MONTHLY
NEWSLETTER

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RBI/FEMA

1. BANKS CAN GRANT NON-FUND BASED FACILITIES TO NON-CONSTITUENT BORROWERS

The Reserve Bank of India (**RBI**) has permitted the Scheduled Commercial Banks to grant non-fund based facilities including Partial Credit Enhancement (**PCE**) to its customers, who do not avail any fund based facility from any other bank in India, subject to certain conditions. ***-[RBI/2015-16/281 DBR. Dir. BC. No. 70/13.03.00/2015-16, dated 7th January, 2016]***

2. NORMS FOR SETTING UP OF INTERNATIONAL FINANCIAL SERVICES CENTRES RELAXED

RBI has relaxed three provisions for setting up of bank branches in International Financial Services Centres (**IFSC**). It has allowed IFSC Banking Units (**IBUs**) to open foreign currency current accounts of units operating in IFSCs and of non-resident institutional investors to facilitate their investment transactions.

The IBUs cannot raise liabilities from retail customers including high net worth individuals. Further, IBUs can now raise short-term liabilities from banks and RBI will not prescribe any limit for raising short-term liabilities from banks. ***-[RBI/2015-16/282 DBR. IBD. BC. 8536/23.13.004/2015-16, dated 7th January, 2016]***

3. OPERATIONAL GUIDELINES FOR CONDUCT OF FINANCIAL LITERACY CAMPS OF FLCs AND RURAL BRANCHES OF BANKS REVISED

The RBI has revised the operational guidelines for conduct of financial literacy camps by Financial Literacy Centres (**FLCs**) and rural branches of banks to align with the current financial landscape. Accordingly, the revised guidelines for Financial Literacy Centres of Lead Banks and the operational guidelines for the conduct of camps by FLCs and rural branches of banks has been issued and annex by RBI to this circular. ***-[RBI/2015-16/286 FIDD. FLC. BC. No. 18/12.01.018/2015-16, dated 14th January, 2016]***

4. BANKS NOW CAN OFFER ALL THEIR PRODUCTS AND SERVICES THROUGH THE ATM CHANNELS

The Scheduled Commercial Banks vide circular DBOD. No. BL. BC. 137/22.01.001/2008-09 dated June 12, 2009 which were earlier permitted to install off-site ATMs at centres/places identified by them without taking permission from the Reserve Bank in each case subject to certain conditions. Further, the facilities which can be provided through ATMs were also advised in the circular.

In partial modification of the above circular and with a view to providing operational freedom to banks, it has been advised by RBI that banks are now free to offer all their products and services through the ATM channels provided the technology permits the same, and adequate checks are put in place to prevent the channel from being misused to perpetuate frauds on the banks/other genuine customers. ***-[RBI/2015-***

16/288 DBR. No. BAPD. BC. 72/22.01.001/2015-16, dated 14th January, 2016]

5. SEEDING OF AADHAAR IN BANK ACCOUNTS IS VOLUNTARY AND NOT MANDATORY

In view of the Hon'ble Supreme Court of India's interim orders dated August 11, 2015 and October 15, 2015 (W.P. (c) No. 494 of 2012) on usages of Aadhaar, RBI has clarified that use of Aadhaar Card and seeding of bank accounts with Aadhaar numbers is not mandatory. ***-[RBI/2015-16/289 FIDD. CO. LBS. BC. No.17/02.01.001/2015-16, dated 14th January, 2016]***

6. INCENTIVE FOR IMPROVING SERVICE TO NON-CHEST BRANCHES UNDER LINKAGE SCHEME

RBI has decided to allow the currency chest holding banks to enhance the service charges to be levied on cash deposited by non-chest bank branches from the existing rate of Rs. 2/- per packet of 100 pieces to Rs. 5/- per packet, w.e.f. February 1, 2016. ***-[RBI/2015-16/293 DCM (NPD) No. 2564/09.40.02/2015-16, dated 21st January, 2016]***

7. RBI INTRODUCES CENTRAL FRAUD REGISTRY (CFR) FOR FRAUD REPORTING AND MONITORING

A CFR has been operationalised with effect from January 20, 2016 and operational instructions on its use have been issued to banks. Further, some changes has been effected in the fraud reporting mechanism to the Regional Offices/Central Fraud Monitoring Cell (**CFMC**) of the RBI –

(i) Frauds of Rs.0.1 million and above but below Rs. 50 million will be monitored by the respective Regional Office of RBI under whose jurisdiction the Head Office of the bank falls / Senior Supervisory Manager (**SSM**) of the bank. Frauds of Rs. 50 million and above will be monitored by CFMC, Bengaluru, and;

(ii) Flash reports are to be sent in fraud cases of Rs. 50 million and above to the CGM-i-C, DBS, CO with a copy to CFMC at Bengaluru as against the present limit of Rs.10 million and above. ***-[RBI/2015 16/295 DBS. CO. CFMC. BC. No. 007/23.04.001/2015-16, dated 21st January, 2016]***

8. A CHEQUE WRITTEN AND BEARING A DATE IN HINDI IS A VALID INSTRUMENT

RBI, reasoning that since Government of India has accepted Saka Samvat as National Calendar with effect from March 22, 1957 and all Government statutory orders, notifications, Acts of Parliament, etc. bear both the dates i.e., Saka Samvat as well as Gregorian Calendar, has issued instructions to all Co-operative Banks with respect to acceptance of cheques in Hindi. Therefore, RBI has mandated that a cheque written in Hindi and bearing a date in Hindi is a valid instrument. All Co-operative Banks are advised that they should accept cheques bearing a date as per National Calendar (Saka Samvat) for payment, if otherwise found in order. ***-[RBI/2015-16/297 DCBR. BPD. (PCB/RCB). Cir. No. 9 /12.05.001/2015-16, dated 21st January, 2016]***

9. DESIGNATED BANKS TO SELL THE INDIA GOLD COINS (IGCS) MINTED BY MMTC

Metals and Minerals Trading Corporation of India (MMTC) has been authorized by the Central Government to manufacture India Gold Coins (**IGC**) with Ashok Chakra and supply these coins to the domestic market. In view of this, RBI has allowed the designated banks as defined in the Master Direction on Gold Monetization Scheme, dated October 22, 2015, to sell the IGCs minted by MMTC. The terms and conditions shall be as per the

contract between the designated bank and MMTC. ***-[RBI/2015-16/298 DBR. IBD. BC. 75/23.67.001/2015-16, dated 21st January, 2016]***

