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RBI/FEMA

- **ATM TRANSACTIONS-Number of free ATM transactions reduced from five to three in six metro centres:** RBI by amending its notification dated August 14, 2014, has reduced free ATM transactions for saving bank account customers, at other banks ATMs from the present five to three transactions per month in six metro centres, viz., Mumbai, New Delhi, Chennai, Kolkata, Bengaluru and Hyderabad. Accordingly, if transactions are carried out at both the six metro centres and other locations, the total number of transactions (inclusive of both financial and non-financial) free of charge at other bank ATMs would continue to remain at five. *(RBI/2014-15/260 DPSS.CO.PD.No.659/ 02.10.002/ 2014-2015 dated October 10, 2014)*
- **URBAN CO-OPERATIVE BANKS(UCBs)- Internet Banking (View Only) Facility for Customers of UCBs:** In a recent notification, RBI has permitted scheduled Urban Co-operative Banks(UCBs), to offer internet banking facility to their customers, if only they have minimum network of Rs. 100 crore,

Capital Adequacy Ratio (CRAR) of at least 10%, net Non-performing asset (NPA) of less than 5% and having earned net profit continuously in the last three financial years . to the other UCBs, not fulfilling the said criteria, are allowed to offer Internet Banking (view only) facility for customers by ensuring that online facility offered is strictly non-fund based service such as balance enquiry, balance viewing etc., and no online fund-based transactions to be allowed. *(RBI/2014-15/262 UBD.BPD. (PCB). Cir No. 21/09.18.300/2014-15 dated October 13, 2014)*

- **DELEGATION OF POWERS OF COMPOUNDING- Compounding of contraventions under FEMA, 1999:** RBI delegated its powers of compounding to Regional Offices which include the compounding of the contraventions with respect to:
 - delay in submission of form FC-TRS on transfer of shares from resident to non-resident;
 - delay in submission of form FC-TRS on transfer of shares from non-resident to resident;
 - taking on record transfer of shares by Investee Company, in the absence of certified from FC-TRS.

The Foreign Exchange Department (FED), CO Cell, RBI are also authorized to compound the contraventions as under:

- Contraventions relating to acquisition and transfer of immovable property outside India;
- Contraventions relating to acquisition and transfer of immovable property in India;
- Contraventions relating to establishment in India of Branch office, Liaison Office or project office;
- Contraventions falling under Foreign Exchange Management (Deposit) Regulations , 2000.

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For all other contraventions, applications may continue to be submitted to CEFA, Foreign Exchange Department, 5th floor, Amar Building, Sir P.M.Road, Fort, Mumbai 400001. **[RBI/2014-15/266 A.P. (DIR Series) Circular No.36 dated October 16, 2014]**

- **UCBS CAN USE ABBREVIATIONS AS PART OF BRAND BUILDING-** Along with abbreviations even the full name to appear in all publicity material: Reserve Bank of India (RBI) recently decided to allow Urban Co-operative Banks (UCBs) to use abbreviations/abridged names/logo etc., as part of their brand building effort. So long as the full name as appearing in the banking licence is also shown along with such abbreviated/abridged names in all publicity material/stationery and with a view to not to compromise with the issue of disclosures to the public. Thus, UCBs have been advised to ensure that wherever abbreviated/abridged version of their name is used for Logo/brand building, the full name of the bank as appearing in the Certificate of Registration and the licence granted by RBI should also be displayed prominently and the font size used for the full name shall not be smaller than the one used for their abbreviated name/abridged name/Logo. **[RBI/2014-15/286 UBD.BPD (PCB).Cir.No.26/14.01.062/2014-15 dated October 30, 2014]**

FOREIGN TRADE

- **EXPORT OF DRIED SILK WORM PUPAE TO EU-** Conditions for export of Dried Silk Worm Pupae to EU have been notified: The conditions for export of Dried Silk Worm Pupae to European Union(EU) include a “shipment clearance certificate” indicating name and address of exporter and “health certificate” to the buyer giving details of vessel name,

shipping bill number with date, etc. [Notification No 95 (RE-2013) / 2009-2014, dated 22nd October, 2014, (DGFT)]

