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EDITORIAL

Friends,

Finance Minister Nirmala Sitharaman has announced several **business opportunities** on 16.05.2020 for post covid-19 for optimum utilization of the resources available and better management of the work culture to increase the efficiency.

Reforms will be done as follows-

- ✓ **Fast track Investment Clearance** through Empowered Group of Secretaries (EGoS).
- ✓ **Project Development Cell** in each Ministry to prepare investible projects, coordinate with investors and Central/ State Governments.
- ✓ **Ranking of States** on Investment Attractiveness to compete for new investments.
- ✓ **Incentive schemes** for Promotion of New Champion Sectors will be launched in sectors such as Solar PV manufacturing; Advanced cell battery storage; etc.
- ✓ **Availability of Industrial Land/ Land Bank** for promoting new investments and making information available on Industrial Information System (IIS) with GIS mapping. All industrial parks will be ranked in 2020-21.

Various **sectors** in which reforms are done are-

1.COAL SECTOR

i) Revenue sharing mechanism instead of regime of fixed Rupee/tonne - Any Party can bid for Coal Block and sell in the open market.

ii) Nearly 50 blocks to be offered immediately- Only Upfront payment with a ceiling, very negligible eligibility conditions.

iii) Infrastructure development of ` 50,000 crores

- Includes ` 18,000 Cr worth of investment in mechanized transfer of coal (conveyor belts) from mines to railway sidings.
- For evacuation of enhanced CIL's target of 1 billion tons coal production by 2023-24 plus coal production from private blocks.

iv) 500 mining blocks would be offered through an open and transparent auction process.

2.**MINERAL SECTOR**

i) Rationalization of stamp duty payable at the time of award of mining leases.

ii) Remove distinction between captive and non-captive mines to allow transfer of mining leases and sale of surplus unused minerals.

3.POWER SECTOR

i) Power Departments / Utilities in Union Territories will be privatized.

4.SOCIAL INFRASTRUCTURE SECTOR

Government will enhance the quantum of Viability Gap Funding upto 30% each of Total Project Cost as VGF by

Centre and State/Statutory Bodies.

The Central Board of Indirect Taxes and Custom(CBIC) has asked GST risk management wing to conduct supply chain analysis **to identify risky major suppliers** to exporters and share it with jurisdictional field officers. The Central Board of Indirect Taxes (CBIC) had received representations from exporters saying in some cases the Integrated GST (IGST) refunds are getting delayed by over 6 months. Last year, the CBIC had detected several cases of firms availing credit fraudulently through refund of Integrated Goods and Services Tax on exports of goods. To mitigate the risk, the CBIC has taken measures to apply stringent risk parameters based checks, and the consignment of such exporters in risky category are subject to 100% Customs examinations and their refunds were kept in abeyance. The CBIC, which had in January issued a standard operating procedure (SoP) to be followed by such exporters has now asked GST and Customs Zonal principal chief commissioners to forward all pending verification report to Directorate General of Analytics and Risk Management (DGARM) by 05.06.2020.

According to government sources, the central government has released Rs 15,340 crore to states and union territories (UTs) in the current fiscal year 2020-21 as **Goods and Services Tax (GST) compensation** despite an almost insignificant collection due to relief provided in terms of filing of return and payment of taxes owing to lockdown.

As per Press Release dated 20.05.2020 The Union Cabinet as chaired by the Prime Minister Shri Narendra Modi has given its approval to the proposal of the Ministry of Finance **to launch a new Special Liquidity Scheme** for Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs) to improve liquidity position of the NBFCs/HFCs.

As per Press Release dated 22.05.2020 Central Board of Direct Taxes (CBDT) has **issued tax refunds** worth ` 26,242 crore to 16,84,298 assesses since 1st April, 2020 to 21st May, 2020. Income Tax refunds amounting to ` 14,632 crore have been issued to 15,81,906 assesses and corporate tax refunds amounting to ` 11,610 crore have been issued to 1,02,392 assesses during this period.

We do hope that this bulletin adds value to your professional sphere.

Just to reiterate that we remain available over telecom or e-mail.

Truly Yours

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SYNOPSIS

INCOME TAX

NOTIFICATIONS

INTRODUCTION OF INCOME-TAX (9TH AMENDMENT) RULES, 2020

OUR COMMENTS: The Central Board of Direct Taxes, Ministry of Finance, Government of India **vide Notification No.25/2020 dated 20.05.2020** had notified Income-tax (9th Amendment) Rules, 2020.

