MONTHLY
NEWSLETTER

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RBI/FEMA

1) LIBERALISATION OF SOME ASPECTS OF THE ECB POLICY

The RBI has decided to liberalise some aspects of the External Commercial Borrowings (ECB) policy including policy on Rupee denominated bonds as indicated below:

i. ECBs by companies in manufacturing sector: As per the extant norms, ECB up to USD 50 million or its equivalent can be raised by eligible borrowers with minimum average maturity period of 3 years. It has been decided to allow eligible ECB borrowers who are into manufacturing sector to raise ECB up to USD 50 million or its equivalent with minimum average maturity period of 1 year.

ii. Underwriting and market making by Indian banks for Rupee denominated bonds (RDB) issued overseas: Presently, Indian banks, subject to applicable prudential norms, can act as arranger and underwriter for RDBs issued overseas and in case of underwriting an issue, their holding cannot be more than 5 per cent of the issue size after 6 months of issue. It has now been decided to permit Indian banks to participate as arrangers/underwriters/market makers/traders in RDBs issued overseas subject to applicable prudential norms.

All other provisions of the ECB policy shall remain unchanged. – ***[A.P. (DIR Series) Circular No.9, dated 19th September, 2018]***

2) RBI NOTIFIES GUIDELINES FOR CO-ORIGINATION OF LOANS BY BANKS, NBFCS FOR PRIORITY SECTOR

The RBI has issued guidelines for co-origination of priority sector loans by banks and NBFCs with a view to enhancing flow of funds to the sector at competitive rates. Under the new guidelines, NBFCs will take minimum 20% of the credit risk by way of direct exposure, with the balance being taken by banks. Complete guidelines can be read in the Circular. – ***[FIDD.CO.Plan.BC.08/04.09.01/2018-19, dated 21st September, 2018]***

3) RBI ALLOWED BANKS TO TREAT 2% MORE OF INVESTMENTS IN G-SECS AS LIQUID

Presently, the assets allowed as the Level 1 High Quality Liquid Assets (HQLAs) for the purpose of computing the LCR of banks, *inter-alia*, include (a) Government securities in excess of the minimum SLR requirement and, (b) within the mandatory SLR requirement, (i) Government securities to the extent allowed by RBI under Marginal Standing Facility (MSF) [presently 2 per cent of the bank's NDTL] and (ii) under Facility to Avail Liquidity

for Liquidity Coverage Ratio (FALLCR) [presently 11 per cent of the bank's NDTL]. RBI has decided to permit banks with effect from October 1, 2018, to reckon Government securities held by them up to another 2 per cent of their NDTL, under FALLCR within the mandatory SLR requirement, as Level 1 HQLA for the purpose of computing their LCR. Hence, the carve-out from SLR, under FALLCR will now be 13 per cent, taking the total carve out from SLR available to banks to 15 per cent of their NDTL. – ***[DBR.BP.BC.No.4/21.04.098/2018-19, dated 27th September, 2018]***

4) RBI ALLOWS URBAN CO-OPERATIVE BANKS TO BECOME SMALL FINANCE BANKS

The RBI has allowed voluntary transition of primary Urban co-operative banks (UCBs) into small finance banks (SFBs). UCBs with a minimum net worth of Rs. 50 crore (Rs. 500 million) and maintaining capital to risk (weighted) assets ratio of 9% and above are eligible to apply for voluntary transition to SFB under the scheme. The promoters are required to be Indian residents, with 10 years of experience in banking and finance. Promoter or promoter groups should conform to the definition of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 and RBI guidelines on 'fit and proper'. The small finance banks are required to have minimum net worth of Rs100 crore (Rs1 billion) while starting the business. These banks are also required to maintain a minimum capital adequacy ratio of 15% of its risk weighted assets (RWA) on a continuous basis, and ensure availability of adequate capital. Promoters of the SFB have to maintain at least 26% of the paid-up equity capital in the bank. – ***[DCBR.CO.LS.PCB. Cir.No.5/07.01.000/2018-19, dated 27th September, 2018]***

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FOREIGN TRADE

1) ONE TIME RELAXATION FOR REGULARISATION AND ISSUE OF EODC FOR EXPORTS MADE PRIOR TO IMPORTS WHERE ADVANCE AUTHORISATION ISSUED FOR IMPORT OF NATURAL RUBBER/SILK.

Various representations have been received from exporters of Silk and Rubber products that even though pre-import condition has not been specifically mentioned in Appendix-30A except for drugs, RAs are denying issuance of EODC on the assumption that items listed in Appendix-30A are subjected to pre-import condition and exports made prior to imports cannot be accounted. Exporters have also raised the issue related to retrospective amendment made through Public Notice-35 dated 11.09.2015 wherein pre-import condition on Natural Rubber was imposed w.e.f 01.04.2015. Representations were received in PRC for seeking relaxation where RAs did not impose 'Pre-import condition' on the condition sheet attached to the Authorisations and EODC is being denied on account of violation of pre-import condition. In all such cases exports and imports have already been made without adhering to 'Pre-import Condition'. Exporters have sought relief in all such cases where exports have been completed within stipulated EO period as per authorisation and imports were made subsequently. They have represented that they should not be penalised for ambiguity in the Policy and Procedures and

implementation thereof.

Therefore, taking into consideration the genuine hardship being faced by exporters, it has been decided to relax the conditions of Appendix-30A and Appendix-4J on Authorisations already issued for import of 'Natural Rubber' and 'Silk' where exports and imports have already been made within the stipulated period as per Authorisation.