10. AMENDMENTS TO GOLD MONETIZATION SCHEME, 2015

Under the amended norms, gold deposits made by depositors in the short-term bank deposit (**STBD**) scheme for a period of 1-3 years would accrue interest in gold units. Earlier the customers had a choice of collecting their interest in cash or gold during the time of redemption. In the case of medium and long-term gold deposits (**MLTGD**), where medium-term deposits have a 5-7 year term and long-term deposits have a 12-15 year term, the central bank's notification said that while the principal will be denominated in gold, the interest will be calculated in rupees with reference to the value of gold at the time of the deposit. Earlier, both the principal and the interest could be collected in cash, at the value of gold prevailing at the time of redemption of the deposit. ***-[RBI/2015-16/300 DBR. IBD. BC. 74/23.67.001/2015-16, dated 21st January, 2016]***

11. SAFE DEPOSIT LOCKER FACILITY IS A FEE BASED SERVICE NOT REGULATED BY THE BANK

RBI on receiving proposals from NBFCs seeking approval for offering safe deposit locker facilities, has clarified that providing safe deposit locker facility is a fee based service and shall not be reckoned as part of the financial business carried out by NBFCs. NBFCs offering safe deposit locker facility or intending to offer it, shall disclose to their customers that the activity is not regulated by the Bank. ***-[RBI/2015-16/302 DNBR (PD). CC. No. 072/03.10.001/2015-16, dated 28th January, 2016]***

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FOREIGN TRADE

1. IMPLEMENTATION OF TRACK AND TRACE SYSTEM FOR EXPORT OF PHARMACEUTICALS AND DRUG CONSIGNMENTS EXTENDED

The dates for implementation of Track and Trace system for export of drug formulations along with maintaining the Parent-Child relationship in packaging have been extended by DGFT to 01.04.2016 for non SSI manufactured drugs and to 01.04.2017 for SSI manufactured drugs. ***-[Public Notice No. 52/2015-2020, 5th January, 2016, (DGFT)]***

2. PROCEDURE FOR MODIFICATION IN IEC CONSEQUENT TO CHANGE IN JURISDICTIONAL REGIONAL AUTHORITIES

The Procedure for modification/change in Branch Office/Head-Office/Registered Office Address in IEC involving a change in jurisdictional RA is laid down.

When an IEC holder seeks modification/change of Branch Office/Head Office/Registered Office address in its IEC and which involves a shift in its jurisdictional regional authorities (**RA**), a request to that effect will have to be made to the new RA to whose jurisdiction the applicant is shifting its Office. A copy of this request with application details is to be submitted to the old RA from where the original IEC was issued.

The old RA (the custodian of the IEC file till now) will transfer the IEC file to the new RA (the new custodian) which shall make appropriate amendment based on the transferred file and fresh documents submitted to it by the applicant. The new RA shall

allow the person in its new address to carry out necessary functions and also apply for eligible benefits as per FTP. ***-[Public Notice No. 53/2015-2020, 5th January, 2016, (DGFT)]***

3. AUTHORITY TO INDIAN INDUSTRIES ASSOCIATION TO ISSUE CERTIFICATE OF ORIGIN (NON-PREFERENTIAL) FROM ITS BRANCH OFFICE GRANTED

DGFT has authorized the Indian Industries Association, having its registered office at IIA Bhawan, Gomti Nagar, Lucknow, to issue Certificate of Origin (Non-Preferential) from its following branch office, situated at Mahipalpur Extn., New Delhi. ***-[Public Notice No. 54/2015-2020, 5th January, 2016, (DGFT)]***

4. PERMISSION TO EXPORT FINISHED LEATHER, WET BLUE AND EL TANNED LEATHER THROUGH ICD

Export of finished leather, Wet Blue and EI Tanned leather has been permitted through the ICD also at Kheda. ***-[Public Notice No. 55/2015-2020, 6th January, 2016, (DGFT)]***

5. AMENDMENT IN THE IMPORT POLICY CONDITION OF APPLES

Import of the item 'Apples' covered under EXIM Code 08081000 has been allowed through sea ports & airports in Kolkata, Chennai, Mumbai & Cochin; and land port & airport in Delhi. Import of apples is also allowed through India's land borders. ***-[Notification No. 30/2015-2020, 12th January, 2016, (DGFT)]***

6. AMENDMENT IN EXPORT POLICY OF PULSES

Export of Roasted Gram (whole/split) in consumer packs of 1 (one) Kg. has been permitted. ***-[Notification No. 31/2015-2020, 20th January, 2016, (DGFT)]***

7. AMENDMENT IN EXPORT POLICY CONDITION OF NATURAL RUBBER

Import of Natural Rubber of all varieties/forms covered under EXIM Code 4001 has been allowed only through sea ports of Chennai and Nhava Sheva (Jawaharlal Nehru Port). ***-[Notification No. 32/2015-2020, 20th January, 2016, (DGFT)]***

8. MANDATORY DOCUMENTS REQUIRED FOR IMPORT AND EXPORT

Pursuant to Notification No. 114 dated 12th March 2015 specifying that only three documents would be mandatory for exports and imports. The same has been reaffirmed by DGFT, restating that for export of goods from India-

(1) Bill of Lading/Airway Bill;
(2) Commercial Invoice cum Packing List;
(3) Shipping Bill/Bill of Export, are the mandatory documents.

While for import of goods into India-

(1) Bill of Lading/Airway Bill;
(2) Commercial Invoice cum Packing List;
(3) Bill of Entry shall be mandatory documents.

In specific cases of export or import, the regulatory authority concerned may electronically or in writing seek additional documents or information, as deemed necessary to ensure legal compliance.

