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RBI/FEMA

1. RBI EASES THE NORMS FOR HOME LOANS UP TO RS 10 LAKH

Giving a boost to affordable housing, the Reserve Bank of India (RBI) eased the norms for home loans up to Rs 10 lakh by allowing banks to include stamp duty and registration charges to the cost of a unit for calculating LTV (loan to value) ratio.

These charges form around 15 per cent of the cost of the house and place a burden on borrowers. As per the current practice, banks do not include stamp duty, registration and other documentation charges in the cost of housing property.

Further, some banks had made representations that they are not able to extend home loans to the allottees in the project developed by government bodies as the payment schedule prescribed by such authorities are not linked to the stages of construction. In this regard, RBI said that in cases of projects sponsored by government, statutory authorities, banks may disburse the loans as per the payment stages prescribed by such authorities, even where payments sought from house buyers are not linked to the stages of construction. - *[RBI/ 2014-15/491 DBR. BP. BC. No. 74/08.12.015/2014-15., dated 5th March, 2015]*

2. FEM (ACQUISITION AND TRANSFER OF IMMOVABLE PROPERTY IN INDIA) REGULATIONS, 2000 AMENDED, PROHIBITION LIST NOW INCLUDES CITIZENS OF MACAU & HONG KONG

RBI, in consultation with the Government of India has included the citizens of Macau and Hong Kong in the list of countries which are prohibited to acquire/transfer immovable property in India in terms of Regulation 7 of FEM (Acquisition and Transfer of immovable property in India) Regulations, 2000. Now, no person being a citizen of Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal, Bhutan, Macau or Hong Kong shall acquire or transfer immovable property in India without prior permission of the RBI, other than leases not exceeding five years. - *[RBI/2014-15/495 A. P. (DIR Series) Circular No.83, dated 11th March, 2015]*

3. EASIER KYC NORM FOR SOLE PROPRIETARY FIRMS

RBI has directed the banks to call for and verify any of the following documents before opening of accounts in the name of a proprietary concern:

Proof of the name, address and activity of the concern, like registration certificate (in the case of a registered concern), certificate/licence issued by the Municipal authorities under Shop & Establishment Act, sales and income tax returns, CST/VAT certificate, certificate/registration document issued by Sales Tax/Service Tax/Professional Tax authorities, Licence issued by the Registering authority like Certificate of Practice issued by Institute of Chartered Accountants of India, Institute of Cost Accountants of India, Institute of Company Secretaries of India, Indian Medical Council, Food and Drug Control Authorities, registration/licensing document issued in the name of the proprietary concern by the Central Government or State Government Authority/Department. Banks may also accept IEC (Importer Exporter Code) issued to the

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proprietary concern by the office of DGFT, the complete Income Tax Return (not just the acknowledgement) in the name of the sole proprietor where the firm's income is reflected, duly authenticated/acknowledged by the Income Tax authorities and utility bills such as electricity, water, and landline telephone bills in the name of the proprietary concern as required documents for opening of bank accounts of proprietary concerns.

Relaxing such KYC norms, the RBI has allowed sole proprietorship firms to open accounts in banks by submitting a single proof of their business. - **[RBI/2014-15/498 DBR. AML. BC. No. 77/14.01.001/2014-15, dated 13th March, 2015]**

4. **LOANS TO DIFFERENTLY ABLED PERSONS WILL BE TREATED AS PRIORITY SECTOR**

RBI has stipulated that priority sector loans to persons with disabilities will be eligible for classification under weaker sections category as stipulated in the "Master Circular on Priority Sector Lending - Targets and Classification". - **[FIDD.CO.Plan.BC.51/04.09.01/2014-15, dated 13th March, 2015]**

5. **NON-RESIDENT DEPOSITS - STAT 5 AND STAT 8 RETURNS, DISCONTINUED**

RBI has directed that since the banks' submission of NRD-CSR data in XBRL platform has stabilised, the banks (dealing in foreign exchange) may stop sending Stat 5 and Stat 8 Returns (both hard and soft copies) to the Department of Statistics and Information Management, RBI. - **[RBI/2014-15/504 A.P. (DIR Series) Circular No.85, dated 18th March, 2015]**

6. **TIME FOR FPIs TO SETTLE GOVERNMENT SECURITIES EXTENDED TO TWO DAYS**

The RBI, in consultation with market participants, has permitted the settlements on T+2 basis (earlier T+1) for outright secondary market transactions in the Government Securities undertaken by Foreign Portfolio

Investors (FPIs) and reported on NDS-OM, subject to the conditions mentioned in the circular. The guidelines pertaining to that have come into effect from April 6, 2015. - **[RBI/2014-15/507 FMRD. DIRD. 06/14.03.007/2014-15, dated 20th March, 2015]**

7. **GUIDELINES REVISED FOR RELIEF MEASURES BY BANKS IN AREAS AFFECTED BY NATURAL CALAMITIES**

RBI has revised the Guidelines for Relief Measures by Banks in areas affected by Natural Calamities, as took into account, inter alia, the provisions of National Disaster Management Framework, National Crop Insurance Programme and different practices being followed by the State Governments in declaration of natural calamities. - **[RBI/2014-15/512 FIDD. No. FSD. BC. 52/05.10.001/2014-15, dated 25th March, 2015]**

8. **RBI EASES BAD LOANS PROVISIONING NORMS**

RBI has relaxed provisioning rules against bad loans by allowing banks to use up to 50 per cent of floating provisions, up from 33 per cent earlier. As a counter cyclical measure, RBI has to allowed banks to utilise up to 50 per cent of countercyclical provisioning buffer/floating provisions held by them as at the end of December 31, 2014, for making specific provisions for non-performing assets, as per the policy approved by their Board of Directors.