CORPORATE

- **RIGHT OF PERSONS OTHER THAN RETIRING DIRECTORS TO STAND FOR DIRECTORSHIP - Refund of deposit in case proposed person gets elected or secures more than 25% of total valid votes:** Ministry of corporate affairs has come out with a clarification with respect to Section 8 and Section 160 of the Companies Act, 2013 which provides for the Rights of the Persons, other than retiring directors, to stand for the Directorships provided the person himself or some member intending to propose him as a director, within not less than 14 days before the proposed general meeting, submits a notice in writing signifying the candidature of the proposed director, along with the deposit of one lakh rupees, which shall be refunded to such person, if the proposed person gets elected as a director or gets more than 25% of the total valid votes on the resolution for appointment as director. With respect to the handling of one lakh rupees by the companies if the depositor fails to secure more than 25% of the total valid votes, it is observed that the relevant provision is silent. Hence, MCA has left the decision, in treating the amount deposited, to the board of directors, which can be refunded or forfeited who has failed to secure more than 25% of the votes. **[Circular no: 38/2014 dated 14th October, 2014]**
- **CONSOLIDATED FINANCIAL STATEMENT- Clarification Issued On Required Disclosures:** Providing clarification on the disclosures required in consolidated financial statements (CFS), MCA, has

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clarified that a company would need to provide all the disclosures relevant for the CFS only, and it does not require to repeat the disclosures made under the stand alone accounts being consolidated. *[Circular no.39/2014, dated 14th October, 2014]*

- **COMPANY LAW SETTLEMENT SCHEME, 2014 EXTENDED:** The Ministry of Corporate Affairs has extended the due date, of filing of annual returns and accounts under the Company Law Settlement Scheme, 2014, upto 15th November, 2014 which previously was upto 15th October, 2014 only. *[Circular no: 40/2014 date 15th October 2014]*
- **COMPANY LAW SETTLEMENT SCHEME, 2014 (CLSS-2014)- Clarification u/s 164(2) of the Companies Act, 2013:** Section 164(2)(a) of the companies Act, 2013 which disqualifies a person from re-appointment as a director of the company in which he is a director or any other company, in case of any non-filing of financial statements or annual returns for any continuous period of three financial years.

In that regard, MCA has clarified that it shall apply only to prospective defaults, if any, for the companies which have filed financial statements and annual returns, on or after 01/04/2014, but prior to commencement of CLSS-2014. *[Circular no: 41/2014 date 15th October 2014]*

- **THE COMPANIES (AUDIT AND AUDITORS) AMENDMENT RULES, 2014- New Rule 10A Inserted:** In Companies (Audit and Auditors) Amendment Rules, 2014, Rule 10A has been inserted for the purpose of Section 143 (3)(i) of the Companies Act, 2013 which mandates disclosure in Auditors report, with respect to the companies adequate internal financial controls system in place and the operative

effectiveness of such controls. *[MCA notification dated 14th October, 2014]*

- **THE COMPANIES (ACCOUNTS) AMENDMENT RULES, 2014- Provisos Inserted:** Under Rule 6 of Companies(accounts) Rules, 2014, provisos have been inserted specifying that the preparation of consolidated financial statement shall not be applicable to an intermediate wholly owned subsidiary, other than a wholly-owned subsidiary whose immediate parent is a company incorporated outside India.

MCA has further explained that nothing contained in this rule shall apply subject to any other law or regulation, for the Financial Year 2014-15, in case of a company which does not have a subsidiary or subsidiaries but has one or more associate companies or Joint ventures or both, for the consolidation of financial statement in respect of associate companies or joint ventures or both, as the case may be. *[MCA notification dated 14th October, 2014]*

SECURITIES

- **FOREIGN PORTFOLIO INVESTORS(FPIs)- Clarification on Government Debt Investment Limits:** SEBI has clarified that all the investments by Long Term FPIs (Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks) in the USD 5 billion Government debt limit shall continue to be made in Government bonds having a minimum residual maturity of 1 year. FPIs shall be permitted to

