MONTHLY
NEWSLETTER

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RBI/FEMA

1. THE RESERVE BANK OF INDIA EASES PROCEDURES FOR PROJECT & SERVICES EXPORTS

With a view to further liberalising the procedure, RBI has decided to withdraw the limit of $20 million for buyer's credit which may be extended to foreign buyers in connection with export of goods on deferred payment terms and turn key projects from India. As of now, Exim Bank in participation with commercial banks in India may extend Buyer's credit up to the limit of $20 million to foreign buyers for export of goods on deferred payment terms and turn-key projects from India.

RBI has also dismantled a Working Group structure that used to work towards considering proposals of export of goods and services on deferred payments terms. - ***[A.P.(DIR Series) Circular No.93, dated 1st April, 2015]***

2. RBI PRESCIBES UNIFORM PROVISIONING NORM FOR FRAUD CASES

Seeking to check fraud in banks, RBI prescribed a uniform provisioning norm for all cases of fraud as under-

a. The entire amount due to the bank (irrespective of the quantum of security held against such assets), or for which the bank is liable (including in case of deposit accounts), is to be provided for over a period not exceeding four quarters commencing with the quarter in which the fraud has been detected;

b. However, where there has been delay, beyond the prescribed period, in reporting the fraud to the Reserve Bank, the entire provisioning is required to be made at once. In addition, Reserve Bank of India may also initiate appropriate supervisory action where there has been a delay by the bank in reporting a fraud, or provisioning there against. - ***[DBR.No.BP.BC.83/21.04.048/2014-15, dated 1st April, 2015]***

3. RBI EASES NORMS FOR START OF STALLED PROJECT OPERATIONS

RBI has decided that in cases where, in the assessment of the banks, the implementation of the project has been stalled primarily due to inadequacies of the existing promoters and a subsequent change in the ownership of the borrowing entity has been effected, banks may permit extension of the date of commencement of commercial operations (DCCO) up to a further period of two years, in addition to the extension of DCCO permitted under existing regulations. In order to facilitate change in ownership and revival, it has been decided to provide further flexibility by allowing a further extension of the DCCO of such projects where a change of ownership takes place, without adversely affecting the asset classification of loans to such projects, subject to certain conditions. - ***[DBR.No.BP.BC.84/21.04.048/2014-15, dated 6th April, 2015]***

4. REPAYMENT/REFINANCING OF RUPEE LOANS WITH FOREIGN CURRENCY BORROWINGS OR LONG TERM EXPORT ADVANCES

RBI has provided clarifications regarding utilisation of foreign currency borrowings/ long term export advances for repayment of rupee loans. RBI has observed that the facility of long term export advances is primarily being utilised for refinancing rupee loans of borrowers instead

of being used for execution of long term supply contracts for export of goods. In order to ensure that long term export advances are used for the intended purpose, it has been advised that while eligible Indian companies may continue to avail of the facilities available to them under the prescribed guidelines, on the other hand any repayment/refinancing of rupee loans with foreign currency borrowings/export advances, where permitted, will be subject to certain conditions as mentioned in the circular.

[DBR.No.BP.BC.85/21.04.048/2014-15, dated 6th April, 2015]

5. NON-BANKING FINANCIAL COMPANY-MICRO FINANCE INSTITUTIONS (NBFC-MFIS) – DIRECTIONS TO REGULATE CREDIT SYSTEM

In the backdrop of Andhra Pradesh - MFI crisis, RBI had made modifications to its earlier directions to NBFC-MFIs to regulate the credit system in the country. Modifications are as under:

1. As per earlier notification, loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding Rs. 60,000 or urban and semi-urban household income not exceeding Rs. 1,20,000 would be eligible to be defined as qualifying asset. In order to widen the scope, it has been decided that loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding Rs. 1,00,000 or urban and semi-urban household income not exceeding Rs. 1,60,000 would be eligible to be defined as a qualifying asset.
2. Earlier, NBFCs-MFI while disbursing loans were required to ensure that the total indebtedness of the borrower does not exceed Rs.50,000. Now, the limit of total indebtedness of the borrower has been increased to Rs.1,00,000. Education and medical expenses will be excluded while arriving at the total indebtedness of a borrower.
3. Earlier it was notified that the loan amount should not exceed Rs. 35,000 in the first cycle and Rs. 50,000 in subsequent cycles. Henceforth, the loan amount should not exceed Rs. 60,000 in the first cycle and Rs. 1,00,000 in subsequent cycles.
4. As per earlier notification, aggregate amount of loans given for income generation should constitute at least 70 per cent of the total loans of the NBFC-MFI so that the remaining 30 per cent can be for other purposes such as housing repairs, education, medical and other emergencies. The limits so prescribed have henceforth been revised to 50:50.
5. Notwithstanding the above, all NBFC-MFIs are expected to be prudent and responsible in their lending activity besides educating their borrowers on the dangers of wasteful conspicuous consumption.***[DNBR.CC.PD.No.027/03.10.01/2014-15, dated 8th April, 2015]***

