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## RBI/FEMA

### 1. FOREIGN EXCHANGE MANAGEMENT (DEPOSIT) REGULATIONS, 2016 NOTIFIED

The Foreign Exchange Management (Deposit) Regulations, 2000 as amended from time to time have been repealed and superseded by the Foreign Exchange Management (Deposit) Regulations, 2016, by the RBI.

These regulations seek to regulate deposits between a person resident in India and a person resident outside India. The various accounts proposed under this Regulation are:

- (a) Non-Resident (External) Account Scheme;
- (b) Foreign Currency (Non-Resident) Account (Banks) Scheme;
- (c) Non-Resident (Ordinary) Rupee Account;
- (d) Special Non-Resident Rupee Account;
- (e) Escrow Account along with other schemes under the Regulation.

The new regulations have been notified vide Notification No. FEMA 5(R)/2016-RB dated April, 2016. – **[A.P. (DIR Series) Circular No. 67/2015-16 [(1)/5(R), dated 5th May, 2016]**

### 2. DISCONTINUATION OF STATEMENTS ON SPECIAL AGRICULTURE CREDIT PLAN (SACP)

In order to monitor and augment the flow of credit to Agriculture, SACP were introduced by RBI for Public Sector banks in 1994 and extended to Private Sector Banks in 2004. Under SACP, the banks were required to fix self-set targets for achievement during the year (April-March), with an increase of about 25% over the disbursement made in the previous year. The banks were required to forward half yearly statements to RBI (FIDD) indicating their progress of implementation at the end of March and September every year.

As the RBI is receiving the relevant data through Priority Sector Returns, it has been decided by RBI to discontinue the submission of the above statements from April 2016. – **[FIDD. No. FSD. BC.24/05.05.014/2015-16, dated 5th May, 2016]**

### 3. RBI LIBERALISES INSTITUTIONAL PLAY IN OTC DERIVATIVES MARKET

With a view to make participation in over-the-counter (OTC) derivatives markets through electronic platforms more broad-based, the RBI has allowed any institutional entities regulated by the RBI, SEBI, Insurance Regulatory and Development Authority (IRDA), Pension Funds Regulatory and Development Authority and National Housing Bank to trade in IRS on electronic trading platforms.

The new guidelines will be effective from June 1, 2016. Presently it is necessary that at least one of the two parties in the swap is either a bank or the RBI itself or an entity regulated by it. Any other regulated entities are not allowed to deal in IRS.

The Reserve Bank also specified Clearing Corporation of India as an approved counterparty for IRS transactions undertaken on electronic trading platforms where CCIL is the central counterparty. –

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*[FMRD.DIRD.No.9/14.03.01/2015-16, dated 5th May, 2016]*

#### **4. FOREIGN EXCHANGE MANAGEMENT (EXPORTS OF GOODS AND SERVICES) REGULATIONS, 2015 NOTIFIED**

In consultation with the Government of India, the RBI has repealed and superseded the Foreign Exchange Management (Exports of Goods and Services) Regulations, 2000 issued under the Foreign Exchange Management Act, 1999, as amended from time to time by the Foreign Exchange Management (Exports of Goods and Services) Regulations, 2015. The new regulations have come into force with effect from January 12, 2016. – *[A.P. (DIR Series) Circular No. 68 [(1)/23(R), dated 12th May, 2016]*

#### **5. CHANGES IN MONITORING AND REPORTING MECHANISM OF FRAUDS IN UCBS**

The Reserve Bank of India has decided to change the fraud monitoring and reporting mechanism at the Regional Offices and Central Fraud Monitoring Cell (CFMC) of the RBI. Accordingly, henceforth:

- i. Frauds below Rs. 1 crore will be monitored by the respective Regional Office of the Department of Co-operative Bank Supervision (DCBS), RBI under whose jurisdiction the Head Office of the bank falls and
- ii. Frauds of Rs.1.00 crore and above will be monitored by CFMC, RBI, Bengaluru.

The reporting mechanism for fraud cases has also been provided vide this circular. – *[DCBS. CO. Cir. No. 001/12.17.001/2015-16, dated 19th May, 2016]*

#### **6. REVISION OF DIRECTIONS OF INVESTMENT IN CREDIT INFORMATION COMPANIES (CICS)**

The Reserve Bank of India, on being satisfied that it is necessary and expedient in the public interest to do so, has directed that investments directly or indirectly by any person, whether resident or otherwise, in a CIC, shall not exceed ten percent (10%) of the equity capital of the investee company. Notwithstanding the above, the RBI may consider allowing higher FDI limits as under to entities which have an established track record of running a Credit Information Bureau in a well regulated environment:

- i. up to 49% if their ownership is not well diversified (i.e., one or more shareholders each hold more than 10% of voting rights in the company);
- ii. up to 100% if their ownership is well diversified or If their ownership is not well diversified, at least 50% of the directors of the investee CIC in India are Indian nationals/ Non-Resident Indians/ Persons of Indian Origin subject to the condition that one third of the directors are Indian nationals resident in India.;
- iii. the investor company should preferably be a listed company on a recognised stock exchange.

– *[DBR. CID. BC. No. 98/20.16.042/2015-16, dated 19th May, 2016]*

#### **7. AGENTS UNDER MONEY TRANSFER SERVICE SCHEME (MTSS) TO SUBMIT STATEMENT/RETURNS UNDER XBRL**

Through this circular issued by RBI, Indian Agents under MTSS vide A.P. (DIR Series) Circular No. 89 dated March 12, 2013 who were required to submit quarterly statement of the quantum of remittances received in the prescribed format are now advised to report the above mentioned statement in extensible Business Reporting Language (XBRL) system from

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the quarter ending June 2016. – *[A.P. (DIR Series) Circular No. 70, dated 19th May, 2016]*

## **8. CESSATION OF UBS AG AS A BANKING COMPANY UNDER THE BANKING REGULATION ACT, 1949**

RBI has advised that the “UBS AG” has ceased to be a banking company within the meaning of the Banking Regulation Act, 1949 vide Notification DBR.IBD.No.7715/23.13.062/2015-16 dated January 12, 2016. – *[DBR. No. Ret. BC. 100/12.07.124A/2015-16, dated 19th May, 2016]*

## **9. FRAMEWORK FOR REVITALISING DISTRESSED ASSETS IN THE ECONOMY AND STRATEGIC DEBT RESTRUCTURING MECHANISM REVIEWED**

