

INSIGHT

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Extension of period of Interest Subvention and Prompt Repayment Incentive for Short Term Crop Loans during the years 2018-19 and 2019-20 on account of COVID - 19:

RBI vide its circular FIDD.CO.FSD.BC. No.15/05.02.001/2018-19 dated March 17, 2019 had introduced an Interest Subvention Scheme for Short Term Crop Loans during the years 2018-19 and 2019-20.

In the wake of the nationwide lockdown due to outbreak of COVID - 19 pandemic and the resultant restrictions imposed on movement of people; many farmers are not able to travel to bank branches for payment of their short-term crop loan dues.

As per RBI circular dated March 27, 2020 regarding COVID - 19 Regulatory Package, moratorium has been granted for three months on payment of instalments falling due between March 1, 2020 and May 31, 2020 in respect of all term loans including short term crop loans.

Accordingly, to ensure that farmers do not have to pay penal interest and at the same time continue getting the benefits of interest subvention scheme, Government has decided to continue the availability of 2% Interest Subvention and 3% Prompt Repayment Incentive to farmers for the extended period of repayment up to 31.05.2020 or date of repayment, whichever is earlier, for short term crop loans up to INR 3 lakhs per farmer which have become due between March 01, 2020 and May 31, 2020.

All other conditions of the scheme remain unchanged.

Electronic Cards for Overdraft Accounts:

The Paragraph II.2 of Master Circular on Credit Card, Debit Card and Rupee Denominated Co-branded Pre-paid Card Operations of Banks and Credit Card issuing NBFCs' dated July 1, 2015 of the RBI allowed the banks to issue debit cards to customers having Saving Bank/Current Accounts but not to cash credit/loan account holders.

In connection with the Master Circular mentioned in the above paragraph, RBI vide its notification dated April 23, 2020 allowed banks to issue electronic cards to natural persons having Overdraft Accounts that are only in the nature of personal loan without any specific end-use restrictions. The card shall be issued for a period not exceeding the validity of the facility and shall also be subject to the usual rights of the banks as lenders.

Review of WMA Limit for Government of India for remaining part of the first half of the Financial Year 2020-21 (April 2020 to September 2020):

To tide over the situation arising from the outbreak of the COVID-19 pandemic, RBI in consultation with the Government of India has decided that the limit for Ways and Means Advances (WMA- temporary facilities provided to state banks by RBI to help them to tide over temporary mismatches in the cash flow of their receipts and payments) for the remaining part of first half of the financial year 2020-21 (April 2020 to September 2020) will be revised to INR 2 Lakh crore (~ USD 26.67 billion).



UPDATES IN THE COMPANIES ACT, 2013

Below are the updates and clarifications issued by Ministry of Corporate Affairs (“MCA”) to ease out stakeholder difficulties and enable ease of doing business in India:

A. Holding of annual general meeting (“AGM”) by companies whose financial year has ended on December 31, 2019:

- i. Section 96 of the Companies Act 2013 (“CA-13”), allows a company to hold its AGM within a period of 6 months (9 months in case of first AGM) from the date of closure of financial year and not later than a period of 15 months from the date of last AGM.
- ii. The MCA upon considering the difficulties being faced by companies on account of COVID-19, has clarified that if the companies whose financial year (other than first financial year) has ended on December 31, 2019, hold their AGM within a period of 9 months from the closure of financial year i.e., by September 30, 2020 and the same shall not be viewed as a violation.

Above is as per circular General Circular No.18/2020 dated April 21, 2020

B. Period/Days of Extension for names reserved and re-submission of forms:

The MCA has provided period/days of extension for names reserved and resubmission of forms for Companies and Limited Liability Partnerships in forms such as SPICe+ Part B, Form INC-24, FiLLiP, Form 5 etc.

The details of the forms and period of extension are available on the office website of the MCA at http://www.mca.gov.in/Ministry/pdf/Extension_22042020.pdf

Above was notified on April 23, 2020

C. Frequently asked Questions (FAQ's) on companies fresh Start Scheme ('CFSS'):

The MCA has released clarifications on about 50 queries raised by the stakeholders on the Companies Fresh start Scheme,2020 ('CFSS') and Limited liability Partnership ('LLP') Settlement Scheme ,2020.