[For details please consider the said Notification]

CENTRAL GOVERNMENT NOTIFIES 'KERALA COOPERATIVE DEVELOPMENT AND WELFARE FUND BOARD' A BOARD CONSTITUTED BY THE GOVERNMENT OF KERALA IN RESPECT OF THE SPECIFIED INCOME ARISING TO THAT BOARD

OUR COMMENTS: The Central Board of Direct Taxes, Ministry of Finance, Government of India **vide Notification No.26/2020 dated 21.05.2020** has notified for the purposes of 10(46) of the IT Act, 1961, 'Kerala Cooperative Development and Welfare Fund Board', Trivandrum (PAN AACTT3875A) that a Board constituted by the Government of Kerala, in respect of the following specified income arising to that Board, namely:-

(a) Membership Fees;

(b) Annual Renewal Fees;

(c) Risk Fund Contribution and Assistance; and

(d) Interest earned on (a) to (c) above.

2. This notification shall be effective subject to the conditions that Kerala Cooperative Development and Welfare Fund Board-

(a) shall not engage in any commercial activity;

(b) activities and the nature of the specified income shall remain unchanged throughout the financial years;

(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961; and

(d) shall file the audit report along with return, duly verified by the accountant as provided in explanation to section 288(2) of the Income-tax Act, 1961 along with a certificate from the chartered accountant that the above conditions are satisfied.

[For details please consider the said notification]

GST: CGST/IGST/SGST/UTGST

CASE LAWS

M/S ATRIA CONVERGENCE TECHNOLOGIES VS. UNION OF INDIA- 2019 [KARNATAKA HIGH COURT]

Brief: Can a taxable person revise their GST TRAN-1 form for non-technical errors or non-technical glitches?

OUR COMMENTS: In the present case, It was that this Court is of the opinion that the petitioner is entitled to revise or rectify the errors in the FORM GST TRAN-1 in terms of Rule 120A wherein the Commissioner is empowered to extend the time period specified in Rule 117. As the petitioner is intending to revise the FORM GST TRAN-1 for the first time, the same squarely comes under Rule 120A. Hence, the respondent authorities ought to have considered the request/representation of the petitioner to permit or allow it to revise the declaration in FORM GST TRAN-1.

[Decided in favour of the petitioner]

M/S RIMJHIM ISPAT LIMITED VS STATE OF U.P AND OTHERS- 2019 [ALLAHABAD HIGH COURT]

Brief: Whether the search and seizure were carried out by observing the 'substantive due process' as well as the 'procedural due process'?

OUR COMMENTS: In the present case, The Allahabad High Court has held that the 'reasons to believe' are mandatory to conduct search and seizures procedure adopted as per the State GST Acts. The Court held that, "it is essential that the officer authorizing the search should have 'reasons to believe.' The principles that are culled out from the catena of decisions referred above is that the 'reasons to believe' should exist and should be based on reasonable material and should not be fanciful or arbitrary. It is also established that this Court in exercise of its powers under Article 226 cannot go into the sufficiency of the reasons and should not sit as an appellate court over the reasons recorded. It is also well established that the reasons may or may not be communicated to the assessee but the same should exist on record,"

[Decided in favour of the petitioner]

PARESH NATHALAN CHAUHAN VS. STATE OF GUJARAT-2020 [GUJARAT HIGH COURT]

Brief: The Gujarat High Court has ordered an inquiry against Goods and Services Tax (GST) Department Officials illegally staying at the house of a taxable person without the authority of law.

OUR COMMENTS: In the present case, It was observed in that "In exercise of powers under sub-section (2) of section 67 of the CGST Act, it is not permissible for the authorised officer to use coercive measures against family members to find out the whereabouts of the taxable person. It is shocking to see that in premises where there are three ladies, namely, the petitioner's mother, wife and young daughter, male officers together with a CRPF Officer have stayed throughout day and night despite the fact that the goods, articles and things were already seized on 11.10.2019. The entire exercise carried out by the concerned officers from 12.10.2019 to 18.10.2019 was totally without any authority of law and in flagrant disregard of the provisions of the Act and the rules and in total abuse of the powers vested in them under the Act".

[Decided in favour of the petitioner]

FEMA

CASE LAW

GOEL & GOEL PARTNERSHIP FIRM VERSUS CHANNI RANDHAWA- 2020 [MADHYA PRADESH HIGH COURT]

Brief: **No specific order of the courts has been challenged in case of non-payment of 20% of compensation amount as per Section 148 of N.I. Act due to dishonor of cheque.**