This facility is allowed only for regularisation and issue of EODC. This relaxation, however, shall be applicable only on the Authorisations where "pre-import condition" has not been specifically endorsed by RAs in the condition sheet attached to the Advance Authorisations/DFIAs and imports and exports are completed within the stipulated validity of the Authorisation. However, no further imports or exports shall be allowed. –

[Public Notice No. 39/2015-2020, 10th September, 2018 (DGFT)]

2) AMENDMENT OF IMPORT POLICY OF PETCOKE

In addition to the existing four industries namely cement, lime kiln, calcium carbide and gasification industries, the fifth one i.e., graphite electrode industry is added for whom Petcoke is freely importable. ***–[Notification No. 38/2015-2020, 28th September, 2018 (DGFT)]***

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CORPORATE

1) MOF INCREASES THE MONETARY LIMIT FOR FILING CASES IN DRT TO RS. 20 LAKHS

The Ministry of Finance (MOF) has decided to raise the pecuniary limit for filing application for recovery of debts in the Debts Recovery Tribunals by such banks and financial institutions from Rs.10 lakhs to Rs. 20 lakhs. Accordingly, it is specified that the provisions of the Recovery of Debts due to Banks and Financial Institutions Act, 1993, shall not apply where the amount of debt due to any bank or financial institution or to a consortium of banks or financial institutions is less than Rs.20 lakhs.-

[Ministry of Finance, 6th September, 2018]

2) THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) THIRD AMENDMENT RULES, 2018

MCA has issued the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018, which added a new Rule 9A, requiring unlisted public companies to issue securities in dematerialized (demat) form as follows:

Every unlisted public company shall issue the securities only in dematerialised form; and facilitate dematerialisation of all its existing securities in accordance with provisions of the Depositories Act, 1996, and regulations there under. Also, every unlisted public company making any offer for issue of any securities/buyback of securities/issue of bonus shares or rights offer shall ensure that before making such offer, entire holding of securities of its promoters, directors, key managerial personnel

has been dematerialized in accordance with the provisions of the Depositories Act 1996.

Every holder of securities of an unlisted public company who intends to transfer such securities on or after October 2nd, shall get such securities dematerialised before the transfer. Also where an individual subscribes to any securities of an unlisted public company (whether by way of private placement or bonus shares or rights offer) on or after October 2nd, shall ensure that all his existing securities are held in dematerialized form before such subscription.

Every unlisted public company shall facilitate dematerialisation of all its existing securities by making necessary application to a depository and shall secure International Security Identification Number (ISIN) for each type of security and shall inform all its existing security holders about such facility.

Every unlisted public company should ensure timely payment of fees, maintenance of security deposit and compliance with regulations/directions/guidelines/circulars, if any, issued by the SEBI or Depository. If the unlisted public company defaults in following these conditions, it shall not make offer of any securities or buyback its securities or issue any bonus or right shares till the payments to depositories or registrar to an issue and share transfer agent are made.

The provisions of the Depositories Act, 1996, the SEBI (Depositories and Participants) Regulations, 1996 and the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 shall apply *mutatis mutandis* to dematerialisation of securities of unlisted public companies.

Unlisted Public Company shall submit the audit report required under Reg. 55A of the SEBI (Depositories and Participants) Regulations, 1996, on a half-yearly basis to the Registrar under whose jurisdiction the registered office of the company is situated.

The grievances of security holders of unlisted public companies shall be filed before the Investor Education and Protection Fund Authority, which, shall initiate any action against a depository or participant or registrar to an issue and share transfer agent after prior consultation with SEBI. ***–[Ministry of Corporate Affairs, 10th September, 2018]***

3) IBBI ISSUES CIRCULAR ON VOTING IN THE COMMITTEE OF CREDITORS

Referring to the various provisions of the Insolvency and Bankruptcy Code, 2016 (Code) and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (Regulations), IBBI noted that:

The Code read with Regulations provide for the manner of collection and verification of claims.

The Interim Resolution Professional constitutes the Committee of Creditors (CoC) comprising financial creditors, whose claims have been admitted, as members.

The voting power of a member in the CoC is based on the amount of admitted claim in respect of the financial debt.

A financial creditor, whose claim has not been admitted, is included in the CoC as member, as and when its claim is admitted.

Inclusion of a financial creditor in the CoC as a member subsequent to constitution of the CoC does not affect the validity of any decision taken by the CoC prior to such inclusion.

The CoC decides the matters by the specified percentage of voting share of members.

Thus, IBBI has clarified that a person, who is not a member of the CoC, does not have voting right in the CoC. A person, who is not a member of the CoC, cannot be regarded as one who has voted against a resolution plan or abstained from voting. ***–[IBBI Circular dated 14th September, 2018]***

4) MOF EXEMPTS INTEREST INCOME ON SPECIFIED OFF-SHORE RUPEE DENOMINATED BONDS (MASALA BONDS)

Currently, the interest payable by an Indian company or a business trust to a non-resident, including a foreign company, in respect of rupee denominated bond issued outside India before July 01, 2020 is liable for concessional rate of tax of 5%. Consequently, Section 194LC of the Income-tax Act, 1961 provides for the deduction of tax at a lower rate of 5% on the said interest payment.

The Finance Minister had announced a multi-pronged strategy to contain the Current Account Deficit (CAD) to increase the foreign exchange inflow. And hence, the low cost foreign borrowings through Off-shore Rupee Denominated Bond have been further incentivised to increase the foreign exchange inflow.

Accordingly, the Finance Ministry decided that interest payable by an Indian company or a business trust to a non-resident, including a foreign company, in respect of Rupee Denominated Bond issued outside India during the period from September 17, 2018 to March 31, 2019 shall be exempt from tax and no tax shall be deducted on the payment of interest in respect of the said Bond under Section 194LC of the Act. ***–[Ministry of Finance Press Release 17th September, 2018]***

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SECURITIES

1) SEBI MASTER CIRCULAR FOR COMMODITY DERIVATIVES

SEBI has issued Master Circular for Commodity Derivatives which is a compilation of the Circulars issued by Commodity Derivatives Market Regulation Department (CDMRD) pertaining to domestic commodity derivatives segment, which are issued till the date of this circular. In case of any inconsistency between the Master Circular and the original applicable Circular, the content of the original Circular shall prevail. ***–[CDMRD/DMP/CIR/P/2018/126, 7th September, 2018 (SEBI)]***

Pursuant to the Notification of SEBI (Public Offer and Listing of Securitised Debt Instruments) (Amendment) Regulations, 2018, SEBI has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as follows:

Definition of "designated securities" under Reg. 2(1)(h) has been amended to include security receipts. Definition of "security receipts" has been introduced as clause (zga) under Reg. 2(1).

In Reg. 2(1)(zh) and 81(2) reference to Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008, shall be substituted with Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008.