6. REVISION OF FDI POLICY IN INSURANCE SECTOR BY RBI

Earlier 26% FDI was permitted under Automatic route in Insurance sector subject to conditions. On revision RBI has decided that FDI in Insurance sector shall be permitted up to 49% subject to the revised conditions specified in the Press Note 3 (2015 Series) dated March 2, 2015. Also, a new activity viz. "Other Insurance Intermediaries appointed under the provisions of Insurance Regulatory and Development Authority Act, 1999 (41 of 1999)" has been included within the definition of 'Insurance'. Besides, the salient changes over the existing regime include:

1. Foreign investment in Indian insurance company shall be limited up to 49% of the paid up equity capital;
2. FDI up to 26% shall be under automatic route and beyond 26% and up to 49% shall be with Government approval;
3. Foreign investment in the sector is subject to compliance of the provisions of the Insurance Act, 1938 and the condition that companies bringing in FDI shall obtain necessary license from the Insurance Regulatory & Development Authority of India for undertaking insurance activities.
4. An Indian insurance company shall ensure that its ownership and control remains at all times in the hands of resident Indian entities;

5. Foreign portfolio investment in an Indian insurance company shall be governed by the provisions of Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 and provisions of the Securities Exchange Board of India (Foreign Portfolio Investors) Regulations.
6. Any increase of foreign investment of an Indian insurance company shall be in accordance with the pricing guidelines specified by Reserve Bank of India under the Foreign Exchange Management Act, 1999. -***[A. P. (DIR Series) Circular No.94, dated 8th April, 2015]***

7. RBI ISSUES CLARIFICATION ON LENDING AGAINST SHARES FOR NBFCS

RBI had notified all NBFCs with asset size of Rs. 100 cr. and above about clarification on the applicability of the circular DNBS (PD).CC.No.408/03.10.001/2014-15 dated August 21, 2014 titled NBFCs- Lending against Shares. In regard to that , RBI has clarified the following :

1. The above mentioned circular is not applicable to unlisted shares.
2. LTV ratio of 50% is required to be maintained at all times. Any shortfall in the maintenance of the 50% LTV occurring on account of movement in the share prices shall be made good within 7 working days.
3. The condition of acceptance of only Group 1 securities (specified in SMD/ Policy/ Cir - 9/ 2003 dated March 11, 2003 as amended from time to time, issued by SEBI) as collateral for loans of value more than Rs. 5 lakh, is applicable only where the lending is done for investment in the capital market.
4. The reporting to the Stock Exchanges shall be quarterly. - **[DNBR (PD).CC.No.028/03.10.001/2014-15, dated 10th April, 2015]**

8. BANKS CAN NOW PAY HIGHER RATES FOR DEPOSITS, WITHOUT PREMATURE WITHDRAWAL OPTION

Earlier, banks were allowed to offer differential rates of interest on term deposits on the basis of tenor for deposits less than Rs. 1 crore and on the basis of quantum and tenor on term deposits of Rs. 1 crore and above. But as per paragraph 29 of sixth Bimonthly Monetary Policy Statement- 2014-15 announced on February 3, 2015 whereby it was decided to introduce the feature of early withdrawal facility in a term deposit as a distinguishing feature for offering differential rates of interest. Accordingly, banks will have the discretion to offer differential interest rates based on whether the term deposits are with or without-premature-withdrawal-facility, subject to the following guidelines, as laid down by RBI:

1. All term deposits of individuals (held singly or jointly) of Rs. 15 lakh and below should, necessarily, have premature withdrawal facility.
2. For all term deposits other than (i) above, banks can offer deposits without the option of premature withdrawal as well. However, banks that offer such term deposits should ensure that at the customer interface point the customers are, in fact, given the option to choose between term deposits either with or without premature withdrawal facility.
3. Banks are required to disclose in advance the schedule of interest rates payable on deposits i.e. all deposits mobilized by banks should be strictly in conformity with the published schedule.