Thus, a departure from the 3 document norm has been envisaged only in rare exceptional cases where a substantive legal requirement exists for doing so. -

[Trade Notice No. 15/2015, 21st January, 2016, (DGFT)]

9. AMENDMENT IN PARA 4.18 OF FOREIGN TRADE POLICY REGARDING IMPORT OF NATURAL RUBBER

The DGFT has directed that the import of Natural Rubber will not be allowed during the period 21st January 2016 to 31st March 2016 under Advance Authorisations to be issued or revalidated on or after 21st January, 2016. ***-[Notification No. 33/2015-2020, 21st January, 2016, (DGFT)]***

10. EXTENSION OF VALIDITY OF AGENCIES AS LISTED IN APPENDIX 2G OF APPENDICES AND ARYAT NIRYAT FORMS UPTO 31st MAY, 2106

The validity of recognition of those Pre-shipment Inspection Agencies (**PSIAs**) included in the Appendix 2G of Appendices and AayatNiryat Forms (**A&ANF**) of Foreign Trade Policy (2015-20) who have completed their tenure of three years as PISAs as on date or whose validity would expire on or before 31st May, 2016, has been extended upto 31st May, 2016. ***-[Public Notice No. 57/2015-2020, 27th January, 2016, (DGFT)]***

11. DETAILS/DOCUMENTS TO BE SUBMITTED/UPLOADED ALONG WITH APPLICATION FOR IMPORTER-EXPORTER CODE

DGFT has directed that from the date of the notification under consideration only two documents will be required to be uploaded /submitted along with the digital photograph while applying for IEC.

Further, applications for IEC/ modification in IEC can be made only in online mode by applicants through digital signatures with effect from 1st April, 2016. ***-[Notification No. 34/2015-2020, 29th January, 2016, (DGFT)]***

12. RESTRICTION ON IMPORT OF CAPITAL GOODS UNDER EPCG SCHEME FOR GENERATION/TRANSMISSION OF POWER

DGFT has mandated that the authorization under EPCG Scheme shall not be issued for import of any Capital Goods for generation/transmission of power (including Captive plants and Power Generator Sets of any kind) for Supply of power (energy) in their own unit. ***-[Notification No. 35/2015-2020, 29th January, 2016, (DGFT)]***

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CORPORATE

1. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

MCA has clarified that the IEPF Authority, being set up under the Companies Act, 2013, would advise the central government on issues related to investors interest as well as register associations and other organisations that are engaged in investor education and protection activities.

The authority can also initiate legal cases against non-compliant companies and individuals. Corporate Affairs Ministry Secretary would be the Chairperson of the authority. It would have a Chief Executive Officer, who would also be the convener, and six members.

Apart from one representative each from the Reserve Bank of India (**RBI**) and Securities and Exchange Board of India (**SEBI**), there would be four experts having experience of at least 15 years.

These members should have "special knowledge" in finance, management, accountancy or law. The Authority and its committee will have to meet atleast once every quarter. There are two schedule, as in schedule-I Designation, payscale and no. of posts is defined and in schedule-II Functionals Division of Authority. ***-[Ministry of Corporate Affairs, 13th January, 2016]***

2. STATUS OF HUF AND ITS KARTA WITH REGARD TO LLP

MCA has mandated that as per Section 5 of Limited Liability Partnership Act, 2008 only an individual or body corporate may be a partner in a Limited Liability Partnership.

A HUF or its Karta cannot become partner or designated partner in LLP Act, 2008. While this has been declared earlier by the Ministry it is further clarified that HUF or its Karta cannot become partner or designated partner in LLP. ***-[General Circular 2/2016, 15th January, 2016 (MCA)]***

3. CENTRAL REGISTRATION CENTRE (26th January, 2016)

MCA has clarified that the motive, of Companies (Incorporation) Amendment Rules, is to discharge or carry out the function of processing and disposal of applications for reservation of names under the provision of the Act be established.

The CRC shall function under the administrative control of Registrar of Companies, Delhi (ROC Delhi), who shall act as the Registrar of the CRC until a separate Registrar is appointed to the CRC. The CRC shall process applications for reservation of name i.e., e-Form No. INC-1 filed along with the prescribed fee as provided in the Companies (Registration of Offices and Fees) Rules, 2014.

Processing and approval of name or names proposed in e-Form No. INC-29 shall continue to be done by the respective Registrar of Companies having jurisdiction over incorporation of companies under the Companies Act, 2013 as per the provisions of the Act and the rules made thereunder.

The CRC shall be located at Indian Institute of Corporate Affairs (**IICA**), in Manesar, Gurgaon (Haryana). ***-[Notification dated 22nd January, 2016, (MCA)]***

4. COMPANIES (INCORPORATION) RULES, 2014

In scenarios of undesirable names mentioned in rule 8, omission has been made to remove any consideration of names to conform with the object of the company as mentioned in memorandum, the bar on abbreviated name has also been removed and likewise the bar on company to have its name to conform to scope and scale of its activities.

Also the requirement for company to change its name if it has changed its activities within six months has been omitted by present circular. The requirement of obtaining a no objection from the person in case the name of the company comprises the name of a person has also been removed.

Rule 9 provides that an application for the reservation of a name shall be made in Form No. INC. 1 along with the fee as provided in the Companies (Registration offices and fees) Rules, 2014.

A further addition has been made to this rule by adding that the registrar at Central Registration Centre shall have the discretion to either approve or reject the application for name.

As a further addition even after the resubmission of the documents and on completion of second opportunity, if the registrar still finds that the documents are defective or incomplete, he shall give third opportunity to remove such defects or deficiencies. However, the total period for re-submission of documents shall not exceed a total period of thirty days.

The circular also substitutes the originally provided INC-1, form meant for application for reservation of name. The format for the new form has been appended with the notification. ***-[Notification dated 22nd January, 2016, (MCA)]***

5. ISSUE OF FREQUENTLY ASKED QUESTIONS WITH REGARD TO CORPORATE SOCIAL RESPONSIBILITY UNDER SECTION 135 OF THE COMPANIES ACT, 2013

MCA has issued a set of frequently asked questions (**FAQs**) vide this circular clarifying various difficulties faced by the corporates while dealing with the CSR provisions under section 135 of the Companies Act, 2013. ***-[General Circular No. 1/2016 issued vide F No. 05/19/2015-CSR dated 12th January, 2016 (MCA)]***

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SECURITIES

1. REVISED CONTENTS OF APPLICATION-CUM-BIDDING FORM AND MANNER OF DISCLOSURES

With effect from 1st January, 2016 all investors applying in a public issue have been required by SEBI to use only Application Supported by Blocked Amount (ASBA) facility for making payment. Data fields required in the form have been mentioned in Annexure 1 of the circular with an illustrative format in annexure II. ***-[CIR/CFD/DIL/1/2016, 1st January, 2016, (SEBI)]***