A new Chapter VIIIA regarding Obligations of Listed Entity which has listed its Security Receipts applicable to issuer of security receipts which have listed its security receipts has been added. The chapter provides for:

Intimations and Disclosure of events or information to Stock Exchanges - The listed entity shall first disclose to stock exchange(s) of all events or information such as delay in cash flow, change of value of cash flow, (specified in newly added Part E of Schedule III) within twenty-four hours from occurrence of the event or information. Such events shall also be disclosed on the website of the listed entity for at least five years and thereafter as per the archival policy of the listed entity.

Valuation, Rating and NAV disclosure - An issuer whose security receipts are listed on a stock exchange shall ensure that the listed security receipts are valued at the end of each quarter; valuation is conducted by an independent valuer; and the net asset value (NAV) is calculated on the basis of such independent valuation and the same is declared by the asset reconstruction company (ARC) within fifteen days of the end of the quarter.

Terms of Security Receipts - Any security receipt issued would be transferable only in favour of qualified buyers in terms of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

Record Date - The listed entity shall fix a record date for payment to holders of security receipts or for such other purposes as specified by the stock exchanges. ***– [SEBI Notification, 6th September, 2018]***

2) SEBI (CREDIT RATING AGENCIES) (SECOND AMENDMENT) REGULATIONS, 2018.

SEBI has amended Reg. 9 regarding Conditions of certificate of the SEBI (Credit Rating Agencies) Regulations, 1999. Reg. 9(f) has been substituted to provide that a credit rating agency shall not carry out any activity other than the rating of securities offered by way of public or rights issue. Nothing in these regulations shall preclude a credit rating agency from rating of financial instruments under the respective guidelines of a financial sector regulator or any authority specified by the Board. However, all other activities shall be segregated to a separate entity within two years from the date of Notification of Securities and Exchange Board of India (Credit Rating Agencies)(Amendment) Regulations, 2018. ***–[SEBI Notification dated 11th September, 2018]***

3) SEBI ISSUES NEW BUY-BACK REGULATIONS

SEBI has issued Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, which will come into force on the date of their

publication in the Official Gazette. Most of the provisions are same as listed in the draft Buy-Back Regulations ***(Refer update dated March 29, 2018 below).*** The Regulations provide:

The buyback period is defined as the time between date of authorisation for buyback by a company's board of directors and the date on which the payment is made to shareholders who have accepted the offer.

A company can undertake buyback of shares out of its free reserves and securities premium account, among others. However, buybacks cannot be made out of proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Every buy-back shall be completed within a period of one year from the date of passing of the special resolution at general meeting, or the resolution passed by the board of directors of the company. The company shall, after expiry of the buy-back period, file with the Registrar of Companies and the Board, a return containing particulars relating to the buy-back within thirty days of such expiry.

The Regulations also list the additional disclosures to be provided in the explanatory statement where - a special resolution is required for authorizing a buy-back; the buy-back is through tender offer from existing securities holders

Where the buy-back is from open market either through the stock exchange or through book building, the resolution of board of directors shall specify the maximum price at which the buy-back shall be made. Where there is a requirement for the Special Resolution as specified in clause (b) of sub-regulation 1 of regulation 5 of these Regulations, the special resolution shall also specify the maximum price at which the buy-back shall be made.

A company may buy-back its shares or other specified securities from its existing securities holders on a proportionate basis through tender offer in accordance with Chp III of the Regulations. However, fifteen per cent of the number of securities which the company proposes to buy-back or number of securities entitled as per their shareholding, whichever is higher, shall be reserved for small shareholders.

For buy-back through tender offer, the company which has been authorised by a special resolution or a resolution passed by the board of directors shall make a public announcement within two working days from the date of declaration of results of the postal ballot for special resolution/board of directors resolution in at least one English National Daily, one Hindi National Daily and one Regional language daily, all with wide circulation at the place where the Registered Office of the company is situated and the said public announcement shall contain all the material information as prescribed.

A draft letter of offer shall be filed within five working days of the public announcement.

Where a company buys back its shares or other specified securities, it shall maintain a register of the shares or securities so bought, the consideration paid for the shares or securities bought back, the date of cancellation of shares or securities, the date of extinguishing and physically destroying the shares or securities and such other particulars as prescribed.

The provisions pertaining to buy-back through tender offer as specified in Chapter III shall be applicable *mutatis mutandis* to odd-lot shares or other specified securities.

The buy-back of shares or other specified securities from the open market may be through stock exchange or book-building process. The company shall ensure that at least 50% of the amount earmarked for buy-back, as specified in the resolution of the board of directors or the special resolution, as the case may be, is utilized for buying-back shares or other specified securities.

For buy-back from open market, the buy-back shall be made only on stock exchanges having nationwide trading terminals. The buy-back of the shares or other specified securities through the stock exchange shall not be made from the promoters or persons in control of the company. The buy-back of shares or other specified securities shall be made only through the order matching mechanism except 'all or none' order matching system.

The buy-back offer shall open not later than seven working days from the date of public announcement and shall close within six months from the date of opening of the offer.

The Regulations provide the procedure for a company to buy-back its shares or other specified securities in physical form in the open market through stock exchange.

The company shall not issue any shares or other specified securities including by way of bonus till the date of expiry of buyback period for the offer made. The company shall pay the consideration only by way of cash.

The company shall not raise further capital for a period of one year from the expiry of buyback period, except in discharge of its subsisting obligations.

No public announcement of buy-back shall be made during the pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act.

The company shall not buy-back the locked-in shares or other specified securities and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable.

The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, shall stand repealed from the date on which these regulations come into force. ***–[SEBI Notification dated 11th September, 2018]***

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COMPETITION

1) CCI ORDERS WIDENING THE SCOPE OF INVESTIGATION BY THE DIRECTOR GENERAL IN THE MATTER RELATING TO ALLEGED UNFAIR PRICING BY SUPER-SPECIALTY HOSPITALS IN AND AROUND DELHI

The Competition Commission of India (Commission) is inquiring into a matter (Case No. 77 of 2015) for alleged violation of provisions of Section 3 and 4 of the Competition Act, 2002

relating to imposition of unfair prices by private super-speciality hospitals.

Finding prima facie contravention of the provisions of the Act, the Commission referred the matter to the Director General (DG) for investigation. Pursuant to the aforesaid order of the Commission, the DG submitted the investigation report.