The banks should have a Board approved policy with regard to interest rates on deposits including deposits with differential rates of interest and ensure that the interest rates offered are reasonable, consistent, transparent and available for supervisory review/scrutiny as and when required. - ***[DBR.No.Dir.BC.87/13.03.00/2014-15, dated 16th April, 2015]***

9. INTEREST SUBVENTION SCHEME, 2014-15 TO CONTINUE TILL JUNE 30th

RBI has announced that a new scheme for interest subvention, 2015-16 for farmers is being worked out though it may take some time. Meanwhile, as an interim measure, the earlier interest subvention scheme will continue till June 30 on the terms and conditions

approved for the scheme for 2014-15. - ***[FIDD.No.FSD.BC.53/05.04.02/2014-15, dated 16th April, 2015]***

10. MANDATORY LEAVE FOR EMPLOYEES POSTED IN SENSITIVE POSITIONS OR AREAS OF OPERATION

RBI has observed that the policy of 'mandatory leave' (circular DBS.CO.FrMC.BC.No.10/23.04.001/2010-11 dated May 31, 2011) is not being implemented effectively, leading to an increase in operational risks across the banks. Therefore banks have been advised that, as a prudent operational risk management measure, it is imperative that employees posted in sensitive positions or areas of operations (viz., treasury, currency chests, risk modelling, model validation, etc.) are covered under a 'Mandatory Leave' policy wherein such employees are required to compulsorily avail of leave for a few days (say 10 working days) in a single spell every year, during their posting in such areas. The banks should also identify such highly sensitive positions where the bank will, without any prior intimation, advise the employee to be away from his desk for a specified number of working days each year. While the employee is on 'mandatory leave' or asked to be away from his desk as above, it should be ensured that he does not have access to any physical or virtual resources related to his work responsibilities, with the possible exception of corporate email.

- ***[DBR.No.BP.BC.88/21.04.048/2014-15, dated 23rd April, 2015]***

11. COLLECTION AND DISSEMINATION OF INFORMATION ON DEFAULTERS

As Section 2(60) of the Companies Act, 2013 which defines an officer who is in default does not include a "non-whole time" director, a non-whole time director should not be considered as a defaulter unless it is conclusively established that

a. he was aware of the fact of default by the borrower by virtue of any proceedings recorded in the Minutes of the Board or a Committee of the Board and has not recorded his objection to the same in the Minutes, or,

b. the default had taken place with his consent or connivance.

However, the above exception will not apply to a promoter director, even if not a whole time director.

In terms of above a partial modification has been effected by RBI to its Circular DBOD.No.DL.BC.54/20.16.001/2001-02 dated December 22, 2001, that while disseminating information to Credit Information Companies on borrowers with outstanding amount aggregating Rs. 1 crore and above classified as doubtful or loss assets (non-suit filed as well as suit filed accounts), banks/FIs should exclude the names of non-whole time directors (Nominee and Independent Directors) other than the promoter directors from the list, except in the rarest circumstances specified above. - ***[DBR.No.CID.BC.89/20.16.001/2014-15, dated 23rd April, 2015]***

12. SIMPLIFIED PROCEDURE FOR OPENING OF CURRENCY CHESTS

The extant instructions for setting up of new currency chests as provided under circular DCM(CC) No.2991/03.39.01/2011-12 dated January 02, 2012 has been reviewed and it has been now decided to do away with multiple layers of approvals. The simplified guidelines are provided in the current circular. ***[DCM(CC)No.G-13/4553/03.39.01/2014-15, dated 23rd April, 2015]***

13. CHANGES IN BANK FORMS/APPLICATIONS ETC. TO INCLUDE RIGHTS OF TRANSGENDER PERSONS.

RBI has advised banks to refer to the judgement dated April 15, 2014 of the Supreme Court in the case of National Legal Services Authority v. Union of India and others [AIR 2014 SC 1863: (2014) 5 SCC 438] on treating all transgender persons as 'third gender'. The Supreme Court, in that case, upheld transgender persons' right to decide their self-identified gender and directed the Centre and State Government to grant legal recognition of their gender identity such as male, female or as third gender. Banks are, therefore, directed to include 'third gender' in all forms/applications etc. prescribed by the Reserve Bank or the banks themselves,

wherein any gender classification is envisaged. - [***DBR.No.Leg.BC.91/09.07.005/2014-15, dated 23rd April, 2015]***