The Reserve Bank of India has issued various guidelines aimed at revitalizing the stressed assets in the economy. The measures taken by the Bank include Strategic Debt Restructuring Mechanism, Framework to Revitalise the Distressed Assets in the Economy and Revisions to the Guidelines on Restructuring of Advances by Banks. The Department of Banking Regulation of the Bank has made certain modifications to the Framework vide circular DBR. BP. BC. No. 82/21.04.132/2015-16 dated February 25, 2016. The modifications made in the Framework vide the above mentioned circular shall also be, mutatis mutandis, made applicable to NBFCs. – *[DNBR.CC.PD.No.081/03.10.01/2015-16, dated 26th May, 2016]*

## **10. BANKS ALLOWED TO MAKE THEIR OWN POLICY ON MERCHANT ACQUISITION**

In order to encourage banks to expand card acceptance infrastructure to a wider segment of merchants across all geographical locations and considering the experience gained by the banks in merchant acquiring business, banks are advised that they may put in place their own Board approved

policy on merchant acquisition. – *[DPSS. CO. PD. No. /2894/02.14.003/2015-2016, dated 26th May, 2016]*

## **11. REVISION OF MINIMUM AMOUNT AND THE MULTIPLES IN WHICH RBI WILL RECEIVE AND PAY FOR THE PURPOSE OF FUNDING OR FOR REPATRIATING THE EXCESS LIQUIDITY IN THE ACU DOLLAR AND ACU EURO ACCOUNTS**

For channeling transactions through the Asian Clearing Union (ACU), the minimum amounts and the multiples in which Reserve Bank receives and pays for the purpose of funding or for repatriating the excess liquidity in the ACU Dollar and ACU Euro accounts has been revised from is \$ 25,000/ € 25,000 and \$ 1,000/ € 1,000, respectively to \$ 500 / € 500. – *[A.P. (DIR Series) Circular No. 72, dated 26th May, 2016]*

## **12. DIRECTIONS TO CURB ATM FRAUDS**

Since the ATM infrastructure continues to process the card transactions based on data from the magnetic stripe, the ATM card transactions remain vulnerable to skimming, cloning, etc. frauds, even though the cards are EMV Chip and PIN based. It has, therefore, become necessary to mandate EMV Chip and PIN card acceptance and processing at ATMs also. Banks in India and the White Label ATM operators are, therefore, advised to ensure that all the existing ATMs installed/operated by them are enabled for processing of EMV Chip and PIN cards by September 30, 2017. All new ATMs shall necessarily be enabled for EMV Chip and PIN processing from inception. – *[DPSS. CO. PD. No./2895/02.10.002/2015-2016, dated 26th May, 2016]*

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## FOREIGN TRADE

### 1. LIST OF SERVICES FOR WHICH PAYMENT RECEIVED IN INDIAN RUPEES TO BE COUNTED TOWARDS DISCHARGE OF EXPORT OBLIGATION UNDER EXPORT PROMOTION CAPITAL GOODS (EPCG) SCHEME HAS BEEN NOTIFIED BY DGFT

- (i) List of services, payments for which are received in Rupee terms and which can be counted towards discharge of Export obligation under the EPCG Scheme have been notified. Through this notification the DGFT has amended the annexure to Public Notice No.1, 2015-2020 dated 1st April 2015.
- (ii) Further, payments which have been received in foreign exchange or which would have been otherwise received in foreign exchange, but paid in Indian Rupees (INR), out of the amount remittable to the overseas principal, or out of remittances to be sent by the overseas buyer, for services rendered in Customs notified areas to a foreign liner including through its agents in India, would be considered as deemed to be received in foreign exchange and deemed to be earned in foreign exchange and shall be counted towards discharge of export obligation with effect from 1st April 2015.
- (iii) Services provided in respect of 'vessel related charges' for coastal and inland vessels and 'Cargo related charges' in respect of coastal cargo, coastal containers and coastal empty containers will not be counted for discharge of Export Obligation under EPCG Scheme. *-[Public Notice No. 04/2015-2020, 3rd May, 2016, (DGFT)]*

### 2. APPLICATION FOR ONLINE FILING OF GRANT OF STATUS CERTIFICATE AMENDED

The DGFT has amended the Form ANF 3C-Application for on line filing of Grant of Status Certificate and Aayat Niryat Form of FTP 2015-20 to include the current and previous three year to give effect to the amendment made in Para 3.20(b) of FTP vide Notification No.4 /2015-20 dated 29th April 2016. The amendment has included details of exports/deemed exports/foreign exchange earned for supply of Service from India during preceding three (two for Gems and Jewellery Sector) licensing years and current year (i.e. year in which application is filed). *-[Public Notice No. 05/2015-2020, 3rd May, 2016, (DGFT)]*

### 3. CODE WISE LIST OF PRODUCTS WITH REWARD RATES AMENDED

The DGFT has notified the following amendments in Table 2 [containing ITC (HS) code wise list of products with reward rates] of Appendix 3B under the Merchandise Exports India Scheme (MEIS):

- (a) Addition of markets in 2787 lines, as per annexure to the Notice, with immediate effect in Table 2
- (b) Exports made prior to the date of the Notice and exports effected from the date of this Public Notice cannot be clubbed in one application

**Effect of the notice:** MEIS Scheme covers 5012 lines. 2787 lines required submission of proof of landing as reward was not available for all markers. Henceforth, Landing Certificate shall not be required under MEIS. *-[Public Notice No. 06/2015-2020, 4th May, 2016, (DGFT)]*

### 4. CLARIFICATION REGARDING BENEFIT UNDER INCREMENTAL EXPORT

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## **INCENTIVISATION SCHEME (IEIS) NOTIFIED**

For processing of claims under Incremental Export Incentivisation Scheme (IEIS) by Regional Authorities (RAs) instructions have been issued by the DGFT: As a previous circular has restricted the availing of IEIS to 5% growth or Incremental growth of INR 10 crores in value, whichever is less. RAs may further process the cases without imposing any cap on account of the earlier stipulation of restricting growth to 25% or incremental growth of INR10 crore in value, whichever is less. Present circular requires RAs processing the cases without imposing any cap on account of the earlier stipulation of restricting growth to 25% or incremental growth of INR10 crore in value, whichever is less.

