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I. CHART OF FORTHCOMING DUE DATES: -

a) GST

Month	GSTR -1 Monthly	GSTR -3B	GSTR-9; 9A, and 9C	CMP-08#
August 2019	11 th	20 th	31 st	31 st

Statement cum Challan for Composition Taxpayers

b) Others

Month	TDS Payment	ESIC Payment	P.F. Payment	Income Tax Return*
August 2019	7 th	15 th	15 th	31 st

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

II. OVERVIEW:

o AMENDMENTS IN TDS PROVISIONS

The Budget 2019 have proposed changes in TDS provisions effective from 1st September, 2019. It has been proposed to widen the scope of the TDS by inclusion of some payments made by Individuals and HUFs which are not liable or covered by Tax Audit.

INSERTION OF NEW SECTIONS:

Section	Payment made by	To	Amount	Compliance
194M	Individuals/HUF	Resident Contractor / Professional	Exceeding Rs. 50 Lakhs p.a. / per person	Payer to Deduct TDS @ 5%
194N	Banking Company / Co-operative Society / Post Office	Any Person * maintaining accounts with the Payer	Cash Payments exceeding Rs. 1 Crore in aggregate during the year	Payer to deduct TDS @ 2%

* Excluding Government, Banking Company, Co-operative Society engaged in the business of banking, post office, banking correspondents and white label ATM operators

AMENDMENTS TO CURRENT PROVISIONS:

Section	Earlier Provision	New Provision	Amendment	Impact
194IA - TDS on Payment of Immovable Property	Deduct TDS @ 1% on Sales Consideration	Deduct TDS @ 1% on : Sales Consideration + Charges incidental to the transfer of immovable property	The Term "Consideration for Immovable Property" was not defined. Now, the same will be defined under the Explanation	As a result of this amendment, the purchaser will have to deduct TDS on all the payments towards and incidental to purchase of the immovable property

<p>194DA - TDS on sum received under Life Insurance Policy</p>	<p>Deduct TDS @ 1% on Entire amount paid to resident under life insurance policy not exempt u/s. 10(10D)</p>	<p>Deduct TDS @ 5% on the Income comprised in the Payment</p>	<p>Earlier the Tax @ 1% was to be deducted on the entire amount paid.</p> <p>Now, the Tax @ 5% to be deducted only on the Income component.</p>	<p>From the point of views of tax administration, it is preferable to deduct tax on net income so that the income as per TDS return of the Deductor can be matched automatically with the return of income filed by the assessee</p>
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III. COMPANIES ACT

o INTRODUCTION OF COMPANIES (AMENDMENT) ACT 2019

The Amendment Act is introduced to replace the **Companies (Amendment) Second Ordinance, 2019** which had given continued effect to the **Companies (Amendment) Ordinance, 2019** and the Amendment Ordinance, 2019 was promulgated to give continued effect to the **Companies (Amendment) Ordinance, 2018**

Name of the Ordinance/ Bill	Relevant Date
Companies (Amendment) Ordinance, 2018	2 nd November, 2018
Companies (Amendment) Ordinance, 2019	12 th January, 2019
Companies (Amendment) Second Ordinance, 2019	21 st February, 2019
Companies (Amendment) Bill, 2019	25 th July, 2019

HIGHLIGHTS OF THE COMPANIES (AMENDMENT) ACT, 2019

Shifting of Authority from NCLT to Central Government

- To Follow different financial year by holding, subsidiary, or associate of foreign company
- Approval for Conversion of Public Company to private Company

Re-categorizing of offences which are in the category of compoundable offences to an in-house adjudication framework.

Re-introduction of requirement of Declaration of Commencement of business provision,

Greater accountability with respect to filing documents related to creation, modification and satisfaction of charges.

Registrar to conduct physical verification and initiate de-registration for non-maintenance of registered office.

Directors to attract disqualification for holding directorship beyond permissible limits.

Unspent amount towards CSR (Corporate Social responsibility) to be mandatorily transferred to special account within period of 30 days from the end of the financial year.

- In case of Default, officers in default would be punishable with imprisonment

Requirement by every company to take steps to identify the Beneficial Owner and require their compliance under the Act.