14. GUIDELINES ON DISTRIBUTION OF MUTUAL FUND PRODUCTS BY NBFCS MODIFIED.

Since the distribution of Mutual Fund products by the NBFCs is on non-risk sharing basis and purely as a customer service, RBI has decided to dispense with the requirement of prior approval from the Reserve Bank for NBFCs to distribute Mutual Fund products. It has also been decided to dispense with the minimum eligibility criteria. ***- [DNBR. (PD).CC.No. 033/03.10.001/2014-15, dated 30th April, 2015]***

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FOREIGN TRADE

1. EXPORT POLICY ON ONION

Export of all varieties of onion [item description at Serial Number 51 & 52 of Chapter 7 of Schedule 2 of ITC (HS)] above will be subject to a Minimum Export Price (MEP) of US$ 250 per MT (reduced from MEP of US$ 300 per MT earlier. ***[Notification No 02/ 2015-2020, 7th April, 2015, (DGFT)]***

2. EXPORT POLICY ON SUGAR

Export of Preferential Quota sugar to EU and USA has been moved from "STE" to "Free" regime subject to the conditions indicated in Nature of Restrictions. ***[Notification No 03/ 2015-2020, dated 20th April, 2015, (DGFT)]***

3. AMENDMENT IN IMPORT POLICY OF UREA

TheIndustrial Urea / Technical Grade Urea (TGU) is being made freely importable with Actual User condition. ***[Notification No 04/ 2015-2020, dated 28th April, 2015, (DGFT)]***

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CORPORATE

1. CLARIFICATION UNDER SUB-SECTION (7) OF SECTION 186 OF THE COMPANIES ACT, 2013

As per the clarification, no violation of sub- section (7) of Section 186 of Companies Act,2013 will occur in cases where the effective yield (effective rate of return) on tax free bonds is greater than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan,. ***[General Circular No. 6/2015, dated 9th April, 2015, (MCA)]***

2. REMUNERATION TO MANAGERIAL PERSON UNDER SCHEDULE XIII OF COMPANIES ACT, 1956- CLARIFICATION WITH REGARD TO PAYMENT FOR PERIOD

Managerial person may continue to receive remuneration for his remaining term in accordance with terms and conditions approved by company as per relevant provisions of schedule XIII of earlier act even if part of his tenure falls after 1st April, 2014. ***[General Circular No.7/2015, 10th April, 2015, (MCA)]***

3. COMPANIES (AUDITOR'S REPORT) ORDER, 2015

Every report made by the auditor under section 143 of Companies Act to which this order applies for the financial year commencing on or after 1st April, 2015, shall contain matters specified in para 3 and 4. Paragraph 3 lists out matters to be included in Auditors report and paragraph 4 contains reasons to be stated for unfavourable or qualified answers. For further details please refer to the order. [***Ministry of Corporate Affairs, dated 10th April]***

4. BALCO JUDGMENT HAS ONLY PROSPECTIVELY OVERRULED RATIO IN BHATIA INTERNATIONAL: SC

An agreement was entered between the Appellant and the First Respondent in respect to Appellant's 24 coal

voyages from Indonesia to India. The First Respondent undertook only 15 coal voyages and that resulted in a dispute, which ultimately was referred to arbitration. Arbitration proceedings were initiated and eventually an award was passed. The arbitration was held in London. The Appellant subsequently filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 before Learned ADJ, Ernakulam seeking security from the First Respondent. The ADJ directed the First Respondent to furnish security for US$ 11,15,400 and as an interim measure conditionally attached the cargo belonging to the First Respondent.

Aggrieved by the Order of the ADJ, the First Respondent preferred a writ petition before the Kerala High Court contending that the order of the ADJ was without jurisdiction and hence unsustainable in law. The High Court held that the law laid down in BALCO is declaratory in nature and therefore it cannot be said that it has only prospective effect. Accordingly, the High Court reversed the decision of the ADJ stating that Section 9 of the Act has limited application to arbitration taking place in India and cannot be applied to international commercial arbitrations as held in BALCO.

