Mr. X cannot be appointed as the Independent Director of A Ltd.

Amendments in the Regulation

In lieu of the Report submitted by the Kotak Committee, SEBI amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). By the amendment to the SEBI regulations, the Definition of 'Independent Director' is amended to exclude a non-independent Director of another Company on the board of which any non-independent Director of a Listed entity is an Independent Director.

The amendment relating to “ board inter-locks “ is effective from 1st October 2018.

Conclusion

If the listed entity fails to make a requisite change as contemplated by the newly introduced provisions, the independent director will dilute his independence and ultimately the board of directors of the listed entity will not be duly constituted, thereby resulting in regulatory consequences.

Disclaimer:

The issues of concern raised, conclusions reached, and views expressed in the presentation are matters of opinion. Our opinion is based on our understanding of the law and regulations prevailing as of the date of this Note and our experience with the tax and / or regulatory authorities. However, there can be no assurance that the tax authorities or regulators may not take a position contrary to our views. Legislation, its judicial interpretation and the policies of the tax and / or regulatory authorities are also subject to change from time to time, and these may have a bearing on the advice that we have given. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of our comments and recommendations contained in this Note. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this Note. This presentation is prepared exclusively for knowledge upgradation of members of SUFI and not for solicitation of any assignment. This presentation may not be distributed or otherwise made available to other parties without our consent. Umesh P Gosar & Associates, its promoters, employees and or agents, neither owe nor accept any duty of care or any responsibility to any other party, whether in contract or in tort (including without limitation, negligence or breach of statutory duty) however arising, and shall not be liable in respect of any loss, damage or expenses of whatever nature which is caused to any other party.

Thanking you,

Yours faithfully,

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