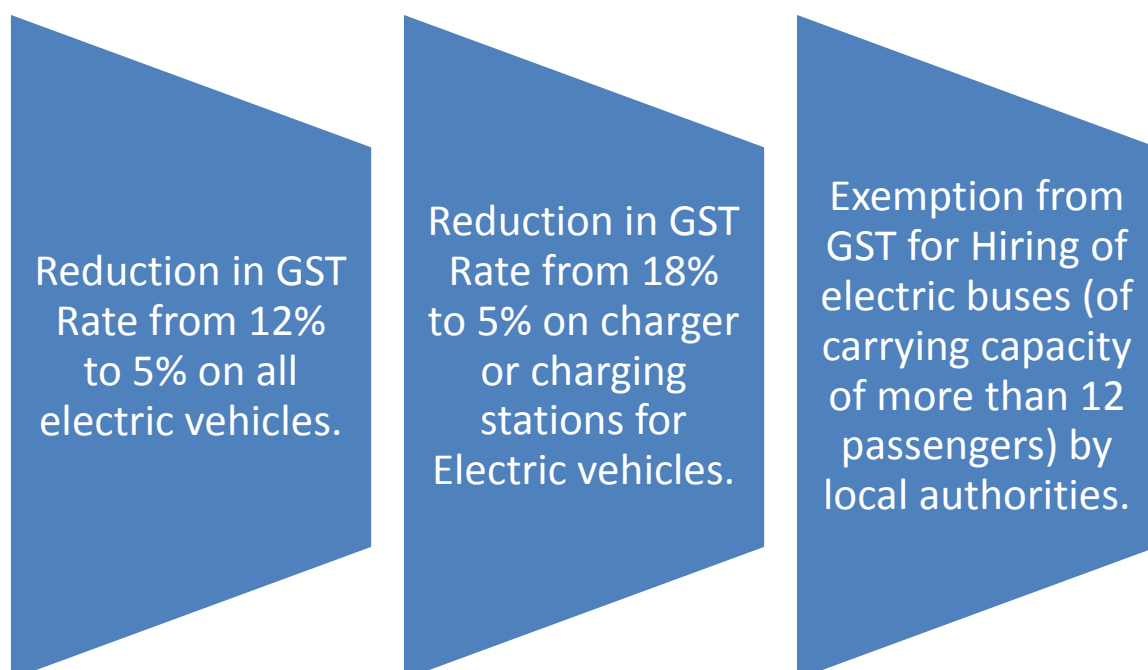
IV. GOODS & SERVICE TAX

o CHANGES IN GST RATES & EXTENSION OF DUE DATES

The GST Council at its 36th Meeting recommended the following changes:

✓ CHANGES IN GST RATES

GST rate related changes on supply of goods and services effective from 1st August, 2019



✓ EXTENSION OF DUE DATES

The due date for filing of intimation for availing the option for Composition Scheme by Service Providers has been extended to 30th September, 2019

The due date for furnishing statement containing details of self-assessed tax by taxpayers under Composition Scheme for the quarter April to June 2019 has been extended to 31st August, 2019

o DISPUTE RESOLUTION CUM AMNESTY SCHEME 2019

In the Union Budget 2019, Finance Minister proposed the “SABKA VISHWAS LEGACY DISPUTE RESOLUTION SCHEME, 2019” – an amnesty scheme for old disputes regarding Central Excise and Service Tax pertaining to the period prior to the introduction of Goods and Services Tax.

Effective date

The Central Government has not notified the appointed date from which the scheme shall be made effective.

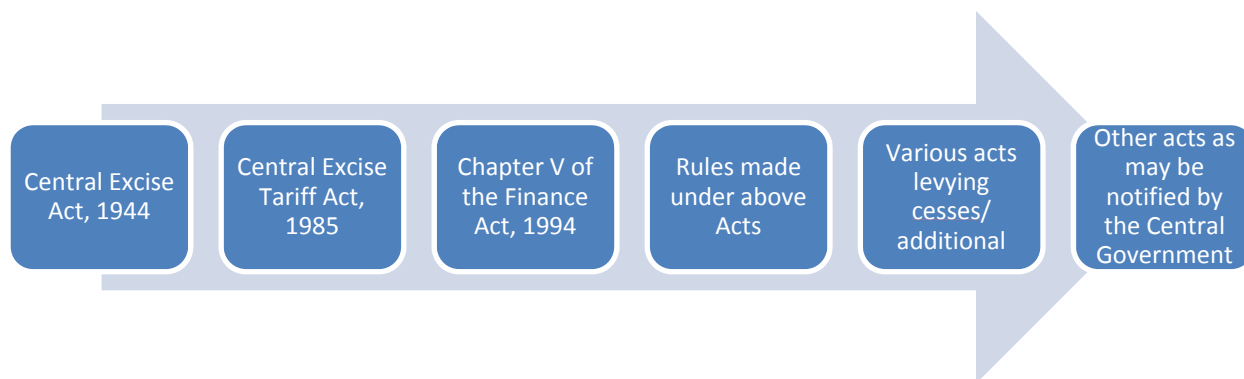
Eligibility for making declaration:

All Persons* except:

- a. Who have filed and for which final hearing has been done before 30.06.2019
- b. Who have been convicted for any offence punishable under any provision of indirect tax enactment for the matter for which he intends to file a declaration
- c. Who have been issued a show cause notice and final hearing has been done before 30.06.2019
- d. Who have been issued show cause notice for erroneous refund or refund
- e. Who have been subjected to enquiry / investigation / audit and the amount of duty has not been quantified on or before 30.06.2019
- f. Person making voluntary disclosure after being subjected to any enquiry / investigation OR having filed return wherein the amount of duty has been declared as payable but the same has not been paid.
- g. Who have filed Settlement application in the Settlement Commission.
- h. Persons seeking to make declarations with respect to excisable goods.

* Person includes – Individual, HUF, Company, Society, LLP, Firm, AOP / BOI, Government, Local Authority, Assessee as defined in Rule 2 of the Central Excise Rules, 2002, every other artificial judicial person

Laws Covered



Restrictions on Payment to be made:

- Amounts payable will have to be paid in cash only
- Shall not be paid through Input Tax Credit
- Shall not be refundable
- Shall not be taken as Input Tax Credit / entitle any person to take input tax credit.

Reliefs available

For Tax dues relating to Show Cause Notice / 1 or more appeals arising out of such notice & is pending as on 30.06.2019 & Amount of Duty is	<ul style="list-style-type: none">• < Rs. 50 lakh - 70% of the tax dues• > Rs. 50 lakh – 50% of tax dues
For Tax dues relating to Show Cause Notice for only late fee or penalty & the amount of duty has been paid / is NIL	<ul style="list-style-type: none">• Entire amount of late fee or penalty
For Tax dues relating to amount in arrears and amount of duty is :	<ul style="list-style-type: none">• < Rs. 50 Lakh – 60% of tax dues• > Rs. 50 Lakh – 40% of tax dues
For Tax Dues are linked to an enquiry / investigation / audit and the amount quantified on or before 30.06.2019 is :	<ul style="list-style-type: none">• < Rs. 50 Lakh – 70% of Tax dues• > Rs. 50 Lakh – 50% of the Tax Dues.
For Tax Dues are payable for Voluntary disclosure by declarant	<ul style="list-style-type: none">• No Relief

What is “Tax Dues”?

- For Order pending as on 30.06.2019**
 - Single Appeal - Total amount of duty being disputed in the said appeal.
 - Multiple Appeal (one by declarant and other by the Department)- Sum of amount of duty being disputed by the declarant + amount of duty disputed in departmental appeal.
(Not applicable where final hearing is done before 30.06.2019)
- For Show Cause Notice received on or before 30.06.2019 - amount of duty to be payable by the declarant**

- iii. For any enquiry or investigation pending - amount of duty payable under any of the indirect tax enactment which has been quantified on or before 30.06.2019
- iv. For Voluntary disclosure - total amount of duty stated in the declaration
- v. For amount in arrears due - the total amount in arrears.

V. INSOLVENCY AND BANKRUPTCY CODE

o AMENDMENT IN INSOLVENCY AND BANKRUPTCY REGULATIONS

The Insolvency and Bankruptcy Board of India vide notification dated 25th July, 2019 amended the below regulations.

- INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) (AMENDMENT) REGULATIONS, 2019

Process for withdrawal of application specified	COC while approving resolution plan or decide to liquidate may:
<ul style="list-style-type: none">• Before constitution of Committee of Creditors• After constitution of Committee of Creditors but before issue of invitation for expression of interest• after issue of expression of interest	<ul style="list-style-type: none">• Approve plan providing for contribution for meeting liquidation costs• recommend sale of corporate debtor as going concern• Fix the fee of Liquidator (if order passed for Liquidation)

- INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY RESOLUTION PROCESS FOR CORPORATE PERSONS) (AMENDMENT) REGULATIONS, 2019

For Corporate Debtor under Liquidation for closure of Liquidation process without liquidation, process specified for: A. Sale of Corporate Debtor as Going Concern. B. Sale of Business of coproate Debtor as Going Concern

Completion of Liquidation Process within one year of its commencement

Within 90 Days from the order of liquidation requiement of completion of Compromise or arrangement

Financial Institutions being financial creditors required to contribute towards the liquidation cost in case of inadequate resources of the coporate debtor to complete the Liquidation process.