2. REVISED POSITION LIMITS FOR CURRENCY DERIVATIVES CONTRACTS

SEBI has decided to enhance the gross open position limits for bank stock brokers in USD-INR currency derivative transactions. While the gross open position across all contracts shall not exceed 15% of the total open interest or USD 100 million, whichever is higher, for bank stock brokers the gross open position across all contracts shall not exceed 15% of the total open interest or USD 1 billion, whichever is higher. ***-[CIR/MRD/DP/02/2016, 15th January, 2016, (SEBI)]***

3. REDUCTION IN DAILY PRICE LIMITS AND NEAR MONTH POSITION LIMITS FOR AGRICULTURAL COMMODITY DERIVATIVES AND SUSPENSION OF FORWARD SEGMENT

To curb the speculative participation and consequent volatility in prices of agricultural commodities derivatives, Daily Price Limits for agricultural commodity derivatives has been revised by SEBI. DPL shall have two slabs- Initial and Enhanced Slab. Once the initial slab limit is reached

in any contract, then after a period of 15 minutes this limit shall be increased further by enhanced slab, only in that contract. The trading shall be permitted during the 15 minutes period within the initial slab limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%. For commodity derivative trading in barley, chilli, jeera and turmeric the initial as well as enhanced slab shall be 2%. The total Daily Price Limit thus being 4%. For all other agricultural commodities, the initial slab shall be 3% with an enhanced slab of 1%. This has been effective from 1st of February.

Currently, in case of agricultural commodity derivatives, client level and member level near month position limits in any commodity are 50% of their overall position limits for that commodity. This near month position limit has now been revised from 50% to 25%, which shall be enforced for all contracts expiring in month of March-2016 and onwards.

The circular also declares that participants in Forward Segment shall not be allowed to enter into fresh contracts till further orders. However, the existing contracts shall be allowed to be settled as per the terms of the contracts. ***-[CIR/CDMRD/DMP/2/2016, 15th January, 2016, (SEBI)]***

4. THE PROCESS OF PUBLIC ISSUE OF EQUITY SHARES AND CONVERTIBLES STREAMLINED

SEBI has directed that the Stock exchange(s) may validate the electronic bid details with depository's records for DP ID, Client ID and PAN, at periodic intervals throughout the bidding day during the bidding period and bring the inconsistencies to the notice of intermediaries concerned, for rectification.

Syndicate members, registered brokers of stock exchanges, depository participants (**DPs**) and registrars to an issue and share transfer agents (**RTAs**) registered with SEBI, may also forward the physical application forms received by them on day-to-day basis during the bidding period to designated branches of the respective self-certified syndicate banks (**SCSBs**) for blocking of funds. Such applications should be with value not more than Rs. 2 lakh and shall be forwarded along with the schedule specified in SEBI Circular dated November 10, 2015 (see CIR/CFD/POLICYCELL/11/2015).

It has further been directed that the Stock exchanges may share the electronic bid file for applications with value not more than Rs. 2 lakh with RTA to the issue on daily basis who in turn may share the same with each SCSB.

SCSBs may carry out the blocking of funds on a daily basis during the bidding period for such physical application forms received. Revised electronic bid file / final bid file shall be shared by the stock exchanges with RTA to the issue. SCSBs to ensure blocking of funds is based on final electronic bid file received from RTA to the issue.

The instruction for publication of basis of allotment may be given by T+5 day so that basis of allotment is published in all the newspapers, where issue opening/closing advertisements have appeared earlier, on T+6 before the commencement of trading. ***-[SEBI / HO / CFD / DIL / CIR / P / 2016 / 26, 21st January, 2016, (SEBI)]***

5. CLARIFICATION WITH RESPECT TO COMPOSITION OF GOVERNING BOARD

Pursuant to amendment of definition of 'associate' in Stock Exchanges and Clearing Corporation Regulation it has been decided by SEBI to bring

necessary changes in SEBI circular to bring it with par with the amendment in SECC Regulation.

Accordingly some clarifications are issued with respect to composition of governing board:

(i) no trading member or clearing member, or their associates and agents, irrespective of the stock exchange/ clearing corporation of which they are members, shall be on the governing board of any recognised stock exchange or recognised clearing corporation;
(ii) a person who is a director in an entity, that itself is a trading member or clearing member or has associate(s) as trading member(s) or clearing member(s) in terms of regulation 2(1)(b), he/she will be deemed to be trading member or clearing member.

The only exception has been reserved for person who is on the board of a Public Financial Institution (**PFI**) or Bank. Also, independent directors of associates of PFI or Bank in Public Sector, who are Clearing Member and/or Trading Member and where the majority shareholding is that of such PFI or Bank in Public Sector, will not be deemed to be Clearing Member and / or Trading Member for the purpose of Regulation 23(7).

The appointment shall be subject to fulfilment of other requirements and satisfaction of SEBI in accordance with Regulation 2(1)(b) od SECC Regulation defining 'associate'. ***-[SEBI / HO / MRD / DSA / CIR / P / 2016 / 30, 22nd January, 2016, (SEBI)]***

6. REVISION OF POSITION LIMITS FOR AGRICULTURAL COMMODITIES

SEBI has revised provisions of open position limits for futures contracts on agricultural commodities in the following manner:

Client Level: The client level position limit equal to 5% of market wide open interest permitted earlier, is hereby discontinued. Near month position limit for a particular commodity shall be restricted to one-fourth of the client level overall position limit in that commodity. For the purpose of calculating overall position, all long and short positions of the client across all contracts on the underlying will be added up separately and higher of the two shall be considered as overall open position. For calculating near month open position, higher of long and short positions of the client in near month contracts to be considered. Therefore, netting out near month contract with off-setting positions in far months contracts shall not be permitted for the purpose of computation of near month position of any client.

Member level: Overall position limit for a particular commodity shall be the numerical position limits as mandated from time to time or 15% of market wide open interest, whichever is higher. Near month position limit for a particular commodity shall be one-fourth of the member's overall position limit in that commodity. For the purpose of determining the overall position of member, clients overall position shall be taken into account without netting off against themselves as also against the members proprietary position and all longs and shorts will be added up separately and higher of the two will be reckoned. For calculating near month open position, clients near month position will be taken into account without netting off against themselves as also against the members proprietary position, an all longs and shorts will be added up separately and higher of the two will be reckoned. Position limits for member's proprietary positions shall be same as

client level position limits. ***-[CDMRD / DMP / CIR / 32 / 2016, 29th January, 2016, (SEBI)]***

7. BROKER NOT BEING VIGILANT IN MONITORING THE FICTITIOUS TRADES OF ITS CLIENT DOES NOT AUTOMATICALLY CREATE THE PRESUMPTION OF HIS COMPLICITY IN THE UNLAWFUL ACT

The case was brought against the appellant broker who provided internet based trading platform to a client who indulged in fictitious trades leading to artificially raining the price of a scrip.