OUR COMMENTS: In the present case, The Madhya Pradesh High Court held that held that on careful reading of the Section 482 of Cr.P.C. it appears that it gives inherent power to the High Court to make such orders as may be necessary to prevent abuse of process of any Court or otherwise to secure the ends of justice. Under Section 482 of Cr.P.C., there is no necessity to challenge any specific order of any Court, if the aggrieved person feels that the act of anyone is amount to abuse of process of law, he can pray to the High Court to exercise its inherent jurisdiction and pass appropriate direction to secure the ends of justice. Herein, in petition memo, the petitioner prays for specific direction with regard to hearing of appeal and cancellation of order of suspension of sentence and bail granted to the respondent, therefore, there are no force in the ground raised by the respondent's counsel and it is hereby discarded. The appeal is a legal right of the accused and cancellation of bail is not an indefeasible right of the complainant to get the appellants bail canceled but herein, it is pertinent to mention that though appeal is a legal statutory right of the appellant accused but the same cannot be used to abuse the process of law. It is not disputed that bail which was granted to the respondent was conditional in character, i.e. depositing of 20% of the compensation amount and same has been affirmed by this Court in earlier round of litigation. Since, condition stipulated therein has been violated by the respondent, he cannot longer take benefit of the same and plead at this stage that these are his legal right. The respondent cannot be allowed to abuse the process of law and pertinently this aspect has not considered by the learned trial Court. In view of the specific provision of Section 148 N.I. Act with regard to power of Appellate Court ordering of payment in pending appeal against conviction under the N.I. Act, there is no condition to the complainant to approach the Appellate Court for cancellation of bail. Hence, Petition allowed.

[Decided in favour of the petitioner]

CUSTOMS

NOTIFICATIONS

EXTENSION OF VALIDITY PERIOD OF EXPORT PERFORMANCE CERTIFICATES

OUR COMMENTS: The Ministry of Finance, Government of India, Central Board of Indirect Taxes and Customs **vide Notification No. 23/2020-Customs dated 14.05.2020** has notified that such notification seeks to further amend Customs Notification No. 50/2017-Customs dated 30.06.2017 so as to extend the period of validity of existing Export Performance Certificates for FY 2019-20 up to 30.09.2020.

[For further details please refer the notification]

TARIFF NOTIFICATION IN RESPECT OF FIXATION OF TARIFF VALUE OF EDIBLE OILS, BRASS SCRAP, POPPY SEEDS, ARECA NUT, GOLD AND SILVER

OUR COMMENTS: The Ministry of Finance, Government of India, Central Board of Indirect Taxes and Customs **vide Notification No. 45/2020-Customs (N.T.) dated 19.05.2020** has notified revised tariff in respect of fixation of tariff value of edible oils, brass scrap, poppy seeds, areca nut, gold and silver.

[For further details please refer the notification]

IMPOSE ANTI-DUMPING DUTY ON IMPORT OF SODIUM CITRATE ORIGINATING IN OR EXPORTED FROM CHINA RP FOR A PERIOD OF FURTHER 5 YEARS

OUR COMMENTS: The Ministry of Finance, Government of India, Central Board of Indirect Taxes and Customs **vide Notification No. 08/2020-Customs (ADD) dated 19.05.2020** has notified seeks to impose anti-dumping duty on import of Sodium citrate originating in or exported from China RP for a period of further 5 years.

[For further details please refer the notification]

AMENDMENT IN EXCHANGE RATES OF FOREIGN CURRENCY

OUR COMMENTS: The Ministry of Finance, Government of India, Central Board of Indirect Taxes and Customs **vide Notification No. 46/2020-Customs(N.T.) dated 21.05.2020** has amended the exchange rates of foreign currency of export and import.

[For further details please refer the notification]

EXTENSION OF LAST DATE OF EXPORT FOR THE EXPORT FALLS BETWEEN 01.02.2020 AND 31.07.2020

OUR COMMENTS: The Ministry of Finance, Government of India, Central Board of Indirect Taxes and Customs **vide Notification No. 24/2020-Customs dated 21.05.2020** has notified that such notification seeks to amend notification No. 56/2000-Customs dated 05.05.2000, No. 57/2000-Customs dated 08.05.2000 and No. 40/2015-Customs dated 21.07.2015 providing for extension of last date of export by six months, for those cases where the last date of export falls between 01.02.2020 and 31.07.2020 due to the outbreak of COVID-19 pandemic.

[For further details please refer the notification]

NOTIFICATION/CASE LAW

AMENDMENT IN EXPORT POLICY OF MASKS

OUR COMMENTS: The Ministry of Commerce and Industry, Directorate General of Foreign Trade vide **Notification No. 06/2015-2020-FTP dated 16.05.2020** has prohibited the export of all masks (except non-surgical/non-medical masks of all types).