The FAQ's are available on the office website of the MCA at

http://www.mca.gov.in/Ministry/pdf/FAOCFSS_15042020.pdf



RELAXATIONS PROVIDED BY SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) DUE TO COVID-19 VIRUS PANDEMIC

Relaxation under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

A. Holding of Annual General Meetings by top 100 listed entities by market capitalization:

Under Regulation 44 (5) of the LODR Regulations, the top 100 listed entities by market capitalization, determined as on March 31st of every financial year, shall hold their Annual General Meetings within a period of five months from the date of closing of the financial year.

SEBI vide its circular dated March 26, 2020 had relaxed this requirement by one month for the listed entities whose financial year ends on March 31, 2020.

Subsequently, Ministry of Corporate Affairs vide its Circular No. 18/2020 dated April 21, 2020 clarified that “if the companies whose financial year (other than the first financial year) has ended on December 31, 2019 hold their AGM for such financial year within a period of 9 months from the closure of the financial year (i.e. by September 30, 2020), the same will not be treated as violation”.

Accordingly, SEBI vide its Circular dated April 23, 2020 has provided relaxation of Regulation 44 (5) of the LODR Regulations, whereby top 100 listed entities by market capitalization whose financial year ended on December 31, 2019 may hold their Annual General Meeting within a period of 9 months from the closure of financial year (i.e. September 30, 2020).

Relaxation under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”):

SEBI vide its circular dated April 21, 2020 has provided certain temporary relaxations with respect to the Rights Issue under Chapter III of the SEBI ICDR Regulations. Such temporary relaxations are applicable to the Rights Issue that open on or before March 31, 2021 and the relaxations mentioned are not applicable to the issue of warrants.

A. Relaxations with respect to eligibility conditions related to Fast Track Rights Issues:

Regulation 99 of ICDR regulations provides the conditions which are to be satisfied for making a rights issue through the fast track route. Certain temporary relaxations with respect to Regulation 99 of ICDR regulations are now provided as follows:

- i. Regulation 99(a) of the ICDR Regulations states that *“the equity shares of the issuer have been listed on any stock exchange for a period of at least three (3) years immediately preceding the reference date”*.

SEBI has provided relaxation by reducing the period of listing on the stock exchange immediately preceding to the reference date from three (3) years to eighteen (18) months.

- ii. Regulation 99(c) of the ICDR Regulations states that *“the average market capitalization of public shareholding of the issuer is at least two hundred and fifty crores”*.

SEBI has provided relaxation by reducing limit of the minimum average market capitalization of public shareholding of the issuer from two hundred and fifty crores to one hundred crores.

- iii. Regulation 99(f) of the ICDR Regulations states that *“the issuer has been in compliance with the provisions of the listing agreement or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, for a period of at least three years immediately preceding the reference date”*.

SEBI has provided relaxation by reducing the period of compliance with the provisions of the listing agreement or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, immediately preceding to the reference date from three (3) years to eighteen (18) months.

- iv. Regulation 99(h) of the ICDR Regulations states that *“that no show-cause notices have been issued or prosecution proceedings have been initiated by the Board and pending against the issuer or its promoters or whole-time directors as on the reference date”*.

SEBI has provided relaxation as follows by amending Regulation 99(h) as follows:

“No show-cause notices, excluding under adjudication proceedings, have been issued by the Board and pending against the issuer or its promoters or whole-time directors as on the reference date;

In cases where against the issuer or its promoters/ directors/ group companies,

- i) A show cause notice(s) has been issued by the Board in an adjudication proceeding or*
- ii) Prosecution proceedings have been initiated by the Board;*

necessary disclosures in respect of such action (s) along-with its potential adverse impact on the issuer shall be made in the letter of offer”.

- v. Regulation 99(i) of the ICDR Regulations states that *“the issuer or promoter or promoter group or director of the issuer has not settled any alleged violation of securities laws through the consent or settlement mechanism with the Board during three years immediately preceding the reference date”.*

SEBI has provided relaxation by amending Regulation 99(h) as follows:

“the issuer or promoter or promoter group or director of the issuer has fulfilled the settlement terms or adhered to the directions of the settlement order(s) in cases where it has settled any alleged violations of the securities laws through the consent and settlement mechanism with the Board”.