Appellant broker argued that the surveillance system put in place in the internet based trading platform did not generate alerts and therefore, the fictitious trades executed by the said client were not noticed by the appellant.

The tribunal observed that in case of internet based trading platform, inspite of the fact that the trades are executed by the client directly, the stock broker is required to monitor the trades and ensure that the trades executed by the client through the internet based trading platform are in conformity with the rules and regulations. It is the duty of the stock broker under the Brokers Regulations to constantly monitor the trades executed by the client through the internet based trading platform so as to ensure that the trades are executed in accordance with law and do not disturb the market equilibrium.

The second major argument of Appellant was that SEBI had erred in holding the appellant guilty of violating the PFUTP Regulations, because, there was nothing to suggest that apart from providing the trading platform to trade in the ordinary course of business, the appellant was party to the manipulative, fraudulent and unfair trade practices executed by the said client of the appellant.

The tribunal accepted this argument based on the fact that the appellant is found to be not vigilant in monitoring the trades of the said client cannot be a ground presume that the appellant was not vigilant with a view to aid and abet the said client in executing the fictitious trades in violation of PFUTP (Prevention of Fraudulent and Unfair Trade Practices relating to securities market) Regulations. Penalty of Rs. 8 lac under 15HA was dropped while the Rs. 2 lac penalty under 15HB of SEBI act was sustained. ***-[Religare Securities Limited v. SEBI, 12th January, 2016, (SEBI)]***

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COMPETITION

1. AMENDMENT TO COMBINATION REGULATIONS

CCI has mandated that the acquisition of less than 25% of the total shares or voting rights solely as an investment or in the ordinary course of business are exempt from the filing requirements as per clause 1 of Schedule I of the Combination Regulations.

The interpretation of the words 'solely for the purpose of investment' has been a cause of concern, and in this regard an explanation has been added for clarity.

The acquisition of less than ten per cent of the total shares or voting rights of an enterprise shall be treated as solely as an investment, provided:

(i) the acquirers rights are limited to rights exercisable by ordinary shareholders to the extent of their shareholding and

(ii) the acquirer is not a member of the Board of Directors of the enterprise, neither holds the intention to nominate a member to the board or neither intends to participate in the management of the affairs of the company whose shares are being acquired.

Clause 1A of the Schedule 1 also exempts the acquirer from filing requirements wherein such an acquirer already holds more than 25% of the total shares and acquires not more than 5% additional shares in a FY uptil post acquisition shareholding of 50%.

Through present amendment the words "not resulting in gross acquisition of more than five per cent (5%) of the shares or voting rights of such enterprise in a financial year", the Commission has permitted the acquisition of shares more than 5% in an FY but not crossing over the total shareholding percentage of 50% for purposes of availing the exemption from filing requirements.

Following the latest amendment, announcements made by companies under SEBI Takeover Regulations, for acquisition of shares, voting rights or control, such public announcements shall be deemed to be 'other documents' for the purposes of Section 6.

With regard to the procedural requirement involving signing of Form I and II, person duly authorized by 'board of directors of the company for the said purpose' has been substituted with the word 'company', thus effectively allowing any person duly authorized by the company to fulfil the requirement.

The requirement for verification and notarisation of Form I and II has been done away with. Instead a declaration in prescribed format is to be filed by notifying party confirming the completeness, accuracy and truthfulness of the contents filled in the form. Antitrust regulator will now give an opportunity to the parties concerned before deciding on invalidating a notice. ***-[Competition Commission of India, 7th January, 2016]***

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INDIRECT TAXES

a. CUSTOMS

1. REDUCTION OF CUSTOM DUTY FROM 5% TO "NIL" LEVIABLE ON IRON ORE PELLETS

Notification No 27/2011-Customs dated 1.03.2011 has been amended so as to reduce the rate of Custom duty from 5% to "Nil" leviable on "iron ore pellets" exported out of India. ***-[Notification No. 1/2016-Customs, dated 4th January, 2016]***

2. RESCISSION OF CUSTOM DUTY EXEMPTION ON SPECIFIED ITEMS WHEN IMPORTED FROM MYANMAR

Notification No. 09/95-Customs dated 06.03.1995 rescinded, which exempted specified items like certain cereals, horticultural items, and others, if produced in Myanmar and brought into India by the land route through a customs station. ***-[Notification No. 3/2016-Customs, dated 11th January, 2016]***

3. MODIFICATIONS IN THE EXEMPTIONS FOR MEDICAL EQUIPMENT'S & PARTS

Mega exemption Notification No. 12/2012-Customs dated 17.03.2012 has been amended, so as to restrict the 5% duty exemption to 'medical equipments and parts thereof' of specified subheadings (9018, 9019, 9020 and 9021) and their accessories, and to reduce the duty for parts to 2.5%.

Earlier all such equipments were provided a concessional rate of duty of 5%, and the same rate also applied to accessories of such goods and to parts required for the manufacture of such goods.

Similarly in Notification No. 21/2012-Customs dated 17.03.2012 which exempts CVD on certain imports, the exemption for medical equipment, which previously covered goods of headings 9018, 9019, 9020 and 9021, has been restricted to equipment of specified subheadings. ***-[Notification No. 4/2016-Customs & Notification No. 5/2016-Customs, dated 19th January, 2016]***

4. INCLUSION OF ACMA OR FCMA DEGREES FOR HANDLING CUSTOMS WORK

Customs Broker Licensing Regulations, 2013 amended, so as to extend the CA/MBA/LLB degree requirement for a person handling customs work has been amended to include ACMA or FCMA degrees as well. ***-[Notification No. 01/2016-Customs (N.T.), dated 5th January, 2016]***

5. SPECIFIC GOODS, TO WHICH THE PROVISIONS OF SECTION 70 (2) OF THE CUSTOMS ACT, 1962 SHALL APPLY, WHEN THEY ARE DEPOSITED IN A WAREHOUSE

As per Section 70 of the Customs Act, on specified volatile goods, remission of duty is allowed on deficiency in quantity at the time of delivery from a warehouse on account of natural loss. The government has now specified following goods, into the list of volatile goods, for this benefit-

i. aviation fuel, motor spirit, mineral turpentine, acetone, methanol, raw naptha, vaporizing oil, kerosene, high speed diesel oil, batching oil, diesel oil, furnace oil and ethylene dichloride, kept in tanks;
ii. wine, spirit and beer, kept in casks;
iii. liquid helium gas kept in containers; and
iv. crude stored in caverns