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invest in the USD 25 billion Government debt limit till the overall investment reaches 90% after which the auction mechanism would be initiated for allocation of the remaining limits. Where overall FPI investment exceeds 90% a different procedure is to be followed which is indicated in the related circular. *[CIR/IMD/FIIC/19/2014, dated 9th October, 2014, (SEBI)]*

• **AMENDMENT IN REGISTRATION NORMS OF SEBI (STOCK BROKERS AND SUB-BROKERS) REGULATIONS, 1992-**

Single registration for Stock Brokers & Clearing Members: As per the Notification dated October 08, 2014, which has amended the Broker Regulations, the existing requirement of obtaining registration as stock broker/ clearing member for each stock exchange/ clearing corporation has been done away with and instead a single registration with any stock exchange/ clearing corporation shall be required. For operating in any other stock exchange(s)/ clearing corporation(s), approval will be required from the concerned stock exchange or clearing corporation. For the purpose of implementing the revised registration requirements, guidelines have been issued which have been provided for in the related circular. *[CIR/ MRSD/ 4/ 2014, dated 13th October, 2014 (SEBI)]*

• **REVIEW OF PENALTY STRUCTURE- Modification of client codes of non-institutional trades executed on stock exchanges (All Segments):**

SEBI has partially modified client code modifications of non-institutional trades on stock exchanges, by providing that: . (i) Stock exchanges may waive penalty for a client code modification where stock broker is able to produce evidence to the satisfaction of the stock exchange to establish that the modification was on account of a genuine error. (ii) Not

more than one such waiver per quarter may be given to a stock broker for modification in a client code. Explanation: If penalty waiver has been given with regard to a genuine client code modification from client code AB to client code BA, no more penalty waivers shall be allowed to the stock broker in the quarter for modifications related to client codes AB and BA.(iii) Proprietary trades shall not be allowed to be modified as client trade and vice versa.(iv) Stock exchanges shall submit a report to SEBI every quarter regarding all such client code modifications where penalties have been waived. *[CIR/MRD/DP/29/2014, dated 21st October, 2014, (SEBI)]*

• **PROPRIETARY POSITION LIMITS OF A STOCK BROKER REVISED, FOR CURRENCY DERIVATIVES CONTRACTS:**

SEBI has revised Proprietary open position limits of a stock broker, who is not a bank, across all contracts in a permitted currency pair to be higher of (a) 15% of the total open interest in the currency pair, or (b) USD 50 million / EUR 25 million / GBP 25 million / JPY 1000 million, as applicable. *[CIR/MRD/DP/30/2014, dated 22nd October, 2014, (SEBI)]*

• **SAT ON TRADING SYSTEM - Artificial creation of volumes, through self/fictitious trades, not permitted:**

Appellant executed 4 self-trades for 9866 shares in a scrip which constituted 7.45% of total buy and 10.20% of total sale of scrip on these two days. Appellant tried to explain these self-trades, as arising due to jobbing/arbitrage nature of their business, where more than one dealer deals with the scrip and place buy or sell orders in same scrip, based on their perception of market and hence these orders arising out of different terminals sometimes match and this has not been done intentionally or they have made any profit. However, the contention was not accepted as jobbing

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or any other purchase / sell activity in security market has to follow the basic rule viz. buy cheap and sell costly; but here Appellant, while trying to explain self-trades; have shown that they were buying costly and selling cheap. *[Angel Broking Private Limited v. SEBI, dated 1st October, 2014, (SAT)]*

- **NON-DISCLOSURES UNDER SAST-** Failure to make requisite disclosures shall entail penal liability, irrespective of it being unintentional, technical and inadvertent: Shares sold by the appellant constituted 6.2% of the total issued share capital of the target company. As per regulation 13(3) of **Prohibition of Insider Trading** Regulations, 1992 and regulation 29(2) of **Substantial Acquisition of Shares & Takeovers** Regulations, 2011, it was mandatory on part of the appellant to make disclosures, which the appellant failed to do. In the fact and circumstances of the case, SAT held that the sale of shares in question being reported on BSE's website in bulk deal data, does not absolve the appellant from making disclosures under the respective regulations, irrespective of it being unintentional, technical and inadvertent. *[Ashlesh Gunvantbhai Shah v. SEBI, dated 8th October, 2014, (SAT)]*