After perusing the material on record, the Commission noted that huge profit margins are being earned by sale of products to the locked-in-patients to the detriment of such patients. Considering the mandate given to the Commission to eliminate the practices having adverse effect on competition and to protect the interest of consumers, the Commission decided to widen the scope of investigation to cover the practices of super specialty hospitals across Delhi in respect of healthcare products and services provided to their in-patients. Investigation will focus on the products sold by the super specialty hospitals to their in-patients which are not required on an urgent basis for any medical procedure / intervention or which do not involve any high degree of quality issue from the medical procedure point of view and for the purchase of which the patients have the time and scope to exercise their rational choice to purchase such products from open market where such products may be available at lower rates. The Commission has directed the DG to complete investigation expeditiously.

By broadening the scope of investigation in the matter, the Commission aims to prevent practices having adverse effect on competition in the tertiary healthcare sector. ***–[Case No. 77 of 2015, CCI Press Release dated 5th September, 2018]***

2) CCI IMPOSES PENALTY UPON ESAOTE S.P.A AND ESAOTE ASIA PACIFIC DIAGNOSTIC PVT. LTD. FOR ABUSING DOMINANT POSITION.

The Competition Commission of India (CCI) has imposed a penalty of Rs. 9.33 lac upon Esaote S.p.A and Esaote Asia Pacific Diagnostic Pvt. Ltd. ('Esaote') for abusing dominant position in supplying dedicated standing / tilting MRI machines.

The final order was passed by CCI on 27.09.2018 on an information filed by House of Diagnostics LLP (HoD).

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The final order was passed by CCI on 27.09.2018 on an information filed by House of Diagnostics LLP (HoD).

The Informant - House of Diagnostics LLP - which is engaged in the business of medical diagnostic imaging services, filed information before CCI against Esaote alleging *inter alia* supply of old machines with various manufacturing and other defects. The Informant also alleged that Esaote charged huge sum of money for supplying spare parts and by refusing to perform its obligations under the contract. Essentials terms of the contract were also alleged to have been changed unilaterally by Esaote.

Holding Esaote to be the only manufacturer who was found to supply standing/ tilting MRI machines in India, CCI held Esaote to be dominant in this market.

The CCI further found Esaote to have misled HoD by supplying old machines instead of new machines as ordered by the Informant. The CCI also held that Esaote acted unfairly and thereby abused its dominant position by refusing to provide Head Coils with the machines to the Informant.

The CCI also found Esaote to have demanded arbitrary charges in derogation of its contractual obligations for comprehensive maintenance contract in respect of G-Scan MRI machines. The CCI also noted that Esaote S.p.A has given exclusive distribution rights to its Indian subsidiary in respect of G-Scan MRI machines. Such exclusivity was found to limit provision of services in after sale market besides denying market access to third party service providers.

Accordingly, a penalty was imposed upon Esaote. Besides, a cease and desist order was also issued against them. While imposing the penalty, the Commission applied the principle of relevant turnover and based the penalty on the revenue generated by Esaote from sale of G-Scan MRI Machines in India only. The penalty was imposed by the Commission @ 10% of the average relevant turnover of the preceding three financial years of Esaote.

The final order was passed by a majority of 2-1 with the Chairperson issuing a Dissenting Note. In his Dissenting Note, the Chairperson held that the relevant market cannot be narrowed to standing/ tilting MRI machines alone as any market delineation would have to necessarily include all MRI machines irrespective of some additional features or functionalities. In the absence of market power, the question of abuse of dominance did not arise, added the Chairperson in his Dissent Note. ***–[Press Release No. 13/2018-19, 27th September, 2018 (CCI)]***

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INDIRECT TAXES

a. CUSTOMS

1) BCD EXEMPTED ON RE-IMPORT OF CERTAIN INDIGENOUSLY MANUFACTURED ELECTRONIC GOODS, FOR REPAIR AND RECONDITIONING

Notification No. 158/95-Customs dated 14th November, 1995 amended so as to allow re-import of certain indigenously manufactured electronic goods, for repair and reconditioning within seven years from the date of exportation, without payment of basic customs duty subject to the condition that the goods are re-exported back after repair and reconditioning within one year from the date of re-importation. – ***[Notification No. 60/2018 – Customs, dated 11th September, 2018]***

2) AMENDMENT TO INDIA SINGAPORE COMPREHENSIVE ECONOMIC COOPERATION AGREEMENT

Notification No. 73/2005 - Customs, dated 22nd July, 2005 and Notification No. 10/2008-Customs, dated 15th January, 2008 amended so as to bring about necessary changes as per the second

protocol amending the India Singapore Comprehensive Economic Cooperation Agreement. – ***[Notification No.61/2018-Customs, dated 14th September 2018]***

Consequently the Customs Tariff Determination of Origin of Goods under the Comprehensive Economic Cooperation Agreement between the Republic of India and Republic of Singapore Rules, 2005 were also amended. – ***[Notification No.79/2018-Customs (N.T.), dated 14th September, 2018]***

3) EXTENSION IN IMPLEMENTATION OF THE RETALIATORY DUTIES

The third proviso to the Notification. No. 50/2017-Customs, dated 30th June, 2017 amended delaying implementation of the retaliatory duties till 2nd Nov 2018. – ***[Notification No. 62/2018-Customs, dated 17th September, 2018]***

4) EXEMPTION NOTIFICATION AMENDED TO ALIGN IT WITH AMENDMENT IN FOREIGN TRADE POLICY

Customs Exemption Notifications No. 24/2015-Customs dated 08.04.2015 amended so as to align it with amendment in Foreign Trade Policy. The amendments have been made in the conditions which are to be fulfilled to avail the exemption of customs duty and additional duty leviable under Section 3 of the Customs Tariff Act. – ***[Notification No.63/2018-Customs, dated 18th September, 2018]***

5) EXTENSION OF EXEMPTION FROM INTEGRATED TAX AND COMPENSATION CESS ON GOODS IMPORTED BY EOU AND AGAINST AA/EPCG AUTHORIZATIONS

The CBIC has extended the exemption from Integrated Tax and Compensation Cess upto 31.03.2019 on goods imported by EOU and on goods imported against AA/EPCG authorizations. – ***[Notification No. 65/2018-Customs, dated 24th September, 2018 & Notification No. 66/2018- Customs, dated 26th September, 2018]***