- vi. Regulation 99(j) of the ICDR Regulations states that *“the equity shares of the issuer have not been suspended from trading as a disciplinary measure during the last three years immediately preceding the reference date”.*

SEBI has provided relaxation by reducing the period from three (3) years to eighteen (18) months.

- vii. Regulation 99(m) of the ICDR Regulations states that *“there are no qualifications in the audited accounts of the issuer in respect of those financial years for which such accounts are disclosed in the letter of offer.*

SEBI has provided relaxation by amending Regulation 99(h) as follows:

“For audit qualifications, if any, in respect of any of the financial years for which accounts are disclosed in the letter of offer, the issuer shall provide the restated financial statements adjusting for the impact of the audit qualifications.

Further, that for the qualifications wherein impact on the financials cannot be ascertained the same shall be disclosed appropriately in the letter of offer”.

B. Relaxations with respect to Minimum Subscription:

- i. Regulation 86(1) of the ICDR Regulations states that *“the minimum subscription to be received in the issue shall be at least ninety per cent of the offer through the offer document”*.

SEBI has amended the Regulation 86(1) as follows:

“The minimum subscription to be received in the issue shall be at least seventy-five per cent of the offer through the offer document.

Provided that if the issue is subscribed between 75% to 90%, issue will be considered successful subject to the condition that out of the funds raised at least 75% of the issue size shall be utilized for the objects of the issue other than general corporate purpose”.

C. Relaxations with respect to the Minimum threshold required for not filing draft letter of offer with SEBI:

- i. Regulation 3 of the ICDR Regulations states that unless otherwise provided, ICDR Regulations shall apply to the following:
- a. an initial public offer by an unlisted issuer;
 - b. a rights issue by a listed issuer; where the aggregate value of the issue is ten (10) crore rupees or more;
 - c. a further public offer by a listed issuer;
 - d. a preferential issue by a listed issuer;
 - e. a qualified institutions placement by a listed issuer;
 - f. an initial public offer of Indian depository receipts;
 - g. a rights issue of Indian depository receipts;
 - h. an initial public offer by a small and medium enterprise;
 - i. a listing on the innovators growth platform through an issue or without an issue; and
 - j. a bonus issue by a listed issuer.

Provided that in case of rights issue of size less than ten (10) crore rupees, the issuer shall prepare the letter of offer in accordance with requirements as specified in these regulations and file the same with the Board for information and dissemination on the Board’s website.

- ii. Regulation 3 of the ICDR Regulations states that unless otherwise provided in Chapter III of the ICDR Regulations, an issuer offering specified securities of aggregate value of ten (10) crore rupees or more, through a rights issue shall satisfy the conditions of this Chapter at the time of filing the draft letter of offer with the Board and also at the time of filing the final letter of offer with the stock exchanges, as the case may be.

SEBI has increased the minimum threshold for filing of draft letter of offer with the SEBI as referred in regulation 3(b), proviso to regulation 3 and in regulation 60, from ten (10) crores to twenty-five (25) crores.

One-time relaxation with respect to the SEBI Observations:

- i. Regulation 44(1) of the ICDR Regulations relating to the opening of the issue of the Initial Public Offer states that Subject to the compliance with the provisions of the Companies Act, 2013, a public issue may be opened within twelve months from the date of issuance of the observations by the SEBI under regulation 25.
- ii. Regulation 85 of the ICDR Regulations relating to the opening of the Rights Issue states that Subject to the compliance with the provisions of the Companies Act, 2013, a rights issue may be opened within twelve months from the date of issuance of the observations by the SEBI under regulation 71.
Provided that in case of a fast track issue, the issue shall open within twelve months from the record date.
- iii. Regulation 140 of the ICDR Regulations relating to the opening of the issue of the Further Public Offer states as follows:
 - (1) Subject to the compliance with the provisions of the Companies Act, 2013, a public issue may be opened within twelve months from the date of issuance of the observations by the SEBI under sub-regulation (4) of regulation 123; or

Provided that in case of a fast track issue, the issue shall open within the period specifically stipulated under the Companies Act, 2013.
 - (2) In case of shelf prospectus, the first issue may be opened within three months of issuance of observations by the SEBI.
 - (3) The issue shall be opened after at least three working days from the date of filing the red herring prospectus with the Registrar of Companies in case of book-built issues and prospectus with the Registrar of Companies in case of fixed price issues.