RAs must, however, exercise due diligence while processing such claims by following guidelines of greater scrutiny as prescribed in Public Notice No. 28 dated 25.09.2013 to check claims having high growth % and/or value and against irregularities. In this regard the Policy Notification No. 27 dated 28.12.2012 may also be carefully seen, in addition to other relevant provisions. If in any case there are doubts/ suspicions about the authenticity/genuineness of the increments in aspect like turn over /growth etc., the matter may be referred to investigating agencies like DRI etc. and the case may be finalized after taking into account their report. All these cases should be approved by Head of the Office. The above stipulations will not be a bar to the RAs in scrutinizing small value claims also, when there is prima facie case to do so. *-[Trade Notice No. 04/2016, 5th May, 2016, (DGFT)]*

## **5. AMENDED APPLICATION FORMS FOR EXPORT PROMOTION SCHEMES ISSUED**

DGFT through the present circular has issued following amended application forms- ANF-5A [Application for issue of EPCG Authorisation]; ANF 5B [Application for redemption of EPCG Authorisation]; ANF 5C [Application for Clubbing of EPCG Authorisations] and Appendix 5C [Format of Certificate of CA/ Cost Accountant / CS for redemption of EPCG Authorisation]. The amended forms can be found attached to the public notice. *- [Public Notice No. 08/2015-2020, 6th May, 2016, (DGFT)]*

## **6. IMPORT POLICY UNDER EXIM CODE 85269200 OF CHAPTER 85 OF ITC (HS), 2012, SCHEDULE – I AMENDED**

As per the amendment by the DGFT the import of Radio remote control apparatus is now 'Free' subject to licence issued by the Wireless Planning and Coordination Wing (WPC) wing of Department of Telecommunications, Ministry of Communications and Information Technology. *-[Notification No. 07/2015-2020, 9th May, 2016, (DGFT)]*

## **7. CLARIFICATION REGARDING EXPORT ITEM "SILICO MANGANESE" ISSUED**

The DGFT's notice has clarified that "Silico Manganese" and "Ferro-Silico-Manganese" having ITC (HS) Code 72023000 are one and the same item and is eligible for benefits under Sl. No. 249 of Appendix 37D notified vide PN 6 dated 20.06.2012 (FPS) and at Sl. No. 282 of Appendix 37 D notified vide P. N. 52 dated 25.02.2014 (FPS). *-[Trade Notice No. 05/2016, 10th May, 2016, (DGFT)]*

## **8. TESTING OF TEXTILES FOR AZO DYES WILL NOT BE REQUIRED FOR IMPORT FROM SPECIFIED COUNTRIES**

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The DGFT has amended the Appendix – 2X under Foreign Trade Policy, 2015-2020 to include the following countries: Australia, Canada, Japan and South Korea.. In addition to countries already included herein, import of Textiles and Textile Articles from these countries is also exempted from testing of samples for presence of Azo Dyes. *-[Public Notice No. 10/2015-2020, 18th May, 2016, (DGFT)]*

## 9. AMENDMENT IN EXPORT POLICY OF EDIBLE OILS

Export of Rice Bran oil in bulk (irrespective of any pack size) has been exempted from the prohibition on export of edible oils by the DGFT. *-[Notification No. 08/2015-2020, 18th May, 2016, (DGFT)]*

## 10. INCLUSION OF REGIONAL OFFICE OF JOINT DGFT, RAJKOT FOR QUALITY COMPLAINTS AND TRADE DISPUTES

The DGFT has included the office of the Joint Director General of Foreign Trade, Rajkot and Deputy Director General of Foreign Trade, Raipur in Para 8.01 of Hand Book of Procedures, 2015-20 under the Western Zone where Committee of Quality Complaint & Trade Dispute (CQCTD) has been constituted for effective handling of Quality Complaints & Trade Disputes. *-[Public Notice No. 11/2015-2020, 24th May, 2016, (DGFT)]*

## 11. ALLOCATION OF QUANTITY OF IMPORT OF BLACK PEPPER UNDER INDO-SRI LANKA FREE TRADE AGREEMENT NOTIFIED

The allocation of 2,500 MTs of Black Pepper for import under the Indo-Sri Lanka Free Trade Agreement for the financial year 2016-17, has been notified by the DGFT. Since, no application was

received within the stipulated time i.e. 28.02.2016 for import of Vanaspati Bakery, Shortening & Margarine and Desiccated Coconut, allocation of quantity of Vanaspati Bakery, Shortening & Margarine and Desiccated Coconut could not be made.

Further, the DGFT has notified that the applicants who have been allowed to import pepper under the Indo-Sri Lanka Free Trade Agreement for the financial year 2016-17 may have to contact concerned Regional Authorities (RAs) of DGFT for obtaining license. The validity of the quota is till 31st March, 2017. The applicants who have been allowed to import pepper under Indo-Sri Lanka Free Trade Agreement shall submit utilization certificate of the quantity imported to the concerned Regional Authority and DGFT(HQ) by 31st October, 2016, to enable to reassess the quota so available and for re-distributing the same on the basis of fresh applications, if considered necessary. Failure to fully utilize the quota would debar the applicant from applying under ISLFTA for the next three financial years.

The applicants allowed to import under quota have to assess their import requirement and if they are not able to utilize their quota, then they have to submit fully/partially the unutilized quota by 31st October, 2016. The surrendered quota will be put up for offer to fresh applicants. Applicants who are not able to utilize the quota and also fail to surrender by 31st October, 2016, will be black listed for the next 3 years without giving any further reason. *-[Trade Notice No. 07/2016, 27th May, 2016, (DGFT)]*

## 12. SINGLE APPLICATION FOR FILING CLAIMS UNDER MEIS FOR SHIPMENT FROM DIFFERENT EDI PORTS

The procedure for filing of application under MEIS Scheme for EDI Shipping Bills has been simplified by



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the DGFT. Shipments from different EDI ports will not require separate applications anymore. Accordingly the ANF 3A has been modified as per Annexure to this Public Notice. **-[Public Notice No. 13/2015-2020, 27th May, 2016, (DGFT)]**

### 13. TEN ADDITIONAL PSIAS IDENTIFIED

Ten additional Pre-Shipment Inspection Agencies (PSIAS) have been notified by the DGFT as PSIAS in terms of Para 2.55 (d) of HBP 2015-20 in Appendix 2G. The listed PSIA are recognized for a period of three years and are required to submit Bank Guarantee by 30<sup>th</sup> June, 2016 as prescribed in Public Notice No.21 dated 23-06-2015, failing which they will be de-notified, without further notice. **-[Public Notice No. 15/2015-2020, 31st May, 2016, (DGFT)]**

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## CORPORATE

### 1. NEW FORM FOR FILING APPLICATION WITH REGISTRAR AND FOR FILING ADDENDUM FOR RECTIFICATION FOR DEFECTS INTRODUCED

The Ministry of Corporate Affairs (MCA) has introduced new Form No. GNL-1 which is required for filing an application with registrar of companies and Form No. GNL-4 for filing addendum for rectification of defects or incompleteness by way of Companies (Registration Offices and Fees) Amendment Rules 2016. **-[Ministry of Corporate Affairs, 6th May, 2016]**

### 2. CLARIFICATION WITH REGARD TO PROVISION OF CORPORATE SOCIAL RESPONSIBILITY ISSUED

It has been clarified by the MCA that while undertaking CSR activities, companies shall not contravene any other laws of land including Cigarettes and Other Tobacco Products Act (COTPA), 2003. **-[Ministry of Corporate Affairs, 16th May, 2016]**

### 3. COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) AMENDMENT RULES, 2016 NOTIFIED

MCA has substituted sub-rule (2) of Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The substitution provides that that the Board of a company may decide to undertake its CSR activities approved by CSR committee through (a) a company established under section 8 of the Act or registered society or registered trust established by the company, either singly or along with any other company or (b) a company established under section 8 of the Act or a registered trust or society established by the Central Government or State Government or entity established under an Act of Parliament or State Legislature.