Requiement of Constitution of Stakeholder's Consultation Committee to advice on matters related to sale

Stakeholder required to submit its claim or update its claim as on liquidation commencement date.

Submission of Comrehensive Compliance Certificate along with final report to the Adjudication Authority

o HIGHLIGHTS OF THE INSOLVENCY AND BANKRUPTCY CODE (AMENDMENT) BILL, 2019

The Insolvency and Bankruptcy Code (Amendment) Bill, 2019 was introduced in Rajya Sabha by the Minister of Finance, Ms. Nirmala Sitharaman, on July 24, 2019. The Bill amends the Insolvency and Bankruptcy Code, 2016. The Code provides a time-bound process for resolving insolvency in companies and among individuals. Below are highlights of the Amendment Bill:

- ✓ Insertion of Explanation to Definition of Resolution Plan:
Resolution plan to include provisions for restructuring including by way of merger, amalgamation, demerger of Corporate Debtor.
- ✓ Ascertainment of existence of default by Adjudicating authority in section 7 cases to be time bound or delay shall be reasoned
If the Adjudicating Authority has not ascertained the existence of default and passed an order under sub-section (5) within such time, it shall record its reasons in writing for the same

- ✓ Maximum Time for Completion of CIRP shall be 330 days
It includes any extension granted under section 12 and the time taken in legal proceedings in the resolution process. Further, all pending resolution processes which have not been completed within 330 days, shall be completed within 90 days of the commencement of the Amendment Act, 2019.
- ✓ Authorized representative of financial creditors to cast vote on basis of decision of the class he represents
The IBC Bill provides that in all cases (except for withdrawal of CIRP proceedings), the authorised representative will cast the vote for all financial creditors he represents in accordance with the decision of more than 50% of the voting share of the financial creditors he represents, who have cast their vote (i.e. who are present and voting).
- ✓ Fair and Equitable Treatment of Creditors under Resolution Plan
 - A minimum payment to operational creditors shall be made which shall be higher of:
 - a. Amount to be paid at the time of liquidation OR
 - b. Amount that would have been paid under Resolution Plan
 - Minimum payment to dissenting financial creditors which shall be not be less than the liquidation value to be paid to them.
 - The committee of creditors, while approving the resolution plan, shall have regard to the manner of distribution proposed which may take into account the order of priority amongst creditors as laid down in section 53(1), including the priority and value of the security interest of a secured creditor.
- ✓ Liquidation before resolution
The amendment empowers the committee of creditors to approve liquidation of the corporate debtor any-time after its constitution. The approval for liquidation can be given even before preparation of information memorandum.
- ✓ Approved Resolution Plan to be binding on Government
Insertion of clarification which includes “the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed” in the list of stakeholders bound by the plan.

VI. RBI

o EXTERNAL COMMERCIAL BORROWINGS - RATIONALIZATION OF END-USE PROVISIONS

The Reserve Bank of India in consultation with the Government of India, with a view to further liberalize the External Commercial Borrowings (ECB) framework has decided to relax the end-use restrictions relating to ECBs for:

- Working Capital Requirements
- General Corporate purposes and
- Repayment of Rupee Loans.
- On-Lending for above activities.

EARLIER PROVISIONS
ECB proceeds not to be utilized for:

- Real Estate Activities
- Investment in capital market
- Equity Investment
- Working capital purposed except from foreign equity holder
- General Corporate purposes except from foreign equity holder
- Repayment of Rupee loans except from foreign equity holder
- On-lending to entities for the above activities

NEW PROVISIONS
ECB proceeds permitted to use for:

- Working capital and general corporate purposes & Borrowing by NBFC for on-lending for said purposes - MAMP - 10 Years
- Repayment of rupee loans (availed domestically) for purpose other than capital expenditure & Borrowing by NBFC for on-lending for said purposes - MAMP - 10 Years
- Repayment of rupee loans (availed domestically) for capital expenditure & Borrowing by NBFC for on-lending for said purposes - MAMP - 7 Years

IMPACT OF THE NEW PROVISIONS

- The rationalization of the ECB policy will increase the borrowing capacity of the Borrower from Foreign Source.
- Eligible borrowers would have an additional avenue for financing its working capital needs.
- Long term overseas borrowing can provide the much-needed financial support to NBFCs (for on-lending)

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Thanking you,

Yours faithfully,

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