Supreme Court observed that BALCO was decided on September 6, 2012 and in BALCO, Bhatia International and Venture Global Engg. v. Satyam Computer Services Ltd. was overruled only prospectively. The Supreme Court further went on to hold that the implied exclusion principle as stated in Bhatia International would be applicable i.e. (i) the parties intention to have London as the juridical seat of arbitration (ii) arbitrators being members of London Arbitration Association and (iii) the contract being governed by English Law, evidenced the parties intention to exclude the applicability of Part 1 of the Act. ***[Harmony Innovation Shipping Ltd. v. Gupta Coal India Ltd. &Anr, Supreme Court of India]***

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COMPETITION

1. 4.5 CR PENALTY IMPOSED ON VERIFONE INDIA SALES FOR INDULGING IN UNFAIR TRADE PRACTICE

The regulator, after examination found out that Verifone India Sales ("Verifone") to be indulging in unfair business practices relating to point-of-sale (POS) technologies. Verifone which provides electronic payment technologies such as POS machines that are used to swipe credit and debit cards at shops and restaurants. POS machines are supplied along with core applications and Software Development Kits (SDKs). These are sold directly to the customers like banks and retail outlets or to the third party processors (TPPs) who act on behalf of acquiring banks and also render value added services (VAS) to develop and integrate applications into POS terminals. It was averred that for the provision of VAS, it is important for TPPs (such as the complainants) to have access to the core POS Terminal applications and their crucial updates along with SDKs. It was alleged that Verifone was imposing restrictive and unfair conditions on the usage of SDKs as well as abusing its dominant position in POS terminal market to control VAS space. The Commission was of the considered opinion that through the SDK agreement Verifone has been imposing unfair conditions on VAS/TPP service providers which are in contravention of the Act. ***[M/s Atos Worldline India Pvt. Ltd. v. M/s Verifone India Sales Pvt. Ltd., dated 10th April, 2015, (CCI)]***

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SECURITIES

1. PENALTY PRESCRIBED FOR NON COMPLIANCE WITH THE REQUIREMENT (HAVING WOMEN DIRECTORS ON BOARD) OF CLAUSE 49 OF LISTING AGREEMENT.

Clause 49 of Listing Agreement relating to Corporate Governance, mandates, inter-alia, that the Board of Directors of listed entities shall have an optimum combination of executive and non-executive directors with at least one woman director. The entities not

complying with this requirement may be fined in the following manner:
(a) Listed entities complying between April 1, 2015 and June 30, 2015 shall be fined Rs. 50000;
(b) Listed entities complying between July 1, 2015 and September 30, 2015 shall be fined Rs. 50000 + Rs. 1000 per day w.e.f. July 1, 2015 till the date of compliance;
(c) Listed entities complying on or after October 1, 2015 shall be liable to pay Rs.1,42,000/- + Rs.5000/- per day from October 1, 2015 till the date of compliance. ***[CIR/CFD/CMD/1/2015, 8th April, 2015, (SEBI)]***

2. MECHANISM FOR ACQUISITION OF SHARES THROUGH STOCK EXCHANGE PURSUANT TO TENDER OFFERS UNDER TAKEOVERS, BUY BACK AND DELISTING.

SEBI has prescribed the procedure for tendering and settlement of shares through stock exchanges. It has been provided more particularly in Annexure 1 of its circular, as mentioned hereinafter. This circular shall be applicable to all the offers for which Public Announcement is made on or after July 01, 2015.
[CIR/CFD/POLICYCELL/1/2015, dated 13th April, 2015, (SEBI)]

3. EXCLUSIVELY LISTED COMPANIES OF DE-RECOGNIZED/ NON OPERATIONAL/ EXITED STOCK EXCHANGES.

SEBI has decided that the exclusively listed companies shall be allowed a time line of eighteen months, within which such companies will have to compulsorily obtain listing with nationwide stock exchange. This requirement is subject to the conditions provided in detail in the circular. ***[CIR/MRD/DSA/05/2015, dated 17th April, 2015, (SEBI)]***