6) BCD INCREASED ON CERTAIN ITEMS TO CURB IMPORTS

The CBIC has increased BCD on 19 items to curb imports. Items inter-alia includes Air conditioners, Household Refrigerators, Washing machines less than 10 Kg, Compressor for air conditioners and refrigerators, Speakers, Footwears, Radial Car tyres, Non industrial diamond (other than rough diamonds), i.e., cut and polished diamond, Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal, bath, shower bath, sink, wash basin, etc. of plastics, articles of plastics for conveyance and packing such as boxes, case, containers, bottles, insulated ware, etc. ***[Notification No. 67/2018–Customs, dated 26th September, 2018]***

7) BCD INCREASED ON IMPORT OF GEMSTONES AND DIAMONDS

The CBIC has increased the rate of customs duty on import of Gemstones and Diamonds from 5% to 7.5%. – ***[Notification No. 68 /2018-Customs, dated 26th September, 2018]***

8) ADD ON GLASS CSM

ADD levied on Glass CSM originating in or imported from Thailand in view of circumvention of ADD dumping duty imposed *vide* Notification No. 48/2016 Customs(Add) dated 1 September 2016. – ***[Notification No. 43/2018-Customs (ADD), dated 6th September, 2018]***

9) ADD ON GRAPHITE ELECTRODES OF ALL DIAMETERS DISCONTINUED

Notification No. 04/2015- Customs (ADD), dated the 13th February, 2015 rescinded so as to discontinue ADD levied on 'Graphite Electrodes of all diameters' originating in or exported from China PR. – ***[Notification No. 44/2018-Customs (ADD), dated 6th September, 2018]***

10) ADD ON FLAT BASE STEEL WHEELS

ADD levied on the imports of "Flat Base Steel Wheels" originating in or exported from China PR for a period of 5 years at prescribed rates. – ***[Notification No. 46/2018-Customs (ADD), dated 13th September, 2018]***

11) 24X7 CLEARANCE FACILITY AT SEA PORT IN CHENNAI, TAMIL NADU

24x7 Customs clearance facility at present is available at the 19 sea ports besides 17 Air Cargo Complexes. It has now been decided that the facility of 24x7 Customs clearance for specified imports *viz.* goods covered by 'facilitated' Bills of Entry and specified exports *viz.* reefer containers with perishable/ temperature sensitive export goods sealed in the presence of Customs officials as per Circular No.13/2018-Cus dated 30.5.2018 and goods exported under free Shipping Bills will be made available at M/s Adani Kattupalli Sea port in Chennai, Tamilnadu. This would be the 20th Sea port in the country where 24x7 facility would be in operation. – ***[Circular No. 31/2018-Customs, dated 5th September, 2018]***

12) COST ACCOUNTANTS AUTHORIZED TO PROVIDE CERTIFICATES IN MISMATCH OF GSTR-1 AND GSTR-3B CASES

Vide Circular No. 12/2018-Customs dated 29-05-2018, the CBIC had provided interim solution to the problem faced by the exporters whose records were not transmitted from GSTN to Customs due to mismatch in GSTR 1 and GSTR 3B. The interim solution was subject to undertakings/ submission of CA certificates by the exporters as given in Circular No. 12/2018-Customs and post refund audit scrutiny. On receipt of representation from the Cost Accountant Association, the CBIC has decided that Cost Accountants are also authorized to provide the requisite certificates as envisaged under Circular No. 12/2018-Customs dated 29.05.2018. – ***[Circular No. 33/2018-Customs, dated 19th September, 2018]***

13) EXTENSION OF MANDATORY RFID SEALING DUE DATE

The CBIC has postponed the implementation of RFID sealing till 1st November 2018. – ***[Circular No. 34/2018-Customs, dated 28th September, 2018]***

b. GST

1) CENTRAL GOODS AND SERVICES TAX (EIGHTH AMENDMENT) RULES, 2018

The CBIC has notified the Central Goods and Services Tax (Eighth Amendment) Rules, 2018. Some of the important amendments are as follows:

1. in Rule 22 which gives provisions for cancellation of registration, in sub-rule (4), the following proviso shall be inserted, namely:- "Provided that where the person instead of replying to the notice served under sub-rule (1) for contravention of the provisions contained in clause (b) or clause (c) of sub-section (2) of Section 29, furnishes all the pending returns and makes full payment of the tax dues along with applicable interest and late fee, the proper officer shall drop the proceedings and pass an order in FORM GST-REG 20.".
2. in Rule 55(5), which deals with the goods transported in a semi knocked down or completely knocked down condition, after the words "completely knocked down condition", the words "or in batches or lots" shall be inserted.
3. in Rule 89(4), which gives the formula for granting of the refund of input tax credit, for clause (E), the following clause shall be substituted, namely:- '(E) "Adjusted Total Turnover" means the sum total of the value of- (a) the turnover in a State or a Union territory, as defined under clause (112) of Section 2, excluding the turnover of services; and 2 (b) the turnover of zero-rated supply of services determined in terms of clause (D) above and non-zero-rated supply of services, excluding- (i) the value of exempt supplies other than zero-rated supplies; and (ii) the turnover of supplies in respect of which refund is claimed under sub-rule (4A) or sub-rule (4B) or both, if any, during the relevant period.'.
4. Rule 138A(1) states that the person in charge of a conveyance shall carry the invoice or bill of supply or delivery challan and a copy of the e-way bill in physical form or the e-way bill number in electronic form or mapped to a Radio Frequency Identification Device embedded on to the conveyance, in case of movement of goods by rail or by air or vessel. After the proviso to Rule 138A(1) the following proviso shall be inserted, namely:- "Provided further that in case of imported goods, the person in charge of a conveyance shall also carry a copy of the bill of entry filed by the importer of such goods and shall indicate the number and date of the bill of entry in Part A of FORM GST EWB-01.".
5. The following Forms have been substituted:
   - FORM GST REG-20: Order for dropping the proceedings for cancellation of registration
   - FORM GST ITC-04: Details of goods/capital goods sent to job worker and received back
6. The following forms have been inserted:
   - FORM GSTR-9: Annual Return
   - FORM GSTR-9A: Annual Return (For Composition Taxpayer) – ***[Notification No. 39/2018 – Central Tax, dated 4th September, 2018]***