Countercyclical provisioning buffers and floating provisions broadly refer to the specific amount that banks need to set aside in good times above the mandatory provisioning requirement as prescribed by RBI. These are used only in contingencies or extraordinary times of economic or system-wide downturns. - **[RBI/2014-15/522 DBR. No. BP. BC. 79/21.04.048/2014-15, dated 30th March, 2015]**

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9. OPERATIONAL GUIDELINES ON FOREIGN TRADE INTERNATIONAL FINANCIAL SERVICES CENTRE (IFSC) NOTIFIED

The FEM (International Financial Services Centre) Regulations, 2015 have been notified *vide* Notification No. FEMA. 339/2015-RB dated March 2, 2015, and *vide* G.S.R. No. 218(E) dated March 23, 2015.

In terms of these Regulations, a financial institution or a branch of a financial institution set up in the IFSC and permitted / recognised as such by the Government or a Regulatory Authority shall be treated as person resident outside India. Therefore, their transaction with a person resident in India shall be treated as a transaction between a resident and non- resident and shall be subject to the provisions of Foreign Exchange Management Act, 1999 and the Rules/Regulations/Directions issued thereunder.

The financial transaction in this context shall mean making or receiving payment, drawing, issuing or negotiating any bills of exchange or promissory note, transferring any security or acknowledging any debt. Similarly, financial service shall mean any activity which a financial institution is permitted to carry on by the respective Act of the Parliament or Government of India or any Regulatory Authority empowered to regulate the concerned financial institution.

It may be noted that subject to the provisions of Section 1 (3) of Foreign Exchange Management Act, 1999, nothing contained in any other Regulations shall apply to a financial institution or a branch of a financial institution set up in an IFSC unless there is some express and specific provision to that effect in the Foreign Exchange Management (International Financial Services Centre) Regulations 2015 or the other Regulations. - **[RBI/2014-15/530 A.P. (DIR Series) Circular No.92, dated 31st March, 2015]**

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1. A NEW LABORATORY HAS BEEN NOTIFIED FOR CERTIFICATION/GRADING OF DIAMONDS

A new laboratory *viz.* International Institute of Diamond Grading and Research India Private Limited, Surat, India, has been added under paragraph 4A.2.1 of Foreign Trade Policy, 2009-2014 for the purpose of certification/ grading of diamonds of 0.25 carats and above. - **[Notification No 113 (RE-2013) / 2009-2014, dated 2nd March, 2015, (DGFT)]**

2. SPECIFIC DOCUMENTS MANDATED FOR EXPORT AND IMPORT

(a) **Mandatory documents required for export of goods from India:** (1) Bill of Lading/Airway Bill; (2) Commercial Invoice cum Packing List; (3) Shipping Bill/Bill of Export.

(b) **Mandatory documents required for import of goods into India:** (1) Bill of Lading/Airway Bill; (2) Commercial Invoice cum Packing List; (3) Bill of Entry. - **[Notification No 114 (RE-2013) / 2009-2014, dated 12th March, 2015, (DGFT)]**

3. SCOMET LIST UPDATED, IN THE APPENDIX 3 TO SCHEDULE 2 OF ITC (HS) CLASSIFICATION, OF EXPORT & IMPORT ITEMS

The Central Government has made amendments to the list of specified goods, services and technologies, *i.e.* Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET). - **[Notification No 116 (RE-2013) / 2009-2014, dated 13th March, 2015, (DGFT)]**

4. ADDITION OF TWO NEW PORTS FOR IMPORT OF NEW VEHICLES

Two new Customs Ports, Kattupalli Port and APM Terminals, Pipavav Port are being added to the list of 12 existing ports/ICDs, thereby taking the total number

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of ports/ICDs to 14, for importing new vehicles. -
[Notification No. 117 (RE-2013) / 2009-2014, dated
13th March, 2015, (DGFT)]

5. PRE-SHIPMENT INSPECTION AGENCY (PSIA), IN NEPAL, DELISTED

M/s Siddhartha Testing and Consulting Services, Nepal has been de-listed from the list of Pre-Shipment Inspection Agencies and made ineligible to issue Pre-Shipment Inspection Certificate. - [Public Notice No.88/(RE 2013)/2009-14, dated 20th March, 2015, (DGFT)]

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CORPORATE

1. CLARIFICATION, RELATING TO FILING OF E-FORM DIR-11 & DIR-12 UNDER THE COMPANIES ACT, 2013, ISSUED

The Ministry of Corporate Affairs (MCA) has issued a clarification after receiving representations from stakeholders regarding difficulties faced due to deactivation of Digital Signature Certificate (DSC) and such difficulty arises because of automatic deactivation of DSC on filing of DIR-11 (Notice of resignation of a director to the Registrar) by the resigned/resigning Director(s), and none of the new Director's details having been filed. As a result, Form DIR-12 (Particulars of appointment of directors and the key managerial personnel and the changes among them) cannot be filed by a company due to lack of an authorized signatory Director.