4. STRESS TESTING OF LIQUID FUND AND MONEY MARKET MUTUAL FUND SCHEMES (MMFS).

SEBI, as a part of risk management framework, has required Mutual Funds (MFs) to carry out stress testing of their portfolio, particularly for debt schemes. To further strengthen the risk management practices Assets management Companies (AMCs) should have stress testing policy in place which mandates them to conduct stress test on all Liquid Fund and MMMF Schemes carried out monthly on inter alia parameters (i.) Interest rate risk (ii.) Credit risk (iii.) Liquidity & Redemption risk. In the event of stress test revealing any vulnerability corrective action should be taken and stress testing policy should be reviewed on an annual basis. ***[CIR/IMD/DF/03/2015, dated 30th April, 2015, (SEBI)]***

5. MUTUAL FUNDS: COLOUR CODES TO BE REPLACED BY PICTORIAL METER NAMED "RISKOMETER"

SEBI has prescribed that the level of risk in mutual fund schemes shall be increased from three to five as under: (i.) Low - principal at low risk (ii.) Moderately Low - principal at moderately low risk (iii.) Moderate - principal at moderate risk (iv.) Moderately High -- principal at moderately high risk (v.) High - principal at high risk. The depiction of risk using colour codes would be replaced by pictorial meter named "Riskometer" and this meter would appropriately depict the level of risk in any specific scheme. This circular shall be applicable with effect from July 01, 2015, to all the existing schemes and all schemes to be launched on or thereafter. ***[CIR/IMD/DF/4/2015, 30th April, 2015, (SEBI)]***

6. COMPANY PENALISED FOR FAILURE TO OBTAIN SEBI COMPLAINT REDRESSAL SYSTEM (SCORES) AUTHENTICATION WITHIN STIPULATED TIME

Hon'ble SAT, having found that the company, in the instant case, continued to be a listed company and, therefore, it was obligatory on it to obtain SCORES authentication within the time stipulated from SEBI. It also observed that the appellant has consistently failed and neglected to comply with the directions of SEBI in regard to obtaining Scores Authentication, and it is only when SEBI initiated penalty proceedings, the appellant chose to comply with the directions of SEBI. Therefore the Hon'ble tribunal held that, where a listed company fails to obtain SCORES authentication within

the time stipulated by SEBI, then it amounts to violating the directions of SEBI and in such a case penalty is imposable under Section 15HB of SEBI Act. ***[Port Shipping Company Ltd. v. SEBI, dated 29th April, 2015, (SEBI)]***

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INDIRCT TAXES

a. CUSTOMS

1. CHANGES IN CUSTOMS DUTY IN VIEW OF FOREIGN TRADE POLICY 2015-2020

- ***Regarding implementation of EPCG Scheme under FTP* 2015-2020:**
  EPCG Scheme allows import of capital goods for pre-production, production and post-production at Zero customs duty. This allows is valid only if the Revenue Department allows it by a notification. Now, the Customs Notification exempts the goods imported covered by a valid authorisation issued under the Export Promotion Capital Goods (EPCG) Scheme in terms of Chapter 5 of the Foreign Trade Policy permitting import of goods at zero customs duty. - ***[Notification No. 16/2015 – Customs, dated 1st April, 2015]***

- **On implementation of Post Export EPCG Scheme:**
  As per para 5.12 of the FTP 2015-2020, Post Export EPCG Duty Credit Scrip(s) shall be available to exporters who intend to import capital goods on full payment of applicable duties in cash and choose to opt for this scheme. Basic Customs duty paid on Capital Goods shall be remitted in the form of freely transferable duty credit scrip(s). Now the Customs has notified the exemption. - ***[Notification No. 17/2015 – Customs, dated 1st April, 2015]***

- **On implementation of Advance Authorisation Scheme :**
  As per para 4.02 of the Policy, Advance Authorisation is issued to allow duty free import of input, which is physically incorporated in export product (making normal allowance for wastage). In addition, fuel, oil, catalyst which is consumed / utilised in the process of production of export product, may also be allowed. Advance Authorisation is also issued for inputs in relation to resultant product. Now the Customs Notification is issued to exempt materials imported into India against a valid Advance Authorisation issued by the Regional Authority in terms of paragraph 4.03 of the Foreign Trade Policy. Customs has notified the exemption. - ***[Notification No. 18/2015 – Customs, dated 1st April, 2015]***