- **TAKEOVER REGULATIONS:** entitlement to interest on the amount which the appellant received on account of shares sold to the acquirers under the open offer: In this case shares of the Target Company were acquired by the appellant after July 22, 2005, i.e. the date on which the pledge was invoked and pledged shares were transferred to the name of the acquirers. Language of Regulation 10 makes it abundantly clear that the said regulation gets triggered only when acquisition of shares entitles such acquirer to exercise 15% or more of the voting rights of the Company. When shares were pledged, on March 22,

2002, shares being not transferred, appellant was not entitled to voting rights and hence March 22, 2002, could not be considered as the date on which regulation 10 of Takeover Regulations, 1997 got triggered. It is only on July 22, 2005 when the shares were transferred acquirer became entitled to exercise 15% or more of the voting rights on account of transfer of shares, regulation 10 of Takeover Regulations, 1997 got triggered.

Liability to pay interest under regulation 22(12) of Takeover Regulations, 1997 arises only when the acquirer fails to pay the consideration to the shareholders within 15 days from the date of the closure of the offer. In the present case, consideration was offered and paid to the appellant within the date specified under regulation 22(12) of Takeover Regulations, 1997. Hence, the question of paying interest to the appellant does not arise at all. SAT held that shareholders contemplated under regulation 44(i) of Takeover Regulations, 1997 must be those shareholders whose shares have been accepted upon public announcement of offer and who had suffered loss owing to blockage of amount by not being able to sell shares held by them. In the present case, appellant was neither the shareholder of the Target Company on the trigger date nor on date when public announcement was made on July 25, 2005 and hence question of paying interest to the appellant does not arise at all. *[Arun Goenka v. SEBI & Ors., dated 14th October, 2014, (SAT)]*

- **NATURE OF LIABILITY OF THE MEMBERS OF BSE FOR THE ACTS AND OMISSIONS OF THEIR AUTHORIZED CLERKS AND EMPLOYEES:** In this case SAT held that when a specific rule of BSE holds stock broker fully responsible for all acts / omissions of its employees, the

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same must prevail over general principle that no employer can be held for tortious acts of its employees, unless the act of employee was wrongful authorized by master. Stock-Broker (JHP Securities) must be made liable for all acts of its employee. During the entire investigation period of 2 years the employee executed trades for six clients of Appellant, which were reversal / circular / synchronized, yet Appellant failed to notice the acts of its employee. *[JHP Securities Pvt. Ltd. v. SEBI, dated 14th October, 2014 (SAT)]*

COMPETITION

CCI DIRECTS CASSETTE COMPANY TO CEASE IMPOSING UNFAIR CONDITIONS UPON PVT. FM STATIONS:

In the instant case, CCI directed M/s Super Cassettes to desist from imposing unfair conditions regarding MCC or Minimum Commitment Charges in its agreements with private FM Radio stations in India and modify the same within three months. The commission also imposed penalty on the opposite party on the grounds that it abused its dominant position in the market. The penalty so imposed is at the rate of 8% of its average turnover of the last three years, roughly amounting to Rs. 2.80 crores. [M/s HT Media Limited & M/s Super Cassettes Industries Limited]

CCI DIRECTS COAL INDIA LTD. TO MODIFY ITS E-AUCTION SCHEME:

Coal India Limited has been directed by CCI in the instant case to modify its e-auction scheme after it was found guilty of misusing its dominant and monopolistic position in the market. The complaint against CIL was that, a penalty was imposed on the successful bidder who failed to lift the booked quantity within the stipulated period of time. However, there was no penalty or any relief of that sort if there is a fault on the side of CIL, except a refund. And that too if the refund is not

delivered on time, there won't be any interest accrued on it. Subsequently, the competition commission has given a period of 60 days to modify the Scheme. However no penalty has been imposed, considering a recent penalty amounting to Rs. 1773.5 crores. [Shri BijayPoddar v. M/s Coal India Limited and it's subsidiaries]

PENALTY IMPOSED ON GOA DRUGGISTS ASSOCIATION (CDAG) FOR ABUSING THEIR DOMINANT POSITION:

CDAG (Chemists and Druggists Association, Goa) has been charged of coercion and abusively exerting its influence among stockists. A number of unscrupulous activities like, not printing invoices and disruption in supplies of stock had taken place due to CDAG abusing its dominant position. CCI has imposed a penalty on the association at the rate of 10% of its receipts based on the financial statements filed by them, resulting in a penalty amounting to Rs. 10,62,062 and the same is to be deposited within 60 days.