In order to enable the filing of such e-forms and till an alternative mechanism is put in place in MCA21 system, it is clarified that the Registrar of Companies within their respective jurisdictions are authorized, on request from the stakeholders, and after due examination, to allow any one of the resigned director who was an authorized signatory Director for the purpose of filing DIR-12 only along with additional fees, as applicable and subject to compliance of other provisions of Companies Act, 2013. - [General Circular No.03/2015, dated 3rd March, 2015, (MCA)]

2. CLARIFICATION WITH REGARD TO SECTION 185 AND 186 OF COMPANIES ACT 2013

MCA has clarified that loans and/or advances made by the companies to their employees, other than the managing or whole time directors (which is governed by section 185) are not governed by the requirements of section 186 of the Companies Act, 2013. - [General Circular No, 04/2015, dated 10th March, 2015, (MCA)]

3. CLARIFICATION ISSUED REGARDING APPLICABILITY OF COMPANIES (ACCEPTANCE OF DEPOSITS) RULES, 2014

The latest clarification provided that Such amounts, as received by private companies prior to 1st April, 2014 shall not be treated as 'deposits' under the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 subject to the condition that relevant private company shall disclose, in the notes to its financial statement for the financial year commencing on or after 1st April, 2014 the figure of such amounts. - [General Circular No.5/2015, dated 30th March, 2015, (MCA)]

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COMPETITION

1. COMPLAINT AGAINST CRISIL REJECTED

The complaint was filed by Brickwork Ratings India Pvt Ltd against Crisil, a S&P company. It was alleged that the two entities indulged in unfair/ predatory pricing, exclusionary conduct in public procurement, exploitative behaviour in stopping switching by the customers with respect to credit rating services market. The commission for the purposes of the complaint viewed provision of credit rating services in India, as the relevant market.

After due consideration, the commission held the allegations to be of general and generic nature without

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having been supported by any data or costs involved to establish predatory pricing and dismissed the complaint.

- *[Brickwork Ratings India Private Limited v. CRISIL Limited, A Standard & Poor's Company, dated 18th March, 2015, (CCI)]*

2. CCI APPROVES PROPOSED MERGER BETWEEN INDIAN UNITS OF LAFARGE SA AND SWITZERLAND'S HOLCIM LTD WITH RIDERS

The antitrust regulator, in order to address the anti competitive concerns arising out of the proposed merger, permitted it by proposing certain modifications to the deal, including the sale of some assets in eastern India. The Commission decided that a divestiture of Lafarge's Jojobera plant located in Jharkhand with a cement grinding capacity of 4.6 mtpa and Lafarge's integrated unit located at Sonadih in Chhattisgarh with a cement grinding capacity of 0.55mtpa and clinker capacity of 3.10mtpa would be most effective in eliminating the concerns it raised. - *[Combination Registration No. C-2014/07/190, dated 30th March, 2015 (CCI)]*

3. RELIANCE MEDIA WORKS PERMITTED TO SELL ITS MULTIPLEX BUSINESS TO SOUTH INDIA BASED CARNIVAL FILMS

The deal will make Carnival the third largest multiplex operator with nationwide presence and over 300 screens. The Commission held that the proposed combination is not likely to have an appreciable adverse effect on competition in India. - *[Combination Registration No. C-2015/01/236, dated 24th March, 2015, (CCI)]*

4. CCI HAS APPROVED PROPOSED ACQUISITION OF DSP MERRILL LYNCH'S WEALTH MANAGEMENT BUSINESS IN INDIA, BY THE ZURICH BASED JULIUS BAES (JB) GROUP

CCI has allowed the proposed combination between the Companies which involves a series of inter-connected and inter-dependent steps, which involves acquisition of 100% shares of Merrill Lynch Wealth Advisors (MLWA) by JB and transfer of the wealth management lending business of DSP Merrill Lynch Capital to Bank of America Securities (India) (BASIL) followed by the transfer of 100% share capital of BASIL to MLWA. - *[(Combination Registration No. C-2015/02/244, dated 5th March, 2015, (CCI)]*

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SECURITIES

1. SAT QUASHES SEBI ORDER AGAINST DLF, LIFTS CAPITAL MARKET BAN ON THE COMPANY'S PROMOTERS AND RELATED ENTITIES

The case which related to the transfer of shares by DLF's three wholly owned subsidiaries- DLF Estate, DLF Retail and DLF Home in three incorporated entities- Sudipti, Shalika and Felicite. Upon appeal, SAT delivered a divided verdict on the appeal, with the majority deciding to quash SEBI's order and thereby overturn the ban on the DLF, directors and CFO. The bone of contention related to the nature of transactions and the appropriate treatment regarding the disclosure of the companies in DLF's prospectus. The Hon'ble Tribunal ruled that the set of transactions were not sham transactions and the three companies did not continue to be subsidiaries of DLF. - *[DLF Limited v. SEBI, 13th March, 2015 (SAT)]*

2. MARKET MANIPULATION BY SOME PREFERENTIAL SHAREHOLDERS CANNOT BE A GROUND TO SUSPEND TRADING IN SHARES OF APPELLANT COMPANY

In the instant case, trading in the securities of the appellant company were suspended by BSE at the