-[Notification No. 03/2016- Customs (N.T.), dated 11th January, 2016]

6. ADD ON MULBERRY RAW SILK

Anti-dumping duty has been levied on Mulberry Raw Silk (not thrown) of grade 3A and below, originating in, or exported from the People's Republic of China, for a period of five years. ***-[Notification No. 1/2016-Customs (ADD), dated 28th January, 2016]***

7. ADD ON MELAMINE

Anti-dumping duty has been levied on Melamine, originating in, or exported from the People's Republic of China, for a period of five years. ***-[Notification No. 2/2016-Customs (ADD), dated 28th January, 2016]***

8. FACILITY OF 24X7 CUSTOMS CLEARANCE TO KRISHNAPATNAM SEA PORT IN NELLORE, IN THE STATE OF ANDHRA PRADESH

It has been decided that the facility of 24x7 Customs clearance for specified imports viz. goods covered by 'facilitated' Bills of Entry and specified exports viz. factory stuffed containers and goods exported under free Shipping Bills will be made available at Krishnapatnam Sea port in Nellore, Andhra Pradesh. This would be the 19th Sea port in the country where 24x7 facilities would be in operation. ***-[Circular No. 01 /2016-Customs, dated 6th January, 2016]***

9. IT IS NOT THE DATE OF KNOWLEDGE OF THE MIS-DECLARATION THAT IS RELEVANT BUT THE DATE OF CLEARANCE OF THE GOODS UNDER A BILLS OF ENTRY (B/E) WHICH CONTAINED SUCH MIS-DECLARATION AND/OR UNDERVALUATION

In the present case the relevant date for the purpose of limitation would be the clearance of the B/E in question. It was the contention of the Petitioners that the limitation for the purpose of Section 28 (4) of the Act for issuance of SCN will begin to run from the date of knowledge of the mis-declaration or undervaluation of the goods is contrary to the express language of clause (a) of Explanation 1 which makes it clear that limitation begins to run from the 'relevant date' which in the present case will be the date on which the goods were cleared by the Customs. Held that for the purpose of Explanation 1 (a) to Section 28 of the Act, it is not the date of knowledge of the mis-declaration that is relevant but the date of clearance of the goods under a B/E which contained such mis-declaration and/or undervaluation. ***-[Maldhari Sales Corporation AndOrs. v. UOI &Ors., dated 27th January, 2016 (Delhi HC)]***

10. UNDER THE CUSTOMS ACT, A PARTNERSHIP FIRM IS NOT GIVEN A STATUS OF A SEPARATE LEGAL ENTITY

The issue in this case was whether, under the Customs Act, 1962 and particularly in exercise of the powers conferred by Section 112(a) thereof, simultaneous penalties on both the Partner and Partnership firm can be imposed?

Held that - Yes, simultaneous penalty can be imposed both on the partners and partnership firm under Section 112 (a) of the Act where the charge on the firm is of acting or omitting to act rendering the goods liable for confiscation and the notice issued to the partner makes out a separate case of abetment on his part. This abetment should be in respect of the act and/or the omission to act on the part of the firm which has rendered the good liable for confiscation under Section 111 of the Act or where the allegation on the firm is of abetment and / or *mens rea*, then Section 135(1)(a) and 140 of the Act is applicable and simultaneous penalty is imposable. It is made clear that in all other cases falling under Section 112 (a) of the Act simultaneous penalties upon the firm and its partner cannot be imposed. It is made clear that no penalty can be imposed upon the partner *ipso facto* merely on account of the fact that penalty is being imposed on partnership firm. ***-[M/s Amritlakshmi Machines Works &Ors. v. CC (Import), dated 29th January, 2016 (Bombay HC)]***

b. CENTRAL EXCISE

1. RESTRICTIONS INTRODUCED INTO J&K EXEMPTIONS

Exemptions Notifications No.56/2002-CE & No.57/2002-CE both dated 14.11.2002 for Jammu & Kashmir has been amended, so as to insert a sunset clause of 31.03.2016 and to deny the benefit of the exemption to goods on which certain specified processes have been undertaken. ***-[Notification No. 03/2016 - Central Excise, dated 22nd January, 2016]***

2. GENERAL GUIDELINES FOR IMPLEMENTATION OF E-PAYMENT OF REFUND/ REBATE ISSUED

In order to speed up the transfer of the fund directly to the beneficiary's bank account after sanction of the refund/rebate claim and thereby promote ease of doing business, the government has prescribed a procedure for e-payment of rebate/refund for implementation by all field formations. ***-[Circular No. 1013/1/2016 - CX, dated 12th January, 2016]***

3. THE ASSESSEE IS ENTITLED FOR INPUT SERVICE CREDIT IF ANY SERVICE AVAILED FOR THE BUSINESS OF MANUFACTURING OF FINAL PRODUCT

CESTAT has held that the travel agent services availed by technical and accounting personnel of appellant to visit job workers premises for upkeep

and maintenance of plant and machinery installed by them is an Input service. Thus appellant was held to be entitled to CENVAT Credit. ***-[M/s Vidyut Metallics Pvt Ltd v. CCE, Mumbai, dated 19th January, 2016 (CESTAT)]***

4. TECHNICAL PROFESSIONAL PRODUCTS NOT FOR RETAIL SALE BUT SOLD ONLY TO SALON FOR THEIR EXCLUSIVE INTERNAL IN-SALON USE : DISCHARGING DUTY U/S 4A IS PROPER

In this case the professional technical products were sold by the respondent-assesse through the dealers and wholesalers to the salons and beauty parlours for their consumption. And that the Respondent accessed and discharged that duty under the provisions of Section 4A of the Central Excise Act, 1944. In such factual situation the Revenue wanted to charge duty under the provisions of Section 4 of the Act.

In these circumstances the CESTAT held that the respondent was not in error in discharging the duty liability on the clearance made by them of these products to salons and beauty parlours under the provisions of Section 4A of the Act. ***-[CCE, Pune v. M/s L'oreal India Pvt Ltd., dated 8th January, 2016 (CESTAT)]***

c. SERVICE TAX

1. THERE IS NO PROVISION IN LAW THAT CENVAT CREDIT CAN BE ALLOWED ONLY AFTER REGISTRATION OF THE UNIT: CESTAT

The appellants in this case were engaged in business of IT enabled service viz. Customer Contact Centers services, Transaction Processing Services and merit classification as 'Business Auxiliary Service'. All the services provided by the appellant were to the consumer who was located outside India and consideration is received in foreign exchange.