INDIRECT TAXES

(A) SERVICE TAX

• INWARD REMITTANCES FROM ABROAD:

Levy of service tax on activities in relation to inward remittances from abroad to beneficiaries in India through MTSOs: Mandating that an Indian bank or any other entity acting as an agent to money transfer service operator (MTSO) in relation to money transfers, which facilitates in the delivery of the remittance to the beneficiary in India, falls in the category of intermediary service, by whatever name called, and hence the commission or fee or any similar amount are liable to service tax, received by it from MTSO and any amount charged separately from the

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person who receives remittance and services provided by way of currency conversion,. *[Circular No. 180/06/ 2014 – ST dated 14th October, 2014]*

- **TAX LIABILITY- When Penalty may not be imposed:** The Hon'ble Allahabad High court in the instant case after observing that the assessee who happened to pre-deposit the tax liability levied on him, held that because the assessee has not been aware of the taxability and as the default was not done to cause fraud, therefore, penalty cannot be imposed on the assessee for the same. *[H.M.Singh & Co. Vs. Commissioner of Central Excise, Customs & Service Tax]*
- **EXPORT OF SERVICE:** For the entities situated outside India, services provided, are an export of service and are not liable to service tax: In the instant case it was held that for the services provided by an Indian entity to an entity situated outside India, which were delivered outside India are covered by the provisions of the Export Rules and are not liable to Service Tax. Rule 3(1)(iii) of the Export Rules clearly indicates that the relevant factor for deciding the export service is the 'the location of the service recipient' and not the 'place of performance'. *[Microsoft Corporation India Pvt. Ltd. Vs Commissioner of Service Tax, New Delhi]*

(B) CENTRAL EXCISE

- **AUDIT BY CENTRAL EXCISE OFFICERS:** Central Board of Excise and Customs (CBEC), in view of the doubts which have arisen regarding powers of a Central Excise Officer to conduct audit, (in the background of recent judgment by Hon'ble Delhi High Court in the case of M/s Travelite (India) wherein the

the Court had quashed the rule 5A(2) of the Service Tax Rules, 1994 to conduct audit as it did not have appropriate statutory backing) has clarified that since the judgment pertained to service tax and not Central Excise and also that in Central Excise Act there is adequate statutory backing for audit by the Central excise officers in clause (x) of Section 37(2) and rule 22 of the Central Excise Rules, 2002 and thus the officers of Central Excise shall continue to conduct audit.

[Circular No. 986/ 10/ 2014-CX dated 09.10.2014]

- **EXPORT WAREHOUSING- Extension of facility at Bhuj Taluka in Kutch District in the state of Gujarat:** Central Board of Excise & Customs (CBEC) has extended the facility of warehousing of excisable goods for the purpose of export to Bhuj Taluka of Kutch district in the state of Gujarat which would facilitate the trade and industry. *[Circular No. 987/ 11/ 2014-CX dated 15.10.2014]*
- **DETERMINATION OF PLACE OF REMOVAL:** Eligibility to avail credit of the service tax paid on the transportation during removal of excisable goods depends upon the place of removal: CBEC has made it clear that the place of removal needs to be ascertained in term of provisions of Central Excise Act, 1944 read with provisions of the Sale of Goods Act, 1930 as for a manufacturer/consignor, the eligibility to avail credit of the service tax paid on the transportation during removal of excisable goods would depend upon the place of removal . In case of factory gate sale, the determination of place of removal is not much difficult. But in cases where the manufacturer claims that the sale has taken place at destination point due to the terms of sale agreement , the risk of loss of damage during transit and the freight charges were an integral part of the price of the goods. In such case, the credit of service tax paid would be admissible provided the