The validity of the SEBI Observations under regulations 44 (1), 85 and 140, where the same have expired/ will expire between March 1, 2020 and September 30, 2020 has been extended by 6 months, from the date of expiry of such observation, subject to an undertaking from lead manager of the issue confirming compliance with Schedule XVI of the ICDR Regulations while submitting the updated offer document to the SEBI.

- iv. In terms of Schedule XVI (1)(f)(i) of the ICDR Regulations any increase or decrease in estimated fresh issue size by more than twenty percent of the estimated fresh issue size shall require fresh filing of the draft offer document along with fees.

SEBI has provided the following relaxation:

An issuer shall be permitted to increase or decrease the fresh issue size by up to 50% of the estimated issue size without requiring to file fresh draft offer document with the Board subject to following conditions:

- a) There has been no change in the objects of the issue
- b) The lead manager undertakes that the draft offer document is in compliance with provisions of Regulation 7(1)(e)
- c) The lead manager shall ensure that all appropriate changes are made to the relevant section of DRHP and an addendum, in this regard, shall be made public.

The above relaxation on change in fresh issue size shall be applicable for issues (IPO/ Rights Issues/ FPO) opening before December 31, 2020.

Relaxation under SEBI (Buy-back of Securities) Regulations, 2018 due to COVID-19 pandemic:

Regulation 24(i)(f) of SEBI (Buy-back of Securities) Regulations, 2018 (“Buy-back Regulations”) provides a restriction that the companies shall not raise further capital for a period of one year from the expiry of buyback period, except in discharge of their subsisting obligations. It has been represented that the said period of one year may be reduced to six months, which would be in line with section 68(8) of the Companies Act, 2013.

To enable relatively quicker access to capital, SEBI has temporarily relaxed the period of restriction provided in Regulation 24(i)(f) of the Buy-back Regulations. Accordingly, the words “one year” shall be read as “six months” in the said regulation.

This relaxation will be applicable till December 31, 2020.



DIRECT TAX UPDATES

Clarifications on provisions of the Direct Tax Vivad se Vishwas Act, 2020.

The 'Vivad se Vishwas' Scheme was announced during the Union Budget, 2020, to provide for dispute resolution in respect of pending income tax litigation. Pursuant to the Budget announcement, the Direct Tax Vivad se Vishwas Bill, 2020 ("the Bill") was introduced in the Lok Sabha on February 5, 2020 and passed by the Lok Sabha on March 4, 2020. The objective of *the Bill* is to

- i. Reduce pending income tax litigation;
- ii. Generate timely revenue for the Government and
- iii. Benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process.

After introduction of *the Bill* in Lok Sabha, several queries were received from the stakeholders seeking clarifications in respect of various provisions contained in the Scheme. CBDT decided to clarify the issues vide Circular No.7/2020 dated March 4, 2020. The FAQs contain clarifications on scope/eligibility, calculation of disputed tax, procedure related to payment of disputed tax and consequential benefits to the declarant.

On April 22, 2020, CBDT has issued Circular no. 9/2020 dated April 22, 2020 wherein 55 questions contained in circular no 7 has been reissued with certain modifications.

These FAQs are available on the official website of the Income Tax Department at:

https://www.incometaxindia.gov.in/news/circular_no_9_2020.pdf

CBDT revising return forms to enable taxpayers avail benefits of timelines extension due to Covid - 19

CBDT vide press release dated April 19, 2020 informed that in order to enable income taxpayers to avail full benefits of various timeline extensions granted by the Government of India under the Income Tax Act, 1961, vide Taxation and Other Laws (Relaxation of certain provisions) Ordinance, 2020, due to Covid-19 pandemic situations, the CBDT is revising the return forms for FY 2019-20 (Assessment Year 2020-21) which shall be notified by the end of April 2020.