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instance of SEBI. However, the tribunal found no material to suggest that appellant was involved in market manipulation in connivance with preferential shareholders of the company. Preferential shareholders, after the lock-in period were legally entitled to off-load the shares acquired by them on preferential basis. In view of the factual matrix hon'ble Tribunal held that mere fact that the preferential shareholders after the lock-in period have sold their shares cannot ipso facto be a ground for suspending the trading in the shares of the appellant-company. - *[52 Weeks Entertainment Ltd v. SEBI, dated 13th March, 2015, (SAT)]*

3. SARAL ACCOUNT OPENING FORM FOR RESIDENT INDIVIDUALS

With a view to simplify account opening process, SEBI has permitted individual investors to open a trading account and demat account by filling up a simplified Account Opening Form (AOF) termed as 'SARAL AOF' (annexed with the circular and available on the exchanges' and depositories' website). - *[CIR/MIRSD/1/2015, dated 4th March, 2015,]*

4. PROCEDURE FOR SHIFTING FROM TRADE FOR TRADE SETTLEMENT (TFTS) TO NORMAL SETTLEMENT NOTIFIED

SEBI has mandated following procedure for the purpose of shifting of trading in securities from TFTS to Normal Rolling Settlement:

- (a) A company after establishment of connectivity with both the Depositories, shall approach the stock exchange(s) having nationwide terminals;
- (b) the stock exchange(s) shall verify the establishment of connectivity of the company;
- (c) at least 50% of other than promoter holdings as per clause 35 of Listing Agreement are in dematerialized mode;
- (d) the stock exchanges shall inform the market of the names of companies which have been shifted from TFTS to Rolling Settlement. -

[CIR/MRD/DP/03/2015, dated 24th March, 2015,]

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INDIRECT TAXES

a. CUSTOMS

1. ADDITIONAL DUTY OF CUSTOMS (COMMONLY KNOWN AS ROAD CESS) LEVIED ON MOTOR SPIRIT (PETROL) AND ON HIGH SPEED DIESEL OIL INCREASED

Scheduled rate of Additional Duty of Customs levied on imported Motor Spirit [Petrol] and High Speed Diesel Oil [commonly known as Road Cess] has been increased, by the department, from Rs. 2 per litre to Rs. 8 per litre. However, the effective rate of Additional Duty of Customs levied on imported Motor Spirit [Petrol] and High Speed Diesel Oil [commonly known as Road Cess] has been increased from Rs. 2 per litre to Rs. 6 per litre, only. - *[Notification No.6/2015 - Customs, dated 1st March, 2015 & Notification No.7/2015 - Customs, dated 1st March, 2015]*

2. EXPORT DUTY ON ILMENITE, UPGRADED REDUCED FROM 5% TO 2.5%

Notification No. 27/2011 Customs, dated the 01st March, 2011 has been amended, so as to reduce the export duty leviable on ilmenite, upgraded from 5% to 2.5%. - *[Notification No.8/2015 - Customs, dated 1st March, 2015]*

3. NOTIFICATIONS RESCINDED PERTAINING TO LEVY AS CVD ON IMPORTED GOODS

The Department has rescinded the Notifications No.13/2012-Customs and No. 14/2012-Customs both dated 17th March, 2012 which exempt Education Cess and Secondary & Higher Education Cess leviable as CVD on imported goods. The

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rationale behind this act has been given is that since Education Cess and Secondary & Higher Education Cess leviable on excisable goods are being exempted in general, there will be no corresponding levy as CVD on imported goods. Hence, these notifications are being rescinded. - *[Notification No.9/2015 - Customs, dated 1st March, 2015]*

4. CHANGES IN CUSTOMS DUTY NOTIFIED

Notification No. 12/2012-Customs, dated the 17th March, 2012 and Notification No. 21/2012-Customs, dated the 17th March, 2012 amended so as to make necessary changes in the specified entries therein. - *[Notification No.10/2015 - Customs, dated 1st March, 2015 & Notification No.11/2015 - Customs, dated 1st March, 2015]*

5. SCHEME OF ADVANCE RULING EXTENDED TO RESIDENT FIRM

The department has notified "Resident Firm" as class of persons for the purposes of section 28E of the Customs Act, 1962 so as to extend the scheme of Advance Ruling to Resident Firm. - *[Notification No.27/2015 - Customs (N.T.), dated 1st March, 2015]*

6. NOTIFICATION OF CUSTOMS TARIFF (DETERMINATION OF ORIGIN OF PRODUCTS UNDER THE DUTY FREE TARIFF PREFERENCE SCHEME FOR LEAST DEVELOPED COUNTRIES) RULES, 2015

The department has notified Customs Tariff (Determination of Origin of Products under the Duty Free Tariff Preference Scheme for Least Developed Countries) Rules, 2015 for determination of origin of products being imported from least developed countries. - *[Notification No.29/2015 - Customs (N.T.), dated 10th March, 2015]*

7. SAFEGUARD DUTY LEVIED ON IMPORT OF SATURATED FATTY ALCOHOL

The Central Government after considering the final findings of the Director General (Safeguard), hereby imposes on subject goods excluding Saturated Fatty Alcohols with carbon chain length of pure C8, falling under tariff item 2905 17 00 or sub-heading 3823 70 of the First Schedule to the Customs Tariff Act, when imported into India, a safeguard duty at the following rate, namely:-