[For further details please refer the notification]

BAYER CROP SCIENCE LIMITED VERSUS UNION OF INDIA & ORS. -2019 [DELHI HIGH COURT]

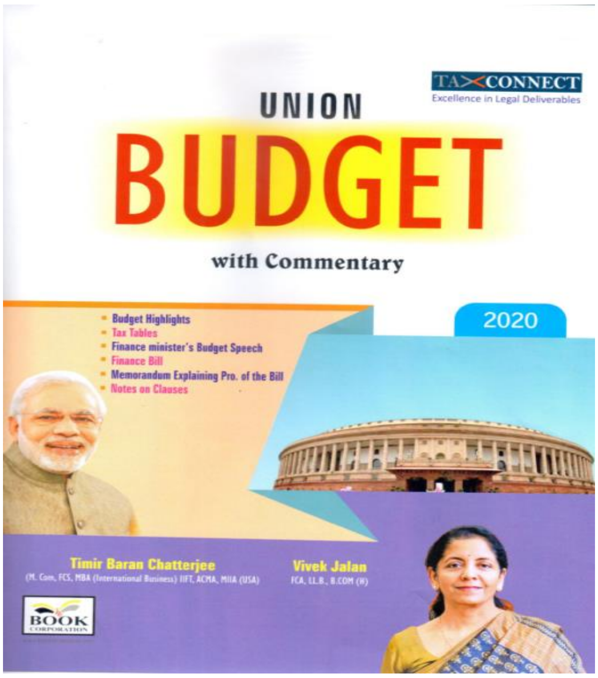
BREIF: **Can petitioner be allowed for uploading shipping bills while applying for the benefit of the export transaction under MEIS notified under Foreign Trade Policy?**

OUR COMMENTS: In the given case, it is case of the Petitioner that MEIS is an incentive which is provided to exporters in order to compensate them for higher freight charges and labour costs. Petition was unable to upload shipping bills for the exports. It was held by the Delhi High Court that insofar as the three shipping bills which according to the Petitioner ought to have been re-transmitted are concerned, the proof of submission of the same contemporaneously would be furnished to the Counsel. After verification of the same, if the counsel has any objections in respect of the three shipping bills, the same shall be communicated to the Petitioner and the issues in respect of the three shipping bills shall also be resolved. The 40 shipping bills which have now been re-transmitted shall now be processed by Respondent No.2 i.e. DGFT in order to permit the Petitioner to avail of the benefits under the MEIS. If the three shipping bills are retransmitted after satisfying the Customs Authorities on the ICEGATE platform, then the said shipping bills would also be processed for extending of the MEIS benefit in respect thereof. Hence, petition is allowed.

[Decided in favour of the petitioner]

IN STANDS

UNION BUDGET WITH COMMENTARY 2020



ABOUT THE BOOK: **This publication includes:**

1. **Budget Highlights**
2. **Tax tables**
3. **Finance Minister's Budget Speech**
4. **Finance Bill**
5. **Memorandum Explaining Pro. Of the Bill**
6. **Notes on Clauses**

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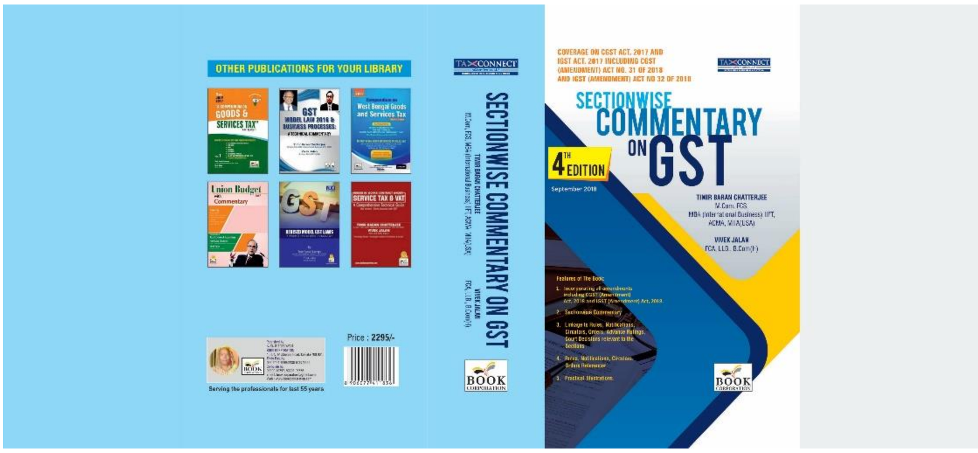
IN STANDS

SECTION WISE COMMENTARY ON GST UPDATED TILL DATE



ABOUT THE BOOK: This book provides an insight into the following:

1. **Incorporating all amendments**
2. **Section wise commentary**
3. **Linkages to Rules, Notifications, Circulars, Orders, Advance Rulings, Court Decisions relevant to the Sections**
4. **Rules, Notifications, Circulars, Orders Referencer**
5. **Practical Illustrations**

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