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claimant of such credit establishes that the sale and transfer occurred at the said place. The Circular recorded that instances have come to notice of the Board, where on the basis of the claims of the manufacturer regarding freight charges or who bore the risk of insurance, the place of removal was decided without ascertaining the place where transfer of property in goods has taken place. The Board said that payment of transport, inclusion of transport charges in value, payment of insurance or who bears the risk are not the relevant considerations to ascertain the place of removal. The place where sale has taken place or when the property in goods passes from the seller to the buyer is the relevant consideration to determine the place of removal. *[Circular No. 988/ 12/ 2014-CX dated 20.10.2014]*

- **REVERSAL OF CENVAT CREDIT:** No reversal of cenvat credit on the capital goods which were re-exported: It has been held that the manufacturer assessee is entitled to clear the inputs or capital goods for export on which credit has been taken during import, under the bond without payment of duty. Hence, no reversal of cenvat credit on the capital goods is allowed which were re-exported on whom credit been taken during its imports. *[Glass and ceramic Decorators Vs Commissioner of Central Excise, Mumbai]*
- **COMMISSIONER TO FALL WITHIN THE EXPRESSION OF “ADJUDICATING AUTHORITY”:** The Hon’ble High court of Delhi, in a recent case, where the department denied refund of the interest of pre-deposit, along with the pre-deposit, on the pretext that Commissioner was not adjudicating authority, and the interest starts only after communication of appellate order to “Adjudicating Authority”, the Court held that as per Section 2(a) of

the Excise Act which defines the term “Adjudicating Authority” to include any authority competent to pass any order or decision under this Act, but does not include the Central Board of Excise and Customs or the Commissioner of Central Excise (Appeals) or The Appellate Tribunal, therefore, the commissioner would fall within the definition of Adjudicating Authority, hence, interest need to be refunded. *[Afcons Infrastructure Ltd. v. Union of India, High court of Delhi]*

- **100% EOU: Usage of raw material imported for final product manufacturing for the purpose of Research and Development:** The departments contentding on the usage of inputs for the sake of research and development along with the manufacturing of final product for which duty was not paid by the assessee under the benefits availed by 100% EOU, issued show cause notice denying the benefit of 100% EOU and demanded duty along with interest and penalty. The Hon’ble tribunal held that as the manufacturing process cannot be undertaken without research and development, hence, department’s contention is not valid. *[Serum Institute of India Ltd v. Commissioner of central excise, CESTAT, MUMBAI]*

IPR

- **TRADE MARKS: Meaning of the expression ‘carries on business’ at a certain place, in the context of e-commerce:** Appellant filed a suit seeking permanent injunction restraining infringement of Copyright, Infringement of Trade Mark, Passing Off, Dilution, Rendition of Accounts, Damages, etc in respect of their Trade Marks ‘WWE Scratch Logo’ and ‘WORLD WRESTLING ENTERTAINMENT’. The

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suit was dismissed by Single Bench of the Delhi High Court on the ground of want of jurisdiction. However, the Division bench considered the question that whether the introduction and spread of e-commerce and business over the internet impacts the meaning of the expression 'carries on business' at a certain place. The Hon'ble Court relied on the classic Contract case of *Bhagwan Goverdhandas Kedia v. Girdharilal Parshottamdas & Co.*: AIR 1966 SC 543, to hold that in case of e-commerce, "contracts would be completed at the place where the acceptance is communicated." Hence, the appellant/ plaintiff is, to a certain extent, carrying on business at Delhi. *[World Wrestling Entertainment Inc. vs. M/s. Reshma Collection, dated 15th October, 2014 (Delhi HC)]*

- **TRADE MARKS:** The Registrar of Trade Marks acts quasi-judicially and thus the power is quasi-judicial and not administrative and the Registrar cannot be made to work under the dictates of his superior authority: In the instant case the issue was When the Statute under Section 22 of the Trade Marks Act, 1999 confers on the Registrar of Trademarks the power to permit the correction of "any error" in or in connection with the application or to permit an amendment of the application, whether the Controller General by a general order in the nature of a guideline can direct as to which of such amendments shall not be allowed. The Hon'ble HC held that while dealing with an application for amendment and in deciding whether or not to allow such amendment, the Registrar of Trade Marks acts quasi-judicially and thus the power is quasi-judicial and not administrative and the Registrar cannot be made to work under the dictates of his superior authority. Clause No.3 of the Office Order dated 8th June, 2012 passed by Controller General of Patents, Designs and Trade Marks, Government of India is quashed/struck down. *[Intellectual Property*