Provided that if the Board of a company decides to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society, other than those specified in this sub-rule, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects. The company should have specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism. **-[Ministry of Corporate Affairs, 23rd May, 2016]**

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## 4. RELAXATION OF ADDITIONAL FEES AND EXTENSION OF TIME FOR FILING OF E-FORMS BY COMPANIES

Keeping in view requests received from various stakeholders, MCA has decided to extend the period for which the one time waiver of additional fees is applicable to all e-forms which are due for filing by companies between 25.03.2016 to 30.06.2016 as well as extend the last date for filing such documents and availing the benefit of waiver to 10.07.2016. MCA has further extended the time limit prescribed under the provisions of section 35 of LLP Act, for filing of Form 11 of LLP in respect of Financial Year ending on 31.3.2016 upto 30.06.2016, without additional fees. *-[Circular No. 07/2016, Ministry of Corporate Affairs, 31st May, 2016]*

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## SECURITIES

### 1. REVISED FORMATS UNDER SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

Regulation 10(1)(A) of the SEBI (SAST) Regulations exempts certain categories of persons from obligation to make open offer provided certain conditions are fulfilled which includes making disclosure of shareholding and control under Chapter 5.

However, no time period is mentioned in formats for making these disclosures. Thus, the formats required for making disclosures have been modified which requires compliance to be reported for a period of three years. The revised formats can be found in the annexure to this circular.

*-[SEBI/HO/CFD/DCR1/CIR/P/2016 /52, 2nd May, 2016, (SEBI)]*

### 2. PROCEDURES TO DEAL WITH CASES PRIOR TO 1<sup>ST</sup> April, 2014 INVOLVING OFFER/ALLOTMENT OF SECURITIES TO MORE THAN 49 AND UP TO 200 INVESTORS IN A FINANCIAL YEAR PRESCRIBED

SEBI, vide circular No. CIR/CFD/DIL3/18/2015 dated December 31, 2015, had prescribed the procedure to deal with cases involving offer / allotment of securities to more than 49 and up to 200 persons. The circular required submission of a certificate from an independent peer reviewed practicing Chartered Accountant certifying compliance with the provision of the circular. The present circular provides that such compliance certificate may also be provided by an independent peer reviewed practicing Company Secretary. *- [CFD/DIL3/CIR/P/2016/53, 3rd may, 2016, (SEBI)]*

### 3. RECOMMENDATIONS ON INVESTMENT POLICY, LIQUID ASSETS FOR THE PURPOSE OF CALCULATION OF NET WORTH OF A CLEARING CORPORATION AND TRANSFER OF PROFITS

SEBI had constituted an expert Committee on Clearing Corporations to examine, inter-alia, the issues pertaining to (a) Investment Policy of a Clearing Corporation, (b) Liquid assets for calculation of Net worth of a Clearing Corporation, and (c) Regulation 33 of (Stock Exchanges and Clearing Corporations) SECC Regulations, 2012 on 'Transfer of Profits'. The circular issued by SEBI lists out the recommendation of the expert committee that, as per the decision of the Board, the Clearing Corporations are advised to comply with.



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**Investment Policy:** While framing its investment policy the clearing corporation shall be built around principles of highest degree of safety and least market risk and investments shall be broadly in Fixed Deposits/ Central Government Securities and Liquid schemes of Debt Mutual Funds. However, the fixed deposits should only be with A1 category or higher banks and with banks with net worth of INR 500 crore.

Investment in liquid scheme of debt mutual funds shall not exceed 10% of the total investible resources held by the clearing corporation, at any point in time. Where investments in debt mutual funds exceed this limit, the excess shall be liquidated by the Clearing Corporation within six months from the date of issuance of this circular.

Liquid assets for purpose of calculating net worth of clearing corporation: Fixed deposits, Central Government Securities and liquid schemes of Debt Mutual Funds to the extent permissible, other instruments as may be specified by SEBI from time to time, and cash and bank balance, shall be considered as 'Liquid Assets', for the purpose of calculation of Net worth of a Clearing Corporation. Every recognized stock exchange has to credit 25% of its profits to Settlement Guarantee Fund (SGF) which clears and settles trades executed on that stock exchange. The provisions made by Stock Exchanges towards reserving 25% of their profits every year from date of coming into effect of SECC regulation 2012 till 31<sup>st</sup> march 2015 shall be transferred to Core SGF maintained by Clearing Corporation within one month of issuance of this circular. The 25% profits of stock exchanges from 31<sup>st</sup> April, 2015 shall be transferred to Core SGF within such time as may be prescribed by SEBI.

The Stock Exchange / Clearing Corporation shall make good the shortfall in the Core SGF at any

point in time. The unutilized portion of contribution towards Core SGF shall be refunded in case the stock exchange decides to close down its business or decides to avail the clearing and settlement services of another Clearing Corporation for that segment(s).  
-[SEBI/HO/MRD/DRMNP/CIR/P/2016/54,  
4th May, 2016, (SEBI)]

#### 4. GUIDELINES FOR PUBLIC ISSUE OF UNITS OF InvITs NOTIFIED

To make it easier to raise funds for infrastructure projects, SEBI in 2014 had introduced InvITs- Infrastructure Investment Trust. In the present circular detailed guidelines have been issued which shall be applicable to public issue of units of InvITs. -  
[CIR/IMD/DF/55/2016, 11th May, 2016, (SEBI)]

#### 5. DISCLOSURE OF IMPACT OF AUDIT QUALIFICATION BY LISTED ENTITIES

The circular issued by SEBI seeks to streamline the existing mechanism to review the audit qualification contained in audit reports of listed entities.

Listed entities shall disseminate the cumulative impact of all the audit qualifications in a separate format, simultaneously, while submitting the annual audited financial results to the stock exchanges; dispense with the existing requirement of filing Form A or Form B for audit report with unmodified or modified opinion respectively; and dispense with the existing requirement of making adjustment in the books of accounts of the subsequent year.