- (a) 20% ad valorem when imported during the period from 28th August, 2014 to 27th August, 2015 (both days inclusive);
- (b) 8% ad valorem, when imported during the period from 28th August, 2015 to 27th August, 2016 (both days inclusive); and
- (c) 12% ad valorem, when imported during the period from 28th August, 2016 to 27th February, 2017 (both days inclusive)

The safeguard duty imposed under this notification shall be levied with effect from the date of the imposition of provisional safeguard duty, that is, the 28th August, 2014, and shall be payable in Indian currency. - *[Notification No. 1/2015 - Customs (S.G.), dated 13th March, 2015]*

8. LEVY OF ANTI-DUMPING DUTY ON IMPORTS OF TYRE CURING PRESSES EXTENDED

The levy of anti-dumping duty on imports of Tyre Curing Presses, except Six Day Light Curing Press, for curing bicycle tyres, falling under Customs Tariff Heading 84774100, originating in or exported from the People's Republic of China, has been extended for a further period of one year i.e. up to 7 January, 2016. - *[Notification No. 6/2015 - Customs (ADD), dated 3rd March, 2015]*

9. ANTI-DUMPING DUTY ON IMPORTS OF SHEET GLASS LEVIED EXTENDED

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Anti-dumping duty on imports of Sheet Glass, falling under tariff item 7004 20 11 or 7004 20 19 of the First Schedule to the Customs Tariff Act, 1975, originating in or exported from the China PR, has been levied for a period of five years from 13 March, 2015. - **[Notification No. 7/2015 - Customs (ADD), dated 13th March, 2015]**

10. USAGE OF DIGITAL SIGNATURE CERTIFICATE IN REMOTE EDI FILING (RES) OF CUSTOMS DOCUMENTS

It has been decided, by the department that with effect from 01.04.2015 importers, exporters, customs brokers, shipping lines, airlines or their agents shall be given the facility to use Digital Signature Certificate for filing Customs process documents viz. Bills of Entry, Shipping Bills, IGM (General Declaration and Cargo Declaration), EGM (General Declaration), CGM through Remote EDI System (RES). It has further been provided that for the present, the facility of using digital signatures is optional for all users. - **[Circular No. 10/2015 - Customs, dated 31st March, 2015]**

11. ONCE CONFISCATION IS ORDERED, PENALTY IS AUTOMATIC: MADRAS HIGH COURT

In the present case, the respondent misdeclared the goods as hot mix plant and the Commissioner came to the conclusion to confiscate the goods. In view of the facts the hon'ble court held that a plain reading of Section 112 of the Customs Act makes it clear that once confiscation is ordered, levy of penalty is automatic. - **[CC (Import), Chennai v. M/s Patel Engineering Ltd., dated 20th March, 2015 (Madras HC)]**

b. CENTRAL EXCISE

1. NEW RATE OF DUTY TO UNMANUFACTURED TOBACCO AND CHEWING TOBACCO

Notification No. 16/2010-CE, dated the 27th February, 2010, has been amended by the authorities so as to prescribe new rate of duty to unmanufactured tobacco and chewing tobacco. - **[Notification No. 5/2015 - Central Excise, dated 1st March, 2015]**

2. NEW RATE OF DUTY TO PAN MASALA AND GUTKHA

Notification No. 42/2008-CE, dated the 1st July, 2008 has been amended by the authorities amended, so as to prescribe new rate of duty to Pan Masala and Gutkha. - **[Notification No. 6/2015 - Central Excise, dated 1st March, 2015]**

3. LEVY OF EXCISE DUTY ON CONDENSED MILK

Excise duty of 2% without CENVAT credit or 6% with CENVAT credit has been levied on condensed milk [0402 91 10 and 0402 99 20] put up in unit containers, vide the notification as mentioned here. - **[Notification No. 7/2015 - Central Excise, dated 1st March, 2015 & Notification No. 8/2015 - Central Excise, dated 1st March, 2015]**

4. EXEMPTION OF ADDITIONAL EXCISE DUTY ON WATERS INCLUDING MINERAL WATERS AND AERATED WATERS CONTAINING ADDED SUGAR NOTIFIED

Notification No. 6/2005-CE, dated the 1st March, 2005 has been amended so as to exempt Additional Excise Duty of 5% leviable on waters including mineral waters and aerated waters containing added sugar. - **[Notification No. 9/2015 - Central Excise, dated 1st March, 2015]**

5. ADDITIONAL DUTY OF EXCISE (COMMONLY KNOWN AS ROAD CESS) LEVIED ON MOTOR SPIRIT (PETROL)

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AND ON HIGH SPEED DIESEL OIL INCREASED

Scheduled rate of Additional Duty of Excise levied on imported Motor Spirit [Petrol] and High Speed Diesel Oil [commonly known as Road Cess] has been increased from Rs. 2 per litre to Rs. 8 per litre. However, the effective rate of Additional Duty of Excise levied on imported Motor Spirit [Petrol] and High Speed Diesel Oil [commonly known as Road Cess] has been increased from Rs. 2 per litre to Rs. 6 per litre. - *[Notification No. 10/2015 - Central Excise, dated 1st March, 2015 & Notification No. 11/2015 - Central Excise, dated 1st March, 2015]*