The Government has extended various timelines under the Income Tax Act 1961 vide Taxation and Other laws (Relaxation of certain provisions) Ordinance, 2020. Accordingly, timelines for making investment/payments for claiming deduction under Chapter VIA-B of the Income Tax Act and also for claiming roll over benefit in respect of capital gains under Sec 54 to 54B has been extended to 30th June 2020. Therefore, return forms are being revised to facilitate reporting of the transactions of the relief period.

INDIRECT Taxes



INDIRECT TAX UPDATES

GST Updates:

A. Amendment in Rule 87 CGST Rules, 2017:

CBIC has made changes in Rule 87 CGST Rules, 2017 which deals with electronic cash ledger vide Notification No. 31/2019-Central Tax dated June 28, 2019, with effect from a date to be notified later, by inserting sub rule 13 namely “ A registered person may, on the common portal, may transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under the Act to the electronic cash ledger for integrated tax, central tax, State tax or Union territory tax or cess in **FORM GST PMT-09**”

Form GST PMT-09 has been made live on the GST portal on April 21, 2020, which enables the taxpayer to transfer the amount one minor/major head to another minor/major head. The option is available after the taxpayer logs in, under electronic cash ledger tab. Thus, a taxpayer can now easily rectify wrongly paid taxes or other amounts.

Key points to note about Form GST PMT-09:

- i. If the wrong tax already been utilized for making any payment, then this challan is not useful. This challan only allows shifting of the amounts that are available in the electronic cash ledger.
- ii. The amount once utilized and removed from cash ledger cannot be reallocated.
- iii. Major head refers to – Integrated tax, Central tax, State/UT tax and Cess.
- iv. Minor head refers to – Tax, interest, Penalty, Fee and Others

B. Karnataka Goods and Service Tax Act, 2017, Notification (17/2020) dated April 20, 2020:

Extended time limit for completion or compliance of any action, by any authority or by any person has been specified in, or prescribed or notified under the KGST Act, which falls during the period from March 20, 2020 to March 29,2020 till June 30, 2020.

Such extension of time is not applicable for the following compliances of the provisions of the KGST Act.

- i. Chapter IV – Time & Value of Supply
- ii. Section 10(3) & 25 – Procedure for Registration
- iii. Section 27 – Special provisions relating to casual taxable person & Non-resident taxable person
- iv. Section 31 – Tax Invoice
- v. Section 37 – Furnishing of details of outward supplies
- vi. Section 47 – Levy of late fee
- vii. Section 50 – Interest on delayed payment of tax
- viii. Section 69 – Power to arrest
- ix. Section 90 – Liability of partners of firm to pay tax
- x. Section 122 – Penalty for certain offences
- xi. Section 129 – Detention, seizure and release of goods and conveyances in transit
- xii. Section 39 except sub-section (3), (4) & (5) – Furnishing of returns
- xiii. Section 68 – Inspection of goods in movement, in so far as e-way bill is concerned
- xiv. Rules made under the provisions specified above

The above notification also extends the validity of E-way bills April 20, 2020 for those bills whose validity period expires during March 20, 2020 to April 15, 2020.

C. Amendments to Karnataka Goods and Service Tax Rules, 2017: Notification (4-B/2020) dated April, 23, 2020:

- i. These rules may be called the Karnataka Goods and Service Tax (Third Amendment) Rules, 2020 and shall be deemed to have come into force on the March 23, 2020.
- ii. Following amendments are made in KGST Rules 2017

Sl. No	Rule No	Amendment
1	Rule 3, sub-rule (3) (Intimation for composition levy)	Any registered person who opts to pay tax under composition scheme for the FY 2020-21 shall electronically file an intimation in FORM GST CMP-02 on or before June 30, 2020 & shall furnish the statement in FORM GST ITC-03 upto July 31, 2020.