2) WAIVER OF LATE FEE PAID FOR SPECIFIED CLASSES OF TAXPAYERS

The CBIC has announced waiver of late fee paid under Section 47 of the Act, by the following classes of taxpayers:-

i. the registered persons whose return in FORM GSTR-3B for the month of October, 2017, was submitted but not filed on the common portal, after generation of the application reference number;
ii. the registered persons who have filed the return in FORM GSTR-4 for the period October to December, 2017 by the due date but late fee was erroneously levied on the common portal;
iii. the Input Service Distributors who have paid the late fee for filing or submission of the return in FORM GSTR-6 for any tax period between the 1st day of January, 2018 and the 23rd day of January, 2018. – ***[Notification No. 41/2018 – Central Tax, dated 4th September, 2018]***

3) EXTENSION OF DUE DATE FOR FILING VARIOUS FORMS

i. FORM GSTR - 1 for taxpayers having aggregate turnover up to Rs 1.5 crores: For the quarters July - September 2017, October - December 2017, January - March 2018, April – June 2018 and July - September 2018 to be filed by 31st October, 2018. For the quarter October - December 2018 to be filed by 31st January 2019. For the quarter January – March 2019 to be filed by 30th April 2019. – ***[Notification No. 43/2018 – Central Tax, dated 10th September, 2018]***

ii. FORM GSTR - 1 for taxpayers having aggregate turnover above Rs 1.5 crores: For the months from July, 2017 to September, 2018 till the 31st October, 2018. For the months from October, 2018 to March, 2019 till the eleventh day of the succeeding month, provided that the time limit for furnishing the details of outward supplies in FORM GSTR-1 for the months from July, 2017 to November, 2018 for the taxpayers who have obtained GSTIN in terms of Notification No. 31/2018 – Central Tax dated 6th August, 2018 shall be extended till the 31st day of December, 2018. – ***[Notification No. 44/2018 – Central Tax, dated 10th September, 2018]***

iii. FORM GSTR - 3B for newly migrated (obtaining GSTIN vide notification No. 31/2018-Central Tax, dated 06.08.2018) taxpayers: For the period from July, 2017 to November, 2018 to be filed on or before the 31st day of December, 2018. – ***[Notification No. 45/2018 – Central Tax, dated 10th September, 2018]***

4) CENTRAL GOODS AND SERVICES TAX (NINTH AMENDMENT) RULES, 2018

The CBIC has notified the CGST (9th Amendment) Rules, 2018, whereby Rule 117(1A) and Proviso to Rule 117(4)(b)(iii) have been inserted and Rule 142(5) has been amended, to empower the Commissioner to further extend the last date for submission of GST TRAN-1 and GST TRAN-2 based on recommendations of GST Council. – ***[Notification No. 48 /2018 – Central Tax, dated 10th September, 2018]***

5) CENTRAL GOODS AND SERVICES TAX (TENTH AMENDMENT) RULES, 2018

The CBIC has notified the CGST (10th Amendment) Rules, 2018, whereby Form GSTR-9C (Reconciliation Statement with Form of GST Audit Report/ Certificate) has been introduced. – ***[Notification No. 49/2018 – Central Tax, dated 13th September, 2018]***

6) GST TDS & TCS MADE APPLICABLE FROM 1ST OCTOBER 2018

The CBIC has notified that the provisions relating to GST TDS and GST TCS under Sections 51 and 52 of the CGST Act, 2017 respectively, shall be applicable w.e.f. 1st October 2018. – ***[Notification No. 50/2018 – Central Tax & Notification No. 51/2018 – Central Tax, both dated 13th September, 2018]***

7) NOTIFICATION OF RATE OF TAX COLLECTION AT SOURCE

The CBIC has notified the rate of tax collection at source (TCS) i.e., 1% / 0.5% of net value, to be collected by every electronic commerce operator for intra-State taxable supplies. – ***[Notification No. 52/2018 – Central Tax, dated 20th September, 2018]***

Similar notifications have been issued under the IGST Act. – ***[Notification No. 02/2018 – Integrated Tax, dated 20th September, 2018]***

8) CLARIFICATION REGARDING SCOPE OF PRINCIPAL-AGENT RELATIONSHIP IN THE CONTEXT OF SCHEDULE I OF THE CGST ACT

The CBIC has clarified that not all activities between principal and agent fall within the scope of the said entry. Supply of services between principal and agent is outside the ambit of the said entry, and, require consideration to qualify as a "supply" under GST law. Crucial component for covering a person within the ambit of the term "agent" as defined under Section 2(5) of the CGST Act is the representative character to carry out activities on behalf of principal as identified from definition of "agent" under Section 182 of the Indian Contract Act, 1872. The key ingredient for determining principal-agent relationship to be covered under the said entry is to determine whether invoice for further supply of goods on Principal's behalf is issued by agent or not. Accordingly, where invoice for further supply is issued by agent in his name, any provision of goods from Principal to agent would fall within fold of said entry. However, where the invoice is issued by agent to customer in the Principal's name, such agent shall not fall within the ambit of Schedule I. Similarly, where the goods being procured by the agent on behalf of the principal are invoiced in the name of the agent then further provision of the said goods by the agent to the principal would be covered. The crucial aspect is to determine whether agent has the authority to pass or receive the title of the goods on behalf of the principal. – ***[Circular No. 57/31/2018-GST, dated 4th September, 2018]***

9) CLARIFICATION REGARDING RECOVERY OF ARREARS OF WRONGLY AVAILED CENVAT CREDIT UNDER THE EXISTING LAW AND INADMISSIBLE TRANSITIONAL CREDIT

In order to ensure uniformity in the implementation of the provisions of the law across the field formations, the CBIC has specified the process of recovery of the said arrears and inadmissible transitional credit. The Board *vide* Circular No. 42/16/2018-GST dated 13th April, 2018, had clarified that the recovery of arrears arising under the existing law shall be made as central tax liability to be paid through the utilization of the amount available in the electronic credit ledger or electronic cash ledger of the registered person, and the same shall be recorded in Part II of the Electronic Liability Register (FORM GST PMT-01). Currently, the functionality to record this liability in the electronic liability register is not available on the common portal. Therefore, it is clarified that as an alternative method, taxpayers may reverse the wrongly availed CENVAT credit under the existing law and inadmissible transitional credit through Table 4(B)(2) of FORM GSTR-3B. The applicable interest and penalty shall apply on all such reversals which shall be paid through entry in column 9 of Table 6.1 of FORM GSTR-3B. – ***[Circular No. 58/32/2018-GST, dated 4th September, 2018]***