The appellant had filed various refund claims of unutilized Cenvat Credit under Rule 5 of CCR, 2004. The adjudicating authority sanctioned a part of the refund claim. In appeal against the rejected portion, the Commissioner (A) allowed a part of the claim and rejected the rest on one of the grounds that Cenvat Credit availed prior to application of service tax registration i.e. 25/8/2008 was not admissible for refund. It was held that there was no provision in law that CENVAT credit can be allowed only after registration of the unit.

Credit was allowed in respect duty suffered on input/input services and the said payment has nothing to do with the registration of the recipient of the services, therefore, registration cannot be made criteria to reject the refund claim. ***-[Prudential Process Management Services India Pvt. Ltd. v. CST, Mumbai, dated 7th January, 2016 (CESTAT)]***

2. IN THE GARB OF RULE 6 OF CCR, 2004 THE PROVISIONS OF SECTION 93 OF THE FA, 1994 CANNOT BE OVERRIDDEN

The appellant in this case provided taxable as well as exempted services and avails input service credit on common input services used in providing output services. A SCN was issued to the appellants proposing to recover an amount equal to 8% of the value of exempted services under Rule 6(3)(i) of the CCR, 2004, since the appellants had not filed a declaration under Rule 6(3A) of the CCR, 2004 before exercising the option under Rule 6(3)(ii). The Bench observed that condition of filing declaration u/r 6(3A) of CCR, 2004 is only directory and not mandatory. Held that the Commissioner is in error in holding the appellant is liable to pay duty/tax in terms of Rule 6(3)(i).

In case of substantive compliance made by the assesse i.e. calculation of the amount of CENVAT Credit reversible on annual basis and payment of the amount before the prescribed date, the substantial benefit cannot be denied. Held that in the garb of Rule 6, the provisions of Section 93 of the Finance Act, 1994 cannot be overridden and/or the exemption provided under the Section 93 of the Finance Act, 1994 cannot be negated by the Cenvat Credit Rules, which is a delegated legislation and subservient to the main Act. ***-[M/s Tata Technologies Ltd v. CCE, Pune, dated, 4th January, 2016]***

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INTELLECTUAL PROPERTY RIGHTS

1. TERRITORIAL JURISDICTION UNDER TRADE MARKS ACT AND THE COPYRIGHT ACT EXPLAINED: THE PROVISIONS OF SECTION 62 OF THE COPYRIGHT ACT AND SECTION 134 OF THE TRADE MARKS ACT HAVE TO BE INTERPRETED IN THE PURPOSIVE MANNER

After discussing the earlier decisions on this point, the Court observed and held as follows-

In addition to the places where suits could be filed under section 20 of the Code, the plaintiff can also institute a suit under the Trade Marks Act, 1999 and the Copyright Act, 1957, as the case may be, by taking advantage of the provisions of section 134(2) or section 62(2), respectively. Both the latter provisions are in parimateria. Under these provisions four situations can be contemplated in the context of the plaintiff being a corporation (which includes a company).

i. First of all, is the case where the plaintiff has a sole office. In such a case, even if the cause of action has arisen at a different place, the plaintiff can institute a suit at the place of the sole office.

ii. Next is the case where the plaintiff has a principal office at one place and a subordinate or branch office at another place and the cause of action has arisen at the place of the principal office. In such a case, the plaintiff may sue at the place of the principal office but cannot sue at the place of the subordinate office.

iii. The third case is where the plaintiff has a principal office at one place and the cause of action has arisen at the place where its subordinate office is located. In this eventuality, the plaintiff would be deemed to carry on business at the place of his subordinate office and not at the place of the principal office. Thus, the plaintiff could sue at the place of the subordinate office and cannot sue (under the scheme of the provisions of section 134(2) and 62(2)) at the place of the principal office.

iv. The fourth case is where the cause of action neither arises at the place of the principal office nor at the place of the subordinate office but at some other place. In this case, the plaintiff would be deemed to carry on business at the place of its principal office and not at the place of the subordinate office. And, consequently, it could institute a suit at the place of its principal office but not at the place of its subordinate office. ***-[Ultra Home Construction Pvt. Ltd v. Purushottam Kumar Chaubey & Ors., dated 20th January, 2016 (Delhi HC)]***

2. THE CONCEPT OF TRANS-BORDER REPUTATION ESSENTIALLY MEANS THAT A PLAINTIFF WISHING TO ENFORCE ITS UNREGISTERED TRADEMARK IN INDIA NEED NOT

NECESSARILY HAVE A COMMERCIAL USE IN THE INDIAN MARKET IN ORDER TO MAINTAIN AN ACTION FOR PASSING OFF, INTERNATIONAL REPUTATION AND RENOWN MAY SUFFICE IF THE SAME SPILLS OVER TO INDIA

The Court observed that there are two elements of trans-border reputation, namely:-

i. That there is an international reputation inuring in a trademark in favour of the plaintiff on account of use made overseas; and
ii. The reputation spills over to India.

The Court in the present matter prima-facie found that the respondent having established a reputation abroad had spilled over to India. Being a registered proprietor of the trademark LAVERA in many countries abroad and having intended to market the product in India and having applied for registration of its trademark in India, notwithstanding the respondent prima-facie not establishing a goodwill associated with its trademark abroad and the same not having therefore crossed the shores of India, it would be entitled to an injunction against the appellant because prima-facie the appellant is a dishonest adopter of the mark LOVERA. ***-[Mac Personal Care Pvt. Ltd. &Anr. v. Laverana Gmbh And Co. Kg & Anr., dated 28th January, 2016 (Delhi HC)]***

3. INTERIM INJUNCTION VACATED ON THE GROUND THAT NO PROPRIETOR CAN CLAIM EXCLUSIVE RIGHTS OF A POPULAR FIGURE AND DEITY IN HINDUISM AMONG OTHER GROUNDS

It was contended in the plaint that the appellants/defendants had been running schools under the name and style of 'SACHDEVA PUBLIC SCHOOL', 'SACHDEVA GLOBAL SCHOOL'. It was contended that as per the information of the respondents, the appellants recently opened a school by the name of 'SHREERAM WORLD SCHOOL' and adopted a domain name www.shreeram.in recently. An interim order was issued by which the appellant was restrained from using the trademark/trade-name 'ShreeRam World School' and the domain name www.shreeram.in on the ground that it is deceptively and phonetically similar to the respondents' trademark 'SHRI RAM / SHRIRAM' in relation to its services.