6. CHANGES IN EXCISE DUTY NOTIFIED

Notification No. 12/2012-CE, dated the 17th March, 2012 amended so as to make necessary changes in the specified entries therein. - *[Notification No. 12/2015 - Central Excise, dated 1st March, 2015]*

7. FULL EXEMPTION FROM EXCISE DUTY TO ALL GOODS CONSUMED WITHIN THE FACTORY OF PRODUCTION IN THE MANUFACTURE OF AGARBATTIS

Notification No. 10/1996 dated 23rd July 1996 amended so as to provide full exemption from excise duty to all goods consumed within the factory of production in the manufacture of Agarbattis. - *[Notification No. 13/2015 - Central Excise, dated 1st March, 2015]*

8. EXEMPTION FROM THE WHOLE OF EDUCATION CESS ON ALL GOODS FALLING WITHIN THE FIRST SCHEDULE OF THE CETA, 1985

All goods falling within the First Schedule of the Central Excise Tariff Act, 1985 have been exempted from the whole of Education Cess leviable under Section 93 of the Finance (No. 2)

Act, 2004, by the department. - *[Notification No. 14/2015 - Central Excise, dated 1st March, 2015]*

9. EXEMPTION FROM THE WHOLE OF SECONDARY AND HIGHER EDUCATION CESS ON ALL GOODS FALLING WITHIN THE FIRST SCHEDULE OF THE CETA, 1985

All goods falling within the First Schedule of the Central Excise Tariff Act, 1985 have been exempted from the whole of Secondary and Higher Education Cess leviable under Section 138 of the Finance Act, 2007, by the department. - *[Notification No. 15/2015 - Central Excise, dated 1st March, 2015]*

10. CONDENSED MILK NOTIFIED UNDER SECTION 4A OF THE CENTRAL EXCISE ACT

The department has notified Condensed milk [0402 91 10 and 0402 99 20] under section 4A of the Central Excise Act for the purpose of valuation with reference to the Retail Sale Price, with an abatement of 30%. - *[Notification No. 3/2015 - Central Excise (N. T.), dated 1st March, 2015]*

11. CENTRAL EXCISE RULES, 2002 AND CENVAT CREDIT RULES, 2004, AMENDED

The Central Excise Rules (CER), 2002 and CENVAT Credit Rules (CCR), 2004 have been amended simultaneously to provide as follows-

- i. Direct dispatch of goods to registered dealer's/ registered importer's customers without first bringing them to the dealer's / importer's registered premises subject to the conditions specified therein (Rule 11 of CER and Rule 4 of CCR);
- ii. Direct dispatch of inputs and capital goods to job worker without first bringing them to

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the manufacturer's /output service provider's premises subject to the conditions specified therein (Rule 11 of CER and Rule 4 of CCR);

- iii. Definition of "export goods" (rule 5 of CCR refers) and "export" (rule 18 of CER),
- iv. Application of certain provisions of these rules, presently applicable to the registered dealers, to apply to the registered importers also.

2. Central Excise Rules, 2002 have also been amended to provide for issue of digitally signed invoices and preservation of records in electronic form by a manufacturer (Rule 10 and 11 of CER).

3. CENVAT Credit Rules, 2004 have also been amended to -

- i. Increase the time limit for taking CENVAT credit on inputs and input services from the present six months to one year (Rule 4 of CCR);
- ii. Increase the time limit for return of Capital Goods from a job worker from the present six months to two years (Rule 4 of CCR);
- iii. Make provision relating to reversal for CENVAT Credit in rule 6, presently applicable to exempt goods and services, applicable to non-excisable goods also;
- iv. Provide for recovery of CENVAT Credit taken but NOT utilized (rule 14). Further, the manner of determining utilization of Credit is also being provided in the rule itself. - *[Notification No. 6/2015 - Central Excise (N. T.), dated 1st March, 2015 & Notification No. 8/2015 - Central Excise (N. T.), dated 1st March, 2015]*

12. SIMPLIFICATION OF REGISTRATION PROCESS IN CENTRAL EXCISE

Registration process in Central excise has been simplified, by the department to ensure that registration is granted within two working days of

the receipt of a duly completed application form. Among other simplifications, verification of documents and premises, as the case may be, shall be carried out after the grant of the registration. - *[Notification No. 7/2015 - Central Excise (N. T.), dated 1st March, 2015]*

13. AMENDMENT TO CENTRAL EXCISE (REMOVAL OF GOODS AT CONCESSIONAL RATES OF DUTY FOR MANUFACTURE OF EXCISABLE GOODS) RULES, 2001

Central Excise (Removal of Goods at Concessional Rates of Duty for Manufacture of Excisable Goods) Rules, 2001 have been amended to allow submission of Letter of Undertaking in lieu of bond with surety and security by a manufacturer with clean track record. - *[Notification No. 9/2015 - Central Excise (N. T.), dated 1st March, 2015]*

14. SCHEME OF ADVANCE RULING EXTENDED TO RESIDENT FIRM

"Resident Firm" is being notified as class of persons for the purposes of section 23A of the Central Excise Act, 1944 so as to extend the scheme of Advance Ruling to Resident Firm. Definition of "resident firm" is also provided in the notification. - *[Notification No. 11/2015 - Central Excise (N. T.), dated 1st March, 2015]*