10) CLARIFICATIONS REGARDING REFUND RELATED ISSUES

The CBIC has issued the current Circular providing clarification on various refund related issues *inter alia* providing the following:

i. Refund claim shall be accompanied by a print-out of FORM GSTR-2A of claimant for relevant period for which refund is claimed. Proper officer may call for hard copies of invoices for the examination of refund claim where FORM GSTR-2A do not contain invoice details.
ii. Refundable amount of unutilized ITC is to be debited from electronic credit ledger of claimant in following order: (a) IGST (b) CGST and SGST/UTGST equally to the extent of balance available.
iii. Restriction under Rule 96(10) of CGST Rules [*vide* Notification No. 39/2018-Central Tax] shall be applicable only in respect of purchasers/importers directly purchasing/importing supplies on which benefit of specified notifications has been availed.
iv. Tax authorities cannot refuse to disburse amount sanctioned by counterpart tax authority and remedy for correction of an incorrect or erroneous sanction order lies in filing an appeal against such order. – ***[Circular No. 59/33/2018-GST, dated 4th September, 2018]***

11) CLARIFICATIONS REGARDING PROCESSING OF REFUND APPLICATIONS FILED BY CANTEEN STORES DEPARTMENT (CSD)

The CBIC has prescribed the manner and procedure for filing and processing of refund applications of CSD who are entitled to claim refund of 50% of tax on all inward supplies of goods received. It has been clarified that refund to be granted is not for accumulated ITC but based on invoices of inward supplies of goods received. Further, CSD can apply for refund manually by

filing an application in FORM GST RFD-10A to the jurisdictional tax office till the time the online utility is made available on the common portal and refund sanction/rejection order shall be issued manually along with the manual payment advice for each tax head separately. – ***[Circular No. 60/34/2018-GST, dated 4th September, 2018]***

12) CLARIFICATION REGARDING LEVY OF GST ON PRIORITY SECTOR LENDING CERTIFICATES (PSLC)

On receipt of representations requesting to clarify the mechanism for discharge of tax liability on trading of Priority Sector Lending Certificate (PSLC) for the period 1.7.2017 to 27.5.2018; and GST rate applicable on trading of PSLCs, the CBIC has clarified that GST on PSLCs for the period 1.7.2017 to 27.05.2018 will be paid by the seller bank on forward charge basis and GST rate of 12% will be applicable on the supply. – ***[Circular No.62/36/2018-GST, dated 12th September, 2018]***

13) CLARIFICATION REGARDING PROCESSING OF REFUND CLAIMS FILED BY UIN ENTITIES

The CBIC *vide* present Circular has clarified various queries/ issues on GST Refund Claims of UIN agencies, relating to compliance with letter of reciprocity, Refund Claim Checklist (certificate/ Undertaking/ Statement of Invoices), Prior Permission letter for purchase of vehicles, Non-availability of refunds to personnel and officials of UN and other International organizations, Waiver from recording UIN in the invoices during April, 2018 to March, 2019, Format of Monthly report, etc. – ***[Circular No. 63/37/2018 – GST, dated 14th September, 2018]***

14) MODIFICATION OF THE PROCEDURE FOR INTERCEPTION OF CONVEYANCES FOR INSPECTION OF GOODS IN MOVEMENT, AND DETENTION, RELEASE AND CONFISCATION OF SUCH GOODS AND CONVEYANCES

The CBIC has modified the prescribed procedure under CGST Rules for 'Interception of Conveyances', 'Inspection of Goods' in Movement, Detention/ Confiscation/ Release of such Conveyances/ Goods, etc. It has been clarified that in a case where consignment of goods is accompanied with an invoice or any other specified document and also an e-way bill, proceedings under Section 129 of the CGST Act may not be initiated in certain situations of mistakes in documents. However, a penalty to the tune of Rs. 500/- each under Section 125 of the CGST Act and the respective State GST Act should be imposed (Rs.1000/- under the IGST Act) in FORM GST DRC-07 for every consignment under such situations. Further, it was earlier clarified that goods/ conveyances which are in violation of the CGST Rules only can be detained, e.g., if a conveyance carrying 10 consignments is intercepted and for only 2 consignments the person-in-charge fails to produce e-way bill/ other relevant documents, then detention can be made of only 2 such consignments/ conveyance. – ***[Circular No. 64/38/2018-GST, dated 14th September, 2018]***

15) GUIDELINES FOR DEDUCTIONS AND DEPOSITS OF TDS BY THE DDO UNDER GST

The CBIC has issued guidelines for the deduction and deposit of TDS by the DDOs (Drawing &

Disbursing Officer) under GST. As per the CGST Act 2017, every deductor shall deduct the tax amount from the payment made to the supplier of goods or services or both and deposit the tax amount so deducted with the Government account through NEFT to RBI or a cheque to be deposited in one of the authorized banks, using challan on the common portal. In addition, the deductors have entrusted the responsibility of filing return in FORM GSTR-7 on the common portal for every month in which deduction has been made based on which the benefit of deduction shall be made available to the deductee. All the DDOs in the Government, who are performing the role as deductor have to register with the common portal and get the GST Identification Number (GSTIN).

The CBIC has now suggested two options for payment process of Tax Deduction at Source. They are, Individual Bill-wise Deduction and its Deposit by the DDO and – Bunching of deductions and its deposit by the DDO. In the first option, the DDO will have to deduct as well as deposit the GST TDS for each bill individually by generating a CPIN (Challan) and mentioning it in the Bill itself. In the second option, the DDO will have to deduct the TDS from each bill, for keeping it under the Suspense Head. However, deposit of this bunched amount from the Suspense Head can be made on a weekly, monthly or any other periodic basis. – ***[Circular No. 65/39/2018-DOR, dated 14th September, 2018 & Circular No. 67/41/2018-DOR, dated 28th September, 2018]***

16) EXTENSION OF TIME LIMIT FOR SUBMITTING THE DECLARATION IN FORM GST TRAN-1

The Commissioner has extended the period for submitting the declaration in FORM GST TRAN-1 till 31st January, 2019, for the class of registered persons who could not submit the said declaration by the due date on account of technical difficulties on the common portal and whose cases have been recommended by the Council. – ***[F. No. 349/58/2017-GST, dated 17th September, 2018]***

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INTELLECTUAL PROPERTY RIGHTS

1) A FALSE AFFIDAVIT FILED BEFORE THE TRADEMARK OFFICE ALSO CALLS FOR THE AWARD OF EXEMPLARY DAMAGES: DELHI HC

In the present case, the Plaintiffs did not claim direct damages on account of any actual losses suffered by them. The losses claimed by the Plaintiffs were intangible loss, dilution, loss of confidence and trust of customers and exemplary damages due to disregard of the principle of fair trading. The question before the court was whether a false affidavit filed before the trademark office can by itself form the basis of grant of exemplary damages.