The Court however, considering the facts and circumstances of the case held that the interim injunction is liable to be vacated in view of various factors.

i. First of all, the respondents themselves have taken a categorical stand that the word 'SHRI RAM' is the name of a popular figure and deity in Hinduism and no one proprietor can claim exclusive rights on the mark 'SHRI RAM'.
ii. Secondly, their stand that the mark 'SHRI RAM' is common to trade and several 'SHRI RAM' formulative marks are peacefully co-existing on the register of trademark.
iii. Thirdly, the appellants have prima facie shown that there were several schools in existence using the name 'SHRI RAM' in existence even prior to the adoption of the mark by the respondents.
iv. Fourthly, the respondents are guilty of concealment and misrepresentation and,
v. Lastly, discretion should not be exercised in favour of a person who approaches the court with unclean hands. ***-[Sk Sachdeva & Anr. v. Shri Educare Limited & Anr., dated 25th January, 2016 (Delhi HC)]***

4. SCHEME FOR FACILITATING START-UPS INTELLECTUAL PROPERTY PROTECTION (SIPP) LAUNCHED

The Government of India has launched "Scheme for Facilitating Start-UPs Intellectual Property Protection

(SIPP)" to promote awareness and encourage IPR protection amongst Start-Ups. - ***[CGPDTM, dated 18th January, 2016]***

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CONSUMER

1. OVERLOADING OF VEHICLE CANNOT BE SOLE GROUND FOR AN INSURANCE COMPANY TO REPUDIATE THE CLAIM

Overloading of a vehicle cannot be the sole ground for an insurance company to reject claims for damages caused to the vehicle in a road accident. The case before the Apex court had come from an appeal against the order of NCDRC directing that loss caused to overloaded vehicle won't be compensated. Supreme Court over-ruling this proposition held that carrying more passengers than the permitted seating capacity in a insured vehicle does not amount to a fundamental breach of the terms and conditions of the policy and the insurance company could not eschew its liability towards the damage caused to the vehicle.

The insurance company had to prove that the accident was caused because of the overloading to escape the liability of paying claims. The Division Bench directed the insurance company to reimburse claim to the damages caused to a goods-carrying vehicle travelling with five passengers while seating capacity of the vehicle was only two including driver. The burden of proof for showing breach on part of the Owner lies on the shoulders of Insurance Company which it has failed to satisfy. ***-[Lakhmi Chand v. Reliance General Insurance, 7th January, 2016, (Supreme Court of India)]***

2. RELIANCE LIFE SCIENCES LTD ORDERED BY THE COMMISSION TO PAY COMPENSATION WHOSE AGENT HAD SOLD DEFECTIVE BANANA PLANTS TO FARMERS

In the instant case the farmers' complaint was that M/s Surana Irrigators, who was agent of Reliance, persuaded them to purchase Tissue Culture Banana Plantlets representing that they would be earning Rs 240 per banana plant within a year. However, when they planted them, some plantlets did not grow, whereas some other got damaged. No relief was provided to them, though the District Seeds Grievance Redressal Committee confirmed that the plantlets were defective. They moved the consumer forum which ordered compensation to the farmers. On appeal, Reliance argued that the plantlets were imported from Israel and it was not liable for the loss. It assailed the procedure followed by the authorities, which was not according to the Seeds Act. But the commission rejected all the contentions and upheld the order of compensation. ***-[Reliance Life Sciences Ltd. v. Umesh Singh Chandan & Anr, 14th January, 2016, (NCDRC)]***

3. BUILDER ASKED TO PAY MONTHLY PENALTY FOR DELAY IN HANDING OVER THE FLATS TO BUYERS EVEN AFTER THE CONTRACTUALLY STIPULATED DURATION

The Apex Consumer Commission has ordered Parsvnath Developers to pay a monthly penalty to buyers for delay in handing over flats in Parsvnath Planet, a residential project in the city's Gomtinagar locality, Lucknow. The builder will have to pay Rs. 15,000 per month to complainants who had applied for flats up to 175 sq metres, while those who went for bigger flats will get Rs. 20,000 every month. - ***[Nalin Bhargava & Ors v. Parsvnath Developers Ltd. &Anr, 20th January, 2016, (NCDRC)]***

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ENVIRONMENT

1. NGT ASKS CENTRE TO FIX NORMS ON NOISE POLLUTION NEAR AIRPORTS

NGT after expressing its displeasure over government's failure to fix environmental norms on noise pollution in residential areas near airports across the country, has directed Ministry of Environment & Forests (**MoEF**), Directorate General of Civil Aviation (**DGCA**) and Central Pollution Control Board (**CPCB**) to convene a meeting and take a clear decision on the issue. ***-[The Statesman, dated 27th January, 2016]***

2. NATIONAL GREEN TRIBUNAL SEEKS STRICTER NORMS FOR WASTE DISCHARGE BY INDUSTRIES

NGT has directed the Central Ground Water Board (**CGWB**) and the Maharashtra Pollution Control Board (**MPCB**) to jointly identify industries in the state that discharge effluents with higher fluoride content into treated waste water. The tribunal also asked the two government bodies to adopt stricter standards to curb discharge of such effluents. The identified industries/infrastructure projects will have to secure no objection certificate (**NOC**)/permission from the CGWA or face closure in case of failure to secure such NOC/permission. ***-[The Times of India, dated 19th January, 2016]***

3. NGT ORDERS CLOSURE OF OVER 300 UNITS VIOLATING ENVIRONMENTAL LAWS

NGT directed the closure of 313 industrial units across India, including 23 in Gujarat, for violating key environment laws for over two decades. The NGT struck down the environment clearance (**EC**) procedure adopted during 1998 to 2002 by the union ministry of environment and forests (**MoEF**) for granting what was called "ex-post-facto environmental clearance" to over 300 defaulting chemical units, many of operated out of Gujarat. *Ex-post-facto* environmental clearances mean ECs to industries that had started after production in these units. The NGT called such clearances "illegal". ***-[The Business Standard, dated 13th January, 2016]***

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