Attorneys Association vs. UOI &Anr., dated 9th October, 2014 (Delhi HC)]

CONSUMER

- **REFUND CANNOT BE GRANTED IN THE CASE OF A FAULTY CAR:** The appellants, on finding trouble in the engine on the purchase of a brand new Polo variant, sought for refund against the car after being left dissatisfied with the service of the respondents. The National Commission although directed the respondents to replace the model and compensate the appellants, it denied respondent's request for refund. *[M/s Radha Gardens and ors v. Volkswagen India (p) Ltd and ors, (NCDRC)]*.
- **STERLITE INDUSTRIES HELD LIABLE FOR NON-ADHERENCE IN CANCELLATION OF SHARES:** Commission while dismissing the petition filed by Sterlite Industries India Limited, held that the appellants clearly did not abide by the procedure specified in the scheme approved by the Hon'ble High Court of Bombay while cancelling the share certificates held by respondents and there is a clear deficiency in service on the part of the appellants. *[M/s Sterlite Industries (India) Limited v. Smt. Kumuda Bhaskarn (NCDRC)]*.
- **INSURANCE TAKEN FOR ROADWAYS TRANSPORT SHALL EXTEND TO PASSENGERS AS WELL:** Passenger sued the driver and conductor of a Haryana Roadways bus for the injuries suffered by him due to the negligent action of the bus driver and the conductor where they spilled boiling water on the passenger. NCDRC decided, in cases like these, the insurance taken up by the roadways shall extend to the fellow passengers in case of

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accidents. Subsequently, it dismissed the revision petition filed by the insurance company (New India Assurance Company Limited) stating that though the policy may have been obtained by Haryana Roadways in compliance of the statutory requirement contained in Motor Vehicles Act but the terms of the policy are wide enough to include any liability incurred by the Haryana Roadways to a passenger travelling in its bus. Therefore, it would be difficult to say that the case of the complainant is not covered under the aforesaid insurance policy. *[New India Assurance Company Limited v. Pradeep Kumar and ors. (NCDRC)]*

ENVIRONMENT

- **CORPORATE SOCIAL RESPONSIBILITY : It is the Corporate Social Responsibility of the Industries to ensure there is no pollution as a result of their activities:** The National Green Tribunal, maintaining that it is the corporate social responsibility of the industries to ensure there is no environmental pollution as a result of their activities, imposed a penalty of Rs.5 crore on the Simbhaoli Sugar Mills and Distillery, which it termed “direct source of polluting the river Ganga”, under the “polluter pays principle”. – *[The Hindu, dated 17th October, 2014]*
- **DELHI POLLUTION BOARD REVOKES PERMIT OF 11 STAINLESS STEEL INDUSTRIES IN WAZIRPUR:** As directed by NGT, the Delhi Pollution Control Committee (DPCC) after inspecting stainless steel pickling industries in Wazirpur Industrial area has rejected permission granted to 11 units operating in the area for non-compliance with green norms. - *[The Indian Express, dated 16th October, 2014]*

- **ENVIRONMENT MINISTRY EARMARKS 100 METRES TO 1.27 KM FROM OKHLA BIRD SANCTUARY AS AN ECO-SENSITIVE ZONE:**

In a partial relief to about 30,000 home buyers, the environment ministry has issued a draft notification earmarking 100 metres to 1.27 km from the Okhla Bird Sanctuary as an eco-sensitive zone, reducing it substantially from the 10 km area directed by a National Green Tribunal (NGT). According to the draft the Eco-sensitive Zone is the area up to 100 meters from the eastern, western and southern boundary and up to 1.27 km from the northern boundary of the Okhla Bird Sanctuary up to DND flyover, across the riverbed, situated in Gautam Buddha Nagar district of Uttar Pradesh and South East district of the NCT. *[The Business Standard, dated 18th October, 2014]*