The operational effects of these amendment would require-(i) For audit reports with unmodified opinion, the listed entity shall furnish a declaration to that effect to the stock exchange(s) while submitting the annual audited financial results; (ii) for audit reports with modified opinion, a statement showing impact of

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audit qualifications shall be filed with the stock exchanges in a format as specified in Annexure I (of this circular); (iii) the management of the listed entity shall have the option to explain its views on the audit qualifications; (iv) where the impact of the audit qualification is not quantified by the auditor, the management shall make an estimate which auditor shall review and give his comments on; (v) the statement on audit qualification by listed entities shall be a part of regular monitoring by the stock exchanges as, with action against those who fail to comply. This circular shall be applicable for all the annual audited standalone / consolidated financial results, as applicable, submitted by the listed entities for the period ending on or after March 31, 2016. - **[CIR/CFD/CMD/56/2016, 27th May, 2016, (SEBI)]**

## 6. REQUIREMENTS FOR RESTRICTION ON REDEMPTION IN MUTUAL FUNDS PRESCRIBED

The circular issued by SEBI provides guidance on the following requirements that have to be observed before imposing restriction on redemption in order to bring more clarity and to protect the interest of the investors.

- (a) Restrictions may be observed when there are circumstances leading to systemic crisis, such as, liquidity issues with market at large becoming illiquid, when there is market failure affecting the functioning of exchanges or operational issues caused by force majeure.
- (b) Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.
- (c) Any imposition of restriction would require specific approval of Board of AMCs and Trustees

and the same should be informed to SEBI. However, no redemption request upto INR 2 lakh shall be subject to such restriction. Also where redemption requests are above INR 2 lakh, AMCs shall redeem the first INR 2 lakh without such restriction and remaining part over and above INR 2 lakh shall be subject to such restriction.

The restrictions, their time limit and exceptional circumstances causing the restrictions shall be prominently disclosed in scheme related documents. This circular shall be applicable immediately for (i) all schemes to be launched on or after the date of this circular and (ii) all the existing schemes with effect from July 01, 2016.

-**[SEBI/HO/IMD/DF2/CIR/P/2016/57, 31st May, 2016, (SEBI)]**

## 7. SAT EXPOUNDS ON FACTORS OF DUE DILIGENCE TO BE OBSERVED BY MERCHANT BANKERS

In December 2011, SEBI issued an interim order barring the Appellant merchant banker from taking on any new assignment till further directions. This was on account of failure on part of merchant banker in efficiently performing the duty to perform due diligence of the Issuer Company and thus acting in breach of SEBI (Merchant Banker) Regulations, 1992 and SEBI (Issue of Capital Disclosure and Requirements) Regulation, 2009. The final order was issued only in March 2014, barring the banker for six months.

According to the tribunal the lapse in judgment of five years resulted in a punishment of five years of debarment which is extremely harsh and highly disproportionate. The diligence that is expected of a Merchant Banker in a given case is such care as would be taken by a reasonable person. It would be the

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diligence or care a reasonable person would employ in a given situation. The Tribunal noted that analysis of bank accounts of Issuer Company would have revealed the true financial position, but neither the ICDR nor the AIBI Manual requires such inspection.

The more pragmatic approach according to the court fund flow in the Issuer Company's accounts for the relevant period, i.e., from the signing of the Memorandum of Understanding till the conclusion of the IPO. Such disclosure, according to the tribunal, needs to be made in the Offer Documents. - *[Almondz Global Securities Ltd, v. SEBI, 13th May, 2016, (SEBI)]*

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## COMPETITION

### 1. PENALTY FOR ABUSE OF DOMINANT POSITION AGAINST COAL INDIA SET ASIDE BY APPELLATE BODY AND CASE REMANDED BACK

In 2013 CCI had fined Coal India Ltd., and its three units- Mahanadi Coalfields, Western Coalfields and South Eastern Coalfields- for abusing their dominant position by supplying low quality coal at high prices while retaining the right to unilaterally terminate contracts with buyers. The Appellate authority has set aside the order and penalty @ 3% amounting to Rs.1773.05 Crores was imposed on Coal India Limited. The case has been remanded back for fresh consideration as the appellate authority found violation of principles of natural justice. -*[Coal India Ltd., & Others v. CCI & Others, 17th May, 2016, (COMPAT)]*

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## INDIRECT TAXES

### a. CUSTOMS

#### 1. MEGA EXEMPTION NOTIFICATION AMENDED

The mega exemption notification No. 12/2012 - Customs dated 17.03.2012 has been amended in respect of various items. Industries that will have benefits from this amendment include mobile phone manufacturing, aviation, and radio pharmaceuticals. - *[Notification No. 30/2016 - Customs, dated 5th May, 2016]*

#### 2. SPECIAL ADDITIONAL DUTY (SAD) NOTIFICATION AMENDED TO EXEMPT MOBILE PHONES AND CERTAIN SPECIFIED PARTS

Notification No.21/2012-Customs dated 17.03.2012 has been amended, so as to exempt SAD of customs on mobile phones and specified parts of mobile telephones like charger or adapter, battery, wired headset, etc. - *[Notification No.31/2016 - Customs, dated 5th May, 2016]*

#### 3. EXEMPTION FROM BASIC CUSTOMS DUTY FOR CERTAIN CELL PHONE PARTS / ACCESSORIES

Notification No.24/2005-Customs dated 1.03.2005 has been amended so as to exempt basic customs duty on charger or adapter, battery, wired headsets and speakers of mobile handsets including cellular phones, if used in the manufacture of mobile phones. - *[Notification No.32/2016 - Customs, dated 5th May, 2016]*

#### 4. SAMOA AND MALDIVES OMITTED FROM LIST OF COUNTRIES FOR PREFERENTIAL TARIFF



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Notification No. 96/2008-Customs dated 13.08.2008 has been amended, so as to carry out the following changes:

- i. under the said notification to omit 'Samoa' and 'Maldives' from the list of countries eligible for preferential tariff;
- ii. to amend the name of 'Republic of East Timor' as 'Democratic Republic of Timor-Leste'. – **[Notification No.34/2016 – Customs, dated 19th May, 2016]**

## 5. EXPORT DUTY AGAIN IMPOSED ON CHROME ORE

Notification No. 27/2011-Customs dated 1.3.2011 has been amended by the Central Government, so as to delete the entry number 24BA from the notification, thereby making the Chrome ore again subject to export duty. – **[Notification No. 35/2016 – Customs, dated 26th May, 2016]**

## 6. CBEC NOTIFIES NEW WAREHOUSING PROVISIONS

The new warehousing provisions have been notified by the CBEC vide following notifications w.e.f. 14.05.2016 –

- i. **Notification No. 66/2016 - Customs (N.T.), dated 14th May, 2016:** Specifies the class of goods which shall be deposited in a special warehouse licensed under Section 58A(1) of the Customs Act, 1962.
- ii. **Notification No. 67/2016 - Customs (N.T.), dated 14th May, 2016** - Notifies the Warehoused Goods (Removal) Regulations, 2016, for movement of goods from a warehouse to another warehouse or to a customs station for export.
- iii. **Notification No. 68/2016 - Customs (N.T.), dated 14th May, 2016** - Notifies

the Warehouse (Custody and Handling of Goods) Regulations, 2016, to specify the responsibilities of the licensee of a private or public warehouse other than a section 58A special warehouse.