15. RATE OF EXCISE DUTY APPLICABLE TO GOODS COVERED BY THE MEDICINAL AND TOILET PREPARATIONS ACT, 1955 INCREASED

The rate of excise duty applicable to goods covered by the Medicinal and Toilet Preparations Act, 1955 has been increased from 12% to 12.5% ad valorem, by the department. - *[Notification No. 1/2015 - M & TP, dated 1st March, 2015]*

March 2015

c. SERVICE TAX

1. EXEMPTION WIDENED ON SERVICE PROVIDED BY ROAD FOR TRANSPORT OF EXPORT GOODS BY ROAD FROM THE PLACE OF REMOVAL TO A LAND CUSTOMS STATION (LCS)

Notification No. 31/2012-Service Tax, dated 20th June, 2012, has been amended by the department so as to exempt services provided for transportation of export goods by road from the place of removal to a land customs station (LCS). - *[Notification No.4/2015 - Service Tax, dated 1st March, 2015]*

2. AMENDMENTS TO SERVICE TAX RULES, 1994

Service Tax Rules, 1994 have been amended by the department so as to prescribe -

- i. definition of an 'aggregator' and the 'brand name or trade name'.
- ii. the person liable to pay service tax for certain specified services;
- iii. for issuing digitally signed invoices and their authentication by means of digital signatures.
- iv. for preserving records in electronic form by way of authenticating by digital signatures.
- v. To revise the alternative rates of service tax at which certain categories of service providers have an option to pay service tax.

- *[Notification No.5/2015 - Service Tax, dated 1st March, 2015]*

3. CHANGES IN THE MEGA EXEMPTION LIST OF SERVICES

Notification No. 25/2012-Service Tax, dated 20th June 2012, amended so as to amend certain existing entries granting exemption on specified services and inserting new entries for granting exemption from service tax on specified services. - *[Notification No.6/2015 - Service Tax, dated 1st March, 2015]*

4. CHANGES IN REVERSE CHARGE MECHANISM

Notification No. 30/2012-Service Tax dated 20th June, 2012, has been amended by the department so as to introduce following new entries under Reverse Charge Mechanism-

- i. Services provided by a mutual fund agent/distributor, to a mutual fund or asset management company.
- ii. Services provided by a selling or marketing agent of lottery tickets to a lottery distributor or selling agent.
- iii. Services provided by a person involving an aggregator in any manner. - *[Notification No.7/2015 - Service Tax, dated 1st March, 2015]*

5. CHANGES IN SERVICE TAX NOTIFIED

Notification No. 26/2012-Service Tax, dated 20th June 2012, has been amended by the department so as to make necessary amendments in the specified entries prescribing taxable portion and the conditions for availing the exemption therein. - *[Notification No.8/2015 - Service Tax, dated 1st March, 2015]*

6. SIMPLIFICATION OF REGISTRATION PROCESS IN SERVICE TAX

Registration process in Service Tax has been simplified by the department to ensure that registration is granted within two working days of the receipt of a duly completed application form. Notification to be referred for details of other simplified procedures. - *[Order No. 1/2015 - Service Tax, dated 1st March, 2015]*

7. NOTIFICATION 4/2014 IS ONLY PROSPECTIVE - BENEFIT OF EXEMPTION CANNOT BE APPLIED RETROSPECTIVELY: MADRAS HIGH COURT

March 2015

Hon'ble Madras High Court, in the instant case has held that the intention of the legislature is clear that bringing the services provided by cord blood banks by way of preservation of stem cells under the exemption Notification in order to give exemption of service tax, however, it has not been specifically mentioned that the said amendment should be with effect from the date of exemption Notification. *i.e.* 20.6.2012, wherein, originally, Entry No. 2 has been inserted, giving exemption towards healthcare services by clinical establishment, an authorised medical practitioner or para-medics. Therefore, by virtue of such amendment, it should be construed that the establishments which provides the above said services will get exemption of service tax with effect from the date of amendment, *i.e.* 17.2.2014 only and they cannot claim it with retrospective effect. - *[M/s Life Cell International (P) Ltd v. Union Of India & Ors., dated 27th March, 2015 (Madras HC)]*

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INTELLECTUAL PROPERTY RIGHTS

1. IT IS OPEN TO AN ADVERTISER TO HIGHLIGHT A SPECIAL FEATURE/CHARACTERISTIC OF HIS PRODUCT WHICH SETS IT APART FROM ITS COMPETITORS AND TO MAKE A COMPARISON, AS LONG AS IT IS TRUE: DELHI HC

Plaintiffs in the instant case impugned the promotional campaign / advertising of the defendants wherein they have compared their product *i.e.* Eveready LED Bulb with the plaintiffs product *i.e.* Havells LED Bulb as according to the plaintiffs the same has resulted in disparagement and misrepresentation besides misleading the consumers.

After due consideration of the rival contentions, the Hon'ble Court was of the opinion that it is open to an advertiser to objectively compare one or more material, relevant, verifiable and representative feature of the

goods and services in question which may include price. There is no requirement in law to disclose each and every factor/characteristic in comparative advertisement. No reasonable observer would expect one trader to point to all the advantages of its competitor's business and failure to do so does not per se take the advertising outside what reasonable people would regard as honest.