The court observed that the Defendants' conduct has been far from bonafide. It was held that the manner in which misleading statements have been made and a false affidavit has been filed before the trademark registry also calls for the award of

exemplary costs, as the trademark authority is a quasi-judicial authority and any party filing an affidavit before the said authority should do so with a complete sense of responsibility. – ***[M/S Inter Ikea Systems Bv & Anr.*** **v.** ***Sham Murari & Ors., dated 7th September, 2018 (Delhi HC)]***

2) DEFENDANTS RESTRAINED FROM USING THE MARK "NATURE'S ESSENCE ALMOND & HONEY BODY LOTION" AS IT AMOUNTS TO INFRINGEMENT AND PASSING OFF OF THE PLAINTIFF'S MARK "ALMOND AND HONEY"

The Delhi High Court after seeing the proposed packaging of the Defendant observed that 'Nature's Essence' is given lesser prominence than 'Almond and Honey'. 'Nature's Essence' being the trademark of the Defendant', the description 'Almond and Honey' should not be used as a trademark or with undue prominence. After comparing the packaging of the products sold by the Parties, the court concluded that the Defendant depicted the Plaintiff's mark prominently in big font while writing "NATURE'S ESSENCE" in a smaller font. Thus, the Defendant was injuncted from using the shape of the impugned bottle and it was also directed that the packaging should give prominence to "NATURE'S ESSENCE" and the use of the Plaintiff's mark should not be 75% larger than the word "NATURE'S" and at the same time not occupy more than 75% of the area occupied by "NATURE'S ESSENCE". Additionally, the Court refrained the Defendant from using the tagline "SAMPOORNA POSHAN WALA LOTION" which was deceptively similar to the Plaintiff's tagline "POSHAN WALA LOTION". – ***[Joy Creators Pvt Ltd V/s Natures Essence Pvt Ltd., dated 20th September, 2018]***

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CONSUMER

1) UNITED INDIA INSURANCE CO. LTD. V. GYAN SINGH YADAV & ANR.

On December 31, 2004, Shobhit Kumar (son of the complainants) died in a road accident while driving a motor-cycle insured with the Petitioner Insurance co. *vide* an insurance policy valid w. e. f. November 17, 2004 to November 16, 2005 in which personal accident insurance cover of Rs.1,00,000/- of owner – driver was included. The registered owner of the vehicle was complainant no. 2 – Smt. Sarlesh Yadav (mother of the deceased son). The complainant paid additional premium of Rs.50/- towards personal accident cover of owner – driver. The District Forum and the State Commission held that the Insurance Company was liable for deficiency in service and awarded the insured amount of Rs. 1,00,000/- to the complainants with interest @ 8% p.a. from the date of filing the consumer complaint till the date of actual payment.

The issue framed before the National Consumer Dispute Redressal Commission was, whether the term "owner-driver" in the Insurance policy meant that the policy covered only the owner as the driver, and since the vehicle was not driven by the owner at the time of the accident, whether the insurance amount should not have been awarded.

The complainants contended that the term 'owner – driver' included the owner as well as their son

who was driving the motorcycle with the consent of the registered owner – premium payer – mother and was a major and had a valid driving licence. Whereas the insurance company contended that the phrase 'owner – driver' meant only the owner herself driving, not anyone else. The Commission held that the term 'owner – driver' was in itself ambiguous and unclear. In case it was meant to construe only the owner-cum-driver herself driving, the same should have been unambiguously and clearly stated in the insurance policy. As would appear to a reasonable person, the proposition intended to be conveyed and understood was that the owner as well as the driver will be covered under the policy (and especially if the registered owner buying that policy was a lady and the subject vehicle was a motorcycle and the area in which the lady resided was a district like Mainpuri in the Chambal region of Uttar Pradesh). The onus was on the insurance co. to make its terms and conditions unambiguous and clear *ab inito*, at the time of selling the policy to the registered owner – buyer. Coming forth with its own interpretation of its own (ambiguous and unclear) term after the accident and death occurred and after the claim was made, disposing of the claim at its own end on the basis of its own interpretation of its own (ambiguous and unclear) term, amounts to unfair trade practice by the Insurance Company. The commission further ordered the company to pay an additional compensation of Rs. 2,00,000/- with interest on it to the complainants for dragging on their claim, and for the "loss and injury, continuous harassment and difficulty they suffered. The petition was disposed of, with the assertion that if the insurance company delays the adjudicated payments beyond the stipulated time of 3 months, it would and should attract higher / penal interest and other compensation/costs. ***–[Revision Petition No. 558 of 2018, 25th September, 2018, (NCDRC)]***

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ENVIRONMENT

1) SC STAYS NGT ORDER MAKING ODD-EVEN APPLICABLE TO 2-WHEELERS, WOMEN DRIVEN VEHICLES

Two-wheelers and four-wheelers driven by women plying in the national capital would be exempted from the odd-even vehicle rotation scheme with the Supreme Court staying the National Green Tribunal's 2017 direction which had made it applicable for all vehicles. ***[The Times of India, dated 17th September, 2018]***

2) ONLY STATE GOVT CAN PERMIT SAND MINING: NGT

In the wake of a petition by Greater Noida-based environmentalist Vikrant Tongad in 2016 that claimed sand mining on river beds is done mainly for the purpose of construction, the NGT has prohibited any permission for mining of sand and minerals at the district level. Instead, all such permissions will now have to be procured from the state government directly. – ***[The Times of India, dated 27th September, 2018]***

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