- iv. **Notification No. 69/2016 - Customs (N.T.), dated 14th May, 2016** - Notifies the Special Warehouse (Custody and Handling of Goods) Regulations, 2016, to specify the responsibilities of the licensee of a special warehouse under section 58A.
- v. **Notification No. 70/2016 - Customs (N.T.), dated 14th May, 2016** - Notifies the Public Warehouse Licensing Regulations, 2016, to specify the terms and conditions of a licence for a public bonded warehouse under section 57.
- vi. **Notification No. 71/2016 - Customs (N.T.), dated 14th May, 2016** - Notifies the Private Warehouse Licensing Regulations, 2016, to specify the terms and conditions of a licence for a private bonded warehouse under section 58.
- vii. **Notification No. 72/2016 - Customs (N.T.), dated 14th May, 2016** - Notifies the Special Warehouse Licensing Regulations, 2016, to specify the terms and conditions of a licence for a special warehouse under section 58A.

## 7. CLARIFICATION REGARDING TRANSITIONAL PROVISIONS RELATING TO DUTY FREE SHOPS, SHIP STORES, AIRLINE STORES & DIPLOMATIC STORES

In order to facilitate the understanding of the transitional provisions by the trade, the CBEC has advised Commissionerates to note the following: a. Licensees operating warehouses under erstwhile section 57 or 58 and storing goods meant for duty free shops/ship stores/diplomatic stores must apply for a license under section 58A, if they propose to continue to

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store such goods beyond the transitional period of three months. b. In order to ensure a smooth and orderly transition, existing warehouses engaged in supply of such goods are allowed to continue operations during the transitional period, under customs lock, for a period of three months. Further, that the duty-free shops in international airports, which do stock the specified goods, are not to be regarded as section 58A warehouses; rather they are retail points at which goods cleared from a warehouse are allowed to be sold without payment of customs duties. – *[Circular No.20/2016 – Customs, dated 20th May, 2016]*

## 8. ADD ON MEASURING TAPES

A definitive anti-dumping duty has been levied by the Central Government on imports of Measuring Tapes originating in, or exported from Chinese Taipei, Malaysia, Thailand and Vietnam for a period of five years. – *[Notification No. 16/2016-Customs (ADD), dated 2nd May, 2016]*

## 9. ADD ON DIGITAL VERSATILE DISCS-RECORDABLE (DVD-R)

A definitive anti-dumping duty has been levied by the Central Government on imports of Digital Versatile Discs-Recordable (DVD-R) originating in, or exported from Vietnam and Thailand for a period of five years. – *[Notification No. 17/2016-Customs (ADD), dated 13th May, 2016]*

## 10. ADD ON SEAMLESS TUBES, PIPES & HOLLOW PROFILES OF IRON, ALLOY OR NON-ALLOY STEEL

Provisional anti-dumping duty has been levied by the Central Government on Seamless tubes, pipes & hollow profiles of iron, alloy or non-alloy steel (other than cast iron and stainless steel),

whether hot finished or cold drawn or cold rolled of an external diameter not exceeding 355.6 mm or 14 OD, originating in or exported from China PR, for a period not exceeding six months. – *[Notification No. 18/2016-Customs (ADD), dated 17th May, 2016]*

## 11. ADD ON 'DICHLOROMETHANE (METHYLENE CHLORIDE)

Anti-dumping duty has been imposed by the Central Government on 'Dichloromethane (Methylene Chloride)' of all types [tariff item 2903 12 00], originating in or exported from People's Republic of China or Russia, for a period of five years (unless revoked, superseded or amended earlier), from the date of imposition of the provisional anti-dumping duty i.e. from the 08th of December, 2015. – *[Notification No. 21/2016-Customs (ADD), dated 31st May, 2016]*

## 12. ADD ON "METHYL ACETOACETATE"

A definitive anti-dumping duty has been levied by the Central Government on "Methyl Acetoacetate", originating in or exported from USA or China PR, for a period of five years (unless revoked, superseded or amended earlier). – *[Notification No. 21/2016-Customs (ADD), dated 31st May, 2016]*

## b. CENTRAL EXCISE

### 1. AMENDMENTS RELATED TO BIO-DIESEL INDUSTRY NOTIFIED

Notification No. 12/2012-Central Excise dated 17.03.2012 has been further amended by the Central Government so as to carry out the following changes:

- i. to exempt excise duty on RBD Palm Stearin, Methanol and Sodium Methoxide

for the manufacture of bio-diesel (alkyl ester of long chain fatty acids obtained from vegetable oils, commonly known as biodiesels) on actual user basis for a period upto and inclusive of 31st March, 2017;

- ii. to withdraw excise duty exemption on biodiesel with effect from 1st April, 2017; and
- iii. to levy 6% excise duty on biodiesel and its inputs namely, RBD Palm Stearin, Methanol and Sodium Methoxide with effect from 1st April, 2017. – *[Notification No.23/2016-Central Excise, dated 17th May, 2016]*

## 2. CENVAT CREDIT RULES AMENDED FOR CLARIFICATIONS ON KRISHI KALYAN CESS

Cenvat Credit Rules have been amended by the Central Government so as to prescribe that Cenvat credit of Krishi Kalyan Cess paid on input services would be available to service providers and could be utilised for discharge of liability of Krishi Kalyan Cess only. – *[Notification No.28/2016-Central Excise (N.T.), dated 26th May, 2016]*

## 3. RATIONALIZATION OF EXCISE DUTY ON MOBILE PHONE MANUFACTURING AND ITS COMPONENTS

The Central Government has issued the following notifications for rationalizing and reducing the excise duty on mobile phone manufacturing and its components –

- i. **Notification No.20/2016-Central Excise, dated 5th May, 2016** amending Notification No.1/2011-Central Excise dated 1.03.2011.
- ii. **Notification No.21/2016-Central Excise, dated 5th May, 2016** amending

Notification No.2/2011-Central Excise dated 1.03.2011.

- iii. **Notification No.22/2016-Central Excise, dated 5th May, 2016** amending Notification No.12/2012-Central Excise dated 17.03.2012. This notification also includes populated printed circuit boards for television and closed circuit television, and parts required by the aviation sector.