2	Rule 4, sub-rule (4A) (Effective date of composition levy)	While submitting an application for registration (FORM GST REG-01), the applicant shall undergo Aadhar number authentication for grant of registration w.e.f. April 01,2020
3	Rule 9, sub-rule (1) (Verification of the application and approval)	If the applicant for registration fails to undergo Aadhar number authentication, then the registration shall be granted only after physical verification of the principle place of business in the presence of the said person, within sixty days from the date of application.
4	Rule 25 (Physical verification of business premises in certain cases)	Where the proper officer is satisfied that the physical verification of the place of business of a person is required due to failure of Aadhaar authentication before the grant of registration, or due to any other reason after the grant of registration, he may get such verification of the place of business, in the presence of the said person, done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal within a period of fifteen working days following the date of such verification
5	Rule 31A, sub-rule (2) (Value of supply in case of lottery, betting, gambling and horse racing)	The value of supply of lottery shall be deemed to be 100/128 of the value of ticket or of the prices notified in the official gazette by the organizing state, whichever is higher (w.e.f. March 01, 2020)
6	Rule 36, sub-rule (4) (Documentary requirements and conditions for claiming input tax credit)	To allow cumulative application of condition in rule 36(4) (i.e., restriction for availment of Input Tax Credit unless Invoices uploaded by supplier) for the period February 2020 – August 2020 while filing GSTR 3B for the month of September 2020
7	Rule 43, sub-rule (1), clause c (Manner of determination of input tax credit in respect of capital goods and reversal thereof in certain cases)	The amount of input tax in respect of capital goods not covered under clauses (a) and (b), denoted as ‘A’, being the amount of tax as reflected on the invoice, shall credit directly to the electronic credit ledger and the validity of the useful life of such goods shall extend upto five years from the date of the invoice for such goods: Provided that where any capital goods earlier covered under clause (a) is subsequently covered under this clause, input tax in respect of such capital goods denoted as ‘A’ shall be credited to the electronic credit ledger subject to the condition that the ineligible credit attributable to the period during which such capital goods were covered by clause (a),denoted as ‘Tie’, shall be calculated at the rate of five percentage points for every quarter or part thereof and added to the output tax liability of the tax period in which such credit is claimed: Provided further that the amount ‘Tie’ shall be computed separately for input tax credit of central tax, State tax, Union territory tax and integrated tax and declared in FORM GSTR-3B.
8	Rule 43, sub-rule (1), clause (d)	The aggregate of the amounts of ‘A’ credited to the electronic credit ledger under clause (c) in respect of common capital goods whose

		useful life remains during the tax period, to be denoted as ‘Tc’, shall be the common credit in respect of such capital goods: Provided that where any capital goods earlier covered under clause (b) are subsequently covered under clause (c), the input tax credit claimed in respect of such capital good(s) shall be added to arrive at the aggregate value ‘Tc’
9	Rule 43, sub-rule (1), clause (e)	It is clarified that useful life of any capital goods shall be considered as five years from the date of invoice and the said formula shall be applicable during the useful life of the said capital goods.
10	Rule 43, sub-rule (1), clause (f)	Omitted
11	Rule 80, sub-rule (3) (Annual Return)	Every registered person whose aggregate turnover during the financial year 2018-2019 exceeds five crore rupees shall get his accounts audited as specified under sub-section (5) of section 35 and he shall furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in FORM GSTR-9C for the financial year 2018-2019.
12	Rule 86, sub-rule (4A) (Electronic Credit Ledger)	Where a registered person has claimed refund of any amount paid as tax wrongly paid or paid in excess for which debit has been made from the electronic credit ledger, the said amount, if found admissible, shall be recredited to the electronic credit ledger by the proper officer by an order made in FORM GST PMT-03
13	Rule 89, sub-rule (4), clause c (Refund)	Turnover of zero-rated supply of goods" means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking or the value which is 1.5 times the value of like goods domestically supplied by the same or, similarly placed, supplier, as declared by the supplier, whichever is less, other than the turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both
14	Rule 92, sub-rule (1A) (Order sanctioning refund)	Where, upon examination of the application of refund of any amount paid as tax other than the refund of tax paid on zero-rated supplies or deemed 5 export, the proper officer is satisfied that a refund under sub-section (5) of section 54 of the Act is due and payable to the applicant, he shall make an order in FORM GST RFD-06 sanctioning the amount of refund to be paid, in cash, proportionate to the amount debited in cash against the total amount paid for discharging tax liability for the relevant period, mentioning therein the amount adjusted against any outstanding demand under the Act or under any existing law and the balance amount refundable and for the remaining amount which has been debited from the electronic credit ledger for making payment of such tax, the proper officer shall issue FORM GST PMT-03 recrediting the said amount as Input Tax Credit in electronic credit ledger.
15	Rule 92, sub-rule (4) & sub-rule (5) (Order sanctioning refund)	After the words, brackets and figure “amount refundable under sub-rule (1)”, the words, brackets, figure and letter “or sub-rule (1A)” has been inserted.