And it ruled that the impugned advertising campaign is not misleading and there is no denigration or disparagement of plaintiffs mark. Further, the factors compared must be material, relevant, verifiable and must also contain representative features. - *[Havells India Ltd & Anr v. Amritanshu Khaitan & Ors., dated 17th March, 2015 (Delhi HC)]*

2. THE LAW OF CONFIDENCE IS DIFFERENT FROM THE LAW OF COPYRIGHT: BOMBAY HC

In the instant case, Hon'ble Bombay HC held that the publication of a work can very well be restrained on the basis of a breach of trust or confidence; that protection of confidence is in fact a broader right than the proprietary right of a copyright. Whereas there can be no copyright in an idea or information *per se*, if the idea or information has been sufficiently formed and has been acquired by a person under such circumstances that it would be a breach of good faith to publish or use the same without authority from the person from whom it has been so acquired, the Court may in an appropriate case protect the idea or information by granting an injunction. The two rights naturally have different incidents. Whereas the copyright is good against the world at large, sharing of confidence casts a duty only on the recipient of the information or idea to maintain confidentiality and not publish or use the same without the authority of the originator. - *[Beyond Dreams Entertainment Pvt. Ltd. & Ors. v. Zee Entertainment Enterprises Ltd. & Anr., dated 25th March, 2015 (Bombay HC)]*

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March 2015

CONSUMER

1. COMPLAINT FILED AGAINST AIRLINE DISMISSED

Hon'ble NCDRC in the instant case has found no deficiency on the part of OP for restraining complainant by airport staff of Mauritius for travelling from Mauritius to Reunion Island for want of proper visa/travelled document. The Governing IATA General Conditions of Carriage (Passengers and Baggage) exonerate the Airline from any liability in the matter of travel documents. - *[M/S Emirates v. Desraj Malhotra, dated 2nd March, 2015, (NCDRC)]*

2. CONSUMER FORA HAVE NO JURISDICTION TO ENTERTAIN COMPLAINT ONCE SARFAESI ACT HAS BEEN INVOKED IN VIEW OF SECTION 34 OF THE SARFAESI ACT: NCDRC

In a recent case, the hon'ble National Commission has ruled that it is not empowered to arrogate to itself the powers which come within the jurisdiction of Debt Recovery Tribunals. This matter is purely covered within the jurisdiction of DRT or DRAT. If there is any grievance against the notice under Section 13 (2) of the SARFAESI Act that should be brought to the notice of the concerned authority. It must be established that there is deficiency on the part of the bank. In such a case NCDRC can take action. - *[Bank of India v. Anil Raveendran, dated 3rd March, 2015, (NCDRC)]*

3. THE BREACH OF CONDITION REQUIRING VEHICLE TO BE USED FOR A PRIVATE PURPOSE CANNOT BE SAID TO SO FUNDAMENTAL AS TO WARRANT TOTAL REPUDIATION OF THE CLAIM

In the instant case, Complainant's car met with an accident. He filed a claim before the insurance company. Company dismissed the claim contending

that though the vehicle in question was registered and got insured as a private vehicle, it was being used as a taxi for hire, thereby committing breach of the terms of the policy. Complaint accepted re-imbursement on non-standard basis. Hon'ble NCDRC upon facts and legal position held that instead of altogether repudiating the claim, the Insurance Company should have settled it on non-standard basis and directed the said company to pay 75% of the sum insured to the complainant. - *[New India Assurance Co., v. Naresh Kumar, dated 12th March, 2015, (NCDRC)]*

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ENVIRONMENT

1. NGT CAN'T SETTLE ISSUES ON CLIMATE CHANGE, SAYS MOEF

The Ministry of Environment & Forests has said the NGT cannot settle the issue or any application on climate change as it is a subject of international conventions and protocols. The MoEF has in a short affidavit filed in response to an application on climate change said, "The issue of climate change is the subject of international conventions and protocols and does not lie in the ambit of Section 14 of the National Green Tribunal Act. - *[The Hindu, dated 31st March, 2015]*

2. NGT ORDERS CONFISCATION OF VEHICLES BEING USED IN ILLEGAL DUMPING OF BUILDING OR WASTE MATERIAL ON ROADS

While expressing concern over the increasing cases of encroachment on the Khaira Road in Najafgarh area, the NGT bench said, "In cases where the police as well as SDMC finds any person who is illegally dumping building material or any other waste material on the road, they shall immediately confiscate those vehicles...appropriate and criminal action should be initiated in accordance with law." - *[The Indian Express, dated 31st March, 2015]*

3. NGT SLAMS UP GOVT FOR FAILURE TO PERFORM 'STATUTORY DUTY'

March 2015

The National Green Tribunal has pulled up the Uttar Pradesh Government for failure to perform its “statutory duty” towards identification of wetlands in the State and directed it to complete the exercise within a period of three months in accordance with the law. - *[The Pioneer, dated 13th March, 2015]*

4. NGT AWARDS RS 95-CR COMPENSATION TO RAIGAD FISHERMEN FAMILIES

Pune-based Western Zone bench of the National Green Tribunal has directed the Jawaharlal Nehru Port Trust (JNPT), the City and Industrial Development Corporation (CIDCO) and the Oil and Natural Gas Corporation (ONGC) to pay a compensation of Rs 95.19 crore to the 1,630 fishermen families in Uran and Panvel talukas of Raigad district who were displaced due to expansion activities carried out by the firms. The amount will be equally distributed (Rs 5,84,000 per family) among the families after the firms pay up. - *[The Indian Express, dated 9th March, 2015]*

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