## 4. FURTHER AMENDMENT OF CENTRAL EXCISE NOTIFICATIONS TO EXPAND COVERAGE OF THE TERM 'DUTY'

Notification No. 42/2001-CE(NT) dated 26.6.2001, No. 43/2001-CE(NT) dated 26.6.2001, No. 19/2004-CE(NT) dated 6.9.2004 and No. 21/2004-CE(NT) dated 6.9.2004 has been amended by the Central Government so as to expand the coverage of the term 'duty' in them to include the education cess and the infrastructure cess. – *[Notification No.26/2016-Central Excise (N.T.), dated 5th May, 2016]*

## 5. REPLACEMENT OF 'CLEAN ENERGY CESS' WITH 'CLEAN ENVIRONMENT CESS'

The Central Government through this notification has directed that any reference to 'Clean Energy Cess', in the rules, notifications, instructions, decisions, or orders, made or issued, shall, be construed as references to 'Clean Environment Cess'. – *[Notification No. 1/2016 - Clean Environment Cess, dated 14th May, 2016]*

### c. SERVICE TAX

## 1. LIMITING THE SCOPE OF EXEMPTION FROM SERVICE TAX TO SERVICES PROVIDED BY



## **GOVERNMENT OR A LOCAL AUTHORITY TO A BUSINESS ENTITY WITH A TURNOVER UP TO RUPEES TEN LAKH**

The notification No. 25/2012 – ST issued dated 20.6.2012 has been further amended, so as to clarify the scope of Entry 48 of the said notification that the exemption from Service Tax to services provided by Government or a local authority to a business entity with a turnover up to rupees ten lakh in the preceding financial year, shall not be applicable in case of services specified in sub-clauses (i),(ii) and (iii) of clause (a) of section 66D of the Finance Act, 1994 and renting of immovable property. – *[Notification No. 26/2016 - Service Tax, dated 20th May, 2016]*

## **2. REVERSE CHARGE TO APPLY FOR THE PURPOSES OF KRISHI KALYAN CESS**

The Central Government has now provided that the notification No. 30/2012 - Service Tax, dated 20th June, 2012, shall be applicable *mutatis mutandis* for the purposes of Krishi Kalyan Cess. – *[Notification No. 27/2016 - Service Tax, dated 26th May, 2016]*

## **3. SERVICES EXEMPTED FROM SERVICE TAX ARE ALSO EXEMPTED FROM THE KRISHI KALYAN CESS**

The central government has exempted such taxable services from whole of Krishi Kalyan Cess which are either exempt from the whole of service tax by a notification or otherwise not leviable to service tax. Further, the notification seeks to provide that abatement notification shall be applicable for computing KrishiKalyan Cess. – *[Notification No. 28/2016 - Service Tax, dated 26th May, 2016]*

## **4. REFUND OF KRISHI KALYAN CESS FOR EXPORTED SERVICES**

The notification No. 39/2012- ST, dated the 20th June, 2012 has been amended by the Central Government so as to provide for rebate of Krishi Kalyan Cess paid on all services, used in providing services exported in terms of rule 6A of the Service Tax Rules. – *[Notification No. 29/2016 - Service Tax, dated 26th May, 2016]*

## **5. REFUND OF KRISHI KALYAN CESS FOR SEZ SERVICES**

The notification No. 12/2013- ST, dated the 1st July, 2013 has been amended by the Central Government, so as to inter alia allow refund of Krishi Kalyan Cess paid on specified services used in an SEZ. – *[Notification No. 30/2016 - Service Tax, dated 26th May, 2016]*

## **6. COMPOSITION RATES OF KRISHI KALYAN CESS FOR SPECIFIED SERVICES NOTIFIED**

The Central Government has notified composition rate for Krishi Kalyan Cess as applicable to ST under sub-rules 7, 7A, 7B, 7C of rule 6 of STR, 1994.. – *[Notification No. 31/2016 - Service Tax, dated 26th May, 2016]*

## **7. ACCOUNTING CODE FOR PAYMENT OF KRISHI KALYAN CESS**

The Office of the Controller General of Accounts has allotted accounting codes for Krishi Kalyan cess as under-

- i. KrishiKalyan Cess (Minor Head) : 0044-00-507
- ii. Tax Collection : 00441509
- iii. Other Receipts (Interest) : 00441510
- iv. Deduct Refunds : 00441511
- v. Penalties : 00441512 – *[Circular No. 194/04/2016 – ST, dated 26th May, 2016]*

## 8. LEVIABILITY OF SERVICE TAX IN RESPECT OF SERVICES PROVIDED BY ARBITRAL TRIBUNAL AND MEMBERS OF SUCH TRIBUNAL CLARIFIED

It has been clarified by the Central Board of Excise and Customs that the Service Tax liability for services provided by an arbitral tribunal (including the individual arbitrators of the tribunal) shall be on the service recipient if it is a business entity located in the taxable territory with a turnover exceeding Rupees Ten Lakh in the preceding financial year. – *[Circular No.193/03/2016-Service Tax, dated 18th May, 2016]*

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## INTELLECTUAL PROPERTY RIGHTS

### 1. TERRITORIAL JURISDICTION UNDER SECTION 134 OF THE TRADE MARKS ACT AND SECTION 62 OF THE COPYRIGHT ACT CLARIFIED

In the instant judgment, the Delhi High Court has relied on various judgments of the Apex Court and has observed as follows:

- i. By resort to Section 134 of the Trade Marks Act and 62 of the Copyright Act, the plaintiff may institute the suit where the plaintiff voluntarily resides or carries on business or personally works for gain. In the context of corporation, which includes a company incorporated under the Indian Companies Act, 1956, such a place would be the place where the registered office of the company is situated. Thus, a company can maintain a suit under Section 134 of the Trade Marks Act, or Section 62 of the Copyright Act, at the place where its registered office is situated, irrespective of the fact, whether or not, cause

of action has arisen within the jurisdiction of the Court, within whose jurisdiction the registered office of the company is situated.

- ii. Section 134 of the Trade Marks Act and Section 62 of the Copyright Act do not take away right of the plaintiff to institute the suit by resort to Section 20 of the CPC, as Section 134 of the Trade Marks Act and Section 62 of the Copyright Act provide an additional forum to the plaintiff alleging infringement of the registered trademark or copyright, as the case may be.
- iii. The plaintiff cannot file a suit alleging infringement of trademark/copyright at a place where it has a subordinate office, by resort to Sections 134 of the Trade Marks Act or Section 62 of the Copyright Act, unless one of the conditions of Section 20 CPC are satisfied. – *[HSIL Ltd. Vs. Oracle Ceramic and Ors., dated 11th May 2016 (Delhi HC)]*

### 2. INJUNCTION GRANTED ON THE GROUND OF VISUAL SIMILARITIES BETWEEN THE PRODUCTS

In the instant case, the Plaintiffs were engaged in the business of designing, developing and marketing uniquely and distinctively designed lifestyle footwear for men, women and children. The grievance of the Plaintiffs against the Defendants was that they have introduced, and are marketing footwear which are exact replica and look-alikes of the footwear designed, sold and marketed by the Plaintiffs under GOwalk 3 series.