16	Rule 96, sub-rule (10), clause (b) (Refund of integrated tax paid on goods or services exported out of India)	For the purpose of this sub-rule, the benefit of the notifications mentioned therein shall not be considered to have been availed only where the registered person has paid Integrated Goods and Services Tax and Compensation Cess on inputs and has availed exemption of only Basic Customs Duty (BCD) under the said notifications
17	Rule 96B (Recovery of refund of unutilised input tax credit or integrated tax paid on export of goods where export proceeds not realised)	<p>(1) Where any refund of unutilised input tax credit on account of export of goods or of integrated tax paid on export of goods has been paid to an applicant but the sale proceeds in respect of such export goods have not been realised, in full or in part, in India within the period allowed under the Foreign Exchange Management Act, 1999 (Central Act 42 of 1999), including any extension of such period, the person to whom the refund has been made shall deposit the amount so refunded, to the extent of non-realisation of sale proceeds, along with applicable interest within thirty days of the expiry of the said period or, as the case may be, the extended period, failing which the amount refunded shall be recovered in accordance with the provisions of section 73 or 74 of the 6 Act, as the case may be, as is applicable for recovery of erroneous refund, along with interest under section 50: Provided that where sale proceeds, or any part thereof, in respect of such export goods are not realised by the applicant within the period allowed under the Foreign Exchange Management Act, 1999 (Central Act 42 of 1999), but the Reserve Bank of India writes off the requirement of realisation of sale proceeds on merits, the refund paid to the applicant shall not be recovered.</p> <p>(2) Where the sale proceeds are realised by the applicant, in full or part, after the amount of refund has been recovered from him under sub-rule (1) and the applicant produces evidence about such realisation within a period of three months from the date of realisation of sale proceeds, the amount so recovered shall be refunded by the proper officer, to the applicant to the extent of realisation of sale proceeds, provided the sale proceeds have been realised within such extended period as permitted by the Reserve Bank of India.</p>
18	Rule 141, sub-rule (2)	For the word “Commissioner”, the word “proper officer” shall be substituted

	(Procedure in respect of seized goods)	
19	Form GST RFD 01 (Application of Refund)	An Undertaking to deposit to the Government the amount of refund sanctioned along with interest in case of non-receipt of foreign exchange remittances as per the proviso to section 16 of the IGST Act, 2017 read with rule 96B of the CGST Rules 2017 has been inserted

Customs Updates:

- A. Circular No. 20/2020 having F. No. 484/03/2015-LC (Vol. II) dated April 21, 2020:**
Electronic Sealing - Deposit in and removal of goods from Customs Bonded Warehouses. The implementation of Circular-10/2020-Customs dated 07.02.2020 has been postponed to July 1, 2020.
- B. Circular No. 21/2020 having F.No.473/02/2020-LC dated April 21, 2020 -Review of Circular No. 17/2020 dated April 03, 2020 namely, 'Measures to facilitate trade during the lockdown period-section 143 AA of the Customs Act, 1962' – reg:**
 - i. Due to the extension of lockdown till May 03, 2020, it has been decided by the board to further extend the facility of accepting undertaking in lieu of bond for the period till May 15, 2020 and the date of submission of bond in lieu of which the undertaking is being temporarily accepted is extended till May 30, 2020.
 - ii. The undertaking in lieu of bond is to be submitted by the registered email ID of the IEC holder or their authorized customs broker. In addition to this requirement, but not in substitution, customs zones may prescribe uploading of undertaking on e-Sanchit
 - iii. With the exception of the above, all other conditions underlined in Circular No. 17/2020 dated 03.04.2020 stands as they are.
- C. Circular No. 22/2020 having F. No.450/119/2017-Cus IV dated April 21,2020: IGST refunds on exports-extension in SB005 alternate mechanism- reg:**
As the exporters are facing hard-ships due to SB005 errors (i.e, shipping bills having invoice mismatch between GST returns data and customs data), it has been decided to extend the facility of SB005 error correction in the Customs EDI system for shipping bills with date upto December 31, 2019.