The Court after looking at the shoes of the Plaintiff and having compared the same with those of the Defendants, was prima-facie satisfied that the visual impression gathered from the trade dress of the competing products is same as the trade dress of the Plaintiffs product and is substantially copied by the

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Defendants which is likely to result in confusion. It was observed that there is likelihood that an unwary and gullible customer may get confused as to the source of origin of the shoes of the Defendants, and may assume that the same come from the source of the Plaintiff as the shoes of the Defendants have a remarkable resemblance with those of the Plaintiffs.

Thus, it was held that no doubt, the trademarks of the Plaintiff, i.e. SKECHERS as inscribed on the inner sole of the Plaintiffs shoes, and the Defendants mark PUREPLAY as similarly inscribed on the inner sole of the Defendants shoes, have no similarity in the said two word marks. However, that by itself does not appear to be sufficient to dispel the possibility of confusion in the mind of an unwary customer. – *[Skechers USA Inc&Ors Vs. Pure Play Sports, dated 25th May, 2016 (Delhi HC)]*

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## CONSUMER

### 1. RETURN OF CONSIDERATION AMOUNT ON FAILURE TO HANDOVER POSSESSION OF FLATS WITHIN PROMISED TIME

The National Commission in this case noted that the Property developer had misled the buyers by promising them to hand over possession within 36 months of signing the Buyers Agreement and by not disclosing the fact, that environment clearance, approval from HUDA for site plan and approval of building height from AAI was not obtained. These were material facts in the eyes of the Commission which amounts to unfair trade practice. Unitech was ordered to return all consideration amount received with 18% interest from date of receipt along with further compensation for mental harassment. – *[Poonam Rani & Others, Vs. M/s Unitech Limited, 25th May, 2016, (NCDRC)]*

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## ENVIRONMENT

### 1. NGT DIRECTS DMRC TO CARRY OUT THE ACTIVITY OF LAYING DOWN OF RAILWAY LINE BETWEEN 11.00 PM TO 6 AM

Taking note of the noise and dust pollution resulting from the activities carried on by the DMRC that is storage and transportation of gauge for lying down railway line, the NGT has directed DMRC that the activity of laying down of railway line shall be carried on only between 11.00 PM to 6 AM and that DMRC shall carry on plantation at the premises in question. – *[Resident Welfare Association Vs. D.M.R.C. & Others, dated 30th May, 2016 (NGT)]*

### 2. NGT ORDERS ON DEGRADATION OF ENVIRONMENT AND RECEDING OF THE GLACIERS AT ROHTANG PASS

The NGT in this case has directed the State of Himachal Pradesh to commence CNG Bus Stations in the coming season and to handover the land to the GGL for construction and establishment of the mother Booster Station at Tahlial and Daughter Booster Station at Manali within three weeks. The work thereupon will be commenced immediately thereafter. – *[Court on its own Motion Vs. State of Himachal Pradesh & Others, dated 9th May, 2016 (NGT)]*

### 3. NGT TAKES NOTE OF ENVIRONMENTAL DAMAGE IN KEOTI VILLAGE FORESTS AND ORDERS CONSTRUCTING BIO DIVERSITY PARKS BY THE GOVERNMENT OF MADHYA PRADESH

In the instant case it was alleged that illegal mining was going on in the area and illegal construction was also being carried out in the name of development of tourism by using heavy machines and blastings. It was further alleged that ‘TenduPatta’ which is a



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biological resource was being permitted to be collected through contractors without securing the interest of the petitioner who has right to levy charges by way of collection fees from any person collecting any biological resource for commercial purpose. NGT has directed State Government of Madhya Pradesh to expeditiously formulate guidelines and strategies in consultation with communities and experts to identify and document resources and knowledge associate with them and to protect and conserve such resources not only in Keoti Village but throughout the State and come out with proper method of sharing of benefits and flow of compensation to people and communities. The Judgement clearly stated that no mining of any sort, construction or alteration of habitat in any manner will be allowed in Keoti Village, District Rewa, Madhya Pradesh. – *[Bio Diversity Management Committee, Rewa, Madhay Pradesh Vs. Ministry of Environment & Forests & Others, dated 4th May, 2016 (NGT)]*

#### **4. NGT ORDERS ON DISPOSAL OF HAZARDOUS WASTE BY A SMALL SCALE INDUSTRY, DELHI**

An Order dated 24/05/2016 has been passed by the National Green Tribunal in the matter of M/s P.S. Industries & Others Vs. Delhi Pollution Control Committee & Others regarding disposal of hazardous waste by a small scale industry, Delhi. The NGT has directed the Small Scale Industry to maintain its ETP properly and ensure that it does not discharge the effluent in excess of the prescribed parameters and enter into an agreement with the CETP or even directly with Ramky Enviro Engineers Ltd. for collection, storage and disposal of hazardous waste. – *[M/s P.S. Industries & Others Vs. Delhi Pollution Control Committee & Others, dated 24th May, 2016]*

#### **5. NGT BANS PLYING OF DIESEL VEHICLES MORE THAN TEN YEARS OLD IN KERALA**

NGT has directed the State of Kerala to not register any diesel vehicle with the capacity of 2000cc and above except public transport and local authority vehicle. It has further directed that all the diesel vehicles, whether light or heavy, which are more than ten years old, shall not be permitted to ply on the road in the major cities like Thiruvananthapuram, Kollam, Kochi, Thrissur, Calicut and Kannur. – *[Lawyers Environmental Awareness Vs. State of Kerala, dated 23rd May, 2016]*

#### **6. NGT RESTRAINS THE STATE OF PUNJAB & VARIOUS OTHER AUTHORITIES FROM FELLING AND CUTTING OF ANY TREE IN THE ENTIRE STATE OF PUNJAB**

This matter was brought in NGT to shed light on the indiscriminate cutting of trees in the State of Punjab for various road widening projects and canal banks. NGT has restrained the State of Punjab, any Project Proponent, Various Authorities and Departments of State of Punjab from felling and cutting of any tree in the entire State of Punjab without specific permission of the Tribunal. – *[Dr. Amandeep Aggarwal Vs. State of Punjab & Others, dated 19th May, 2016 (NGT)]*

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