Karnataka Value Added Tax Act, 2003:

Removal of Difficulties Order 01/2020 dated April 17, 2020: Karnataka Value Added Tax (Removal of Difficulties) Order, 2020.

Sl No	Particulars	Extension of Time Limit
1.	Section 40(1) (Period of Limitation for Assessment or reassessment)	Time limit of five years after the end of the prescribed tax period relating to the tax periods upto March 2016, shall be considered to be “five years and six months after the end of prescribed tax period”
2	Section 40(2) (Period of Limitation for assessment or reassessment in case of fraudulent evasion of tax)	Time limit of eight years after the end of the prescribed tax period relating to the tax periods upto March 2016, shall be considered to be “eight years and six months after the end of prescribed tax period”
3	Section 62(2) (Appeal objecting an order of assessment or any other order) & 63(2) (Appeal to the Appellate Tribunal)	For those orders appealed against are served after 1st day of September, 2019 and before 30th day of November, 2019, for the purpose of calculating the “further period of one hundred and eighty days” shall be considered to be “further period of two hundred seventy days”
4	Section 63A (3) (Revisional powers of Joint Commissioner)	For the purpose of calculating, the “four years have expired after the passing of the order sought to be revised” relating to tax periods upto March 2016, shall be considered to be “four years and six months have expired after the passing of the order sought to be revised” For the purpose of calculating, the “one year from the date of initiation of proceeding or calling for the records” relating to tax periods upto March 2016, shall be considered to be “one year and six months from the date of initiation of proceeding or calling for the records”
5	Section 64(3) (Revisional Powers of Additional Commissioner and Commissioner)	For the purpose of calculating “four years have expired after the passing of the order sought to be revised” relating to tax periods upto March 2016, shall be considered to be “four years and six months have expired after the passing of the order sought to be revised”
6	Section 69(1) (Rectification of mistakes)	For the purpose of calculating the “five years from the date of an order passed by it” shall be

		considered to be “five years and six months from the date of an order passed by it”
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Karnataka Tax on Entry of Goods Act, 1979:

Removal of Difficulties Order 02/2020 dated April 17, 2020: Karnataka Tax on Entry of Goods (Removal of Difficulties) Order, 2020.

SI No	Particulars	Extension of Time Limit
1.	Section 7(1) (Period of Limitation for Assessment or reassessment)	Time limit of five years after the end of the prescribed tax period relating to the tax periods upto March 2016, shall be considered to be “five years and six months after the end of prescribed tax period”
2	Section 7(2) (Period of Limitation for assessment or reassessment in case of failure to get registered or fraudulent evasion of tax)	Time limit of eight years after the end of the prescribed tax period relating to the tax periods upto March 2016, shall be considered to be “eight years and six months after the end of prescribed tax period”
3	Section 13(2) (Appeal objecting an order of assessment or any other order) & 14(2) (Appeal to the Appellate Tribunal)	For those orders appealed against are served after 1st day of September, 2019 and before 30th day of November, 2019, for the purpose of calculating the “further period of one hundred and eighty days” shall be considered to be “further period of two hundred seventy days”
4	Section 15(4) (Revisional powers of Commissioner, Additional Commissioner, Joint Commissioner and Deputy Commissioner)	For the purpose of calculating, the “four years have expired after the passing of the order sought to be revised” relating to tax periods upto March 2016, shall be considered to be “four years and six months have expired after the passing of the order sought to be revised”
5	Section 17(2) (Rectification of mistakes)	For the purpose of calculating the “five years from the date of an order passed by it” shall be considered to be “five years and six months from the date of an order passed by it”

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