- **On implementation of Duty Free Import Authorisation Scheme:**
  As per para 4.25 of the Policy, Duty Free Import Authorisation is issued to allow duty free import of inputs. In addition, import of oil and catalyst which is consumed / utilised in the process of production of export product, may also be allowed. Duty Free Import Authorisation shall be issued on post export basis for products for which Standard Input Output Norms have been notified. Now the Government has issued the Customs exemption notification to exempt materials imported into India against a valid Duty Free Import Authorization. - ***[Notification No. 19/2015 – Customs, dated 1st April, 2015]***

- **Regarding implementation of Advance Authorisation Scheme for annual requirement under FTP 2015-2020:**
  Exporters having past export performance (in at least preceding two financial years) shall be entitled for Advance Authorisation for Annual requirement. Advance Authorisation for Annual Requirement shall only be issued for items notified in Standard Input Output Norms (SION), and it shall not be available in case of adhoc norms. Government has notified the Customs exemption. - ***[Notification No. 20/2015 – Customs, dated 1st April, 2015]***

- **On implementation of Advance Authorisation Scheme for deemed export:**
  Government has granted exemption to materials required for the manufacture of the final goods when imported into India against Advance Authorisation for deemed export granted by the Regional Authority in terms of paragraph 4.05 (c) (iii) of the Foreign Trade Policy permitting import of the said materials - ***[Notification No. 21/2015 – Customs, dated 1st April, 2015]***

- **On implementation of Advance Authorisation Scheme for export of prohibited goods:**
  Government has exempted materials imported into India against an Advance Authorisation issued in terms of paragraph 4.03 read with paragraph 4.18 (i) of the Foreign Trade Policy meant for export of a prohibited item in terms of paragraph 4.05 of the Handbook of Procedures. - ***[Notification No. 22/2015 – Customs, dated 1st April, 2015]***

2. ANTI-DUMPING DUTY ("ADD") ON IMPORTS OF COUMARIN

The levy of anti-dumping duty has been extended on imports of Coumarin, falling under the Customs Tariff Heading (CTH) 2932 2100 of Customs Tariff Act (CTA), originating in or exported from People's Republic of China, up to 22nd March, 2016. - ***[Notification No. 08/2015 - Customs (ADD), dated 7th April, 2015]***

3. ADD ON IMPORTS OF FLEXIBLE SLABSTOCK POLYOL

Anti-dumping duty has bee levied on imports of Flexible Slabstock Polyol of molecular weight 3000-4000, falling under chapter 39 of CTA, originating in or exported from Australia, European Union and Singapore for a period of five years from 7 April, 2015. ***[Notification No. 09/2015 - Customs (ADD), dated 7th April, 2015]***

4. ADD ON IMPORTS OF POLY VINYL CHLORIDE PASTE RESIN

Anti-dumping duty levied on imports of Poly Vinyl Chloride Paste Resin, falling under chapter 39 of CTA, originating in or exported from Norway and Mexico for a period of five years from 7 April, 2015. ***[Notification No. 10/2015 - Customs (ADD), dated 7th April, 2015]***

5. ADD ON IMPORTS OF ELECTRICAL INSULATORS OF GLASS OR CERAMIC/ PORCELAIN

Anti-dumping duty levied on imports of Electrical Insulators of Glass or Ceramic/ Porcelain, whether assembled or unassembled, falling under chapter 85 of CTA, originating in or exported from the People's Republic of China for a period of five years from 16 September, 2014. ***[Notification No. 11/2015 - Customs (ADD), dated 11th April, 2015]***

6. ADD ON IMPORTS OF RECORDABLE DIGITAL VERSATILE DISC (DVD)

The levy of anti-dumping duty has been extended on imports of Recordable Digital Versatile Disc (DVD), falling under the heading 8523 of the First Schedule to the CTA, originating in, or exported from Thailand and Vietnam for a further period of one year i.e. upto and inclusive of 11-04-2016.- ***[Notification No. 12/2015 - Customs (ADD), dated 11th April, 2015]***

7. ADD ON IMPORTS OF ACETONE

Anti-dumping duty levied on imports of Acetone, falling under chapter 29 of CTA, originating in or exported from Chinese Taipei and Saudi Arabia for a period of five years from 16 April, 2015. - ***[Notification No. 13/2015 - Customs (ADD), dated 16th April, 2015]***

8. ADD ON IMPORTS OF PHENOL

The levy of anti-dumping duty has been extended on imports of Phenol, falling under CTH 2907 11 10 or 2707 99 00 of CTA, originating in or exported from Thailand and Japan, up to 18 April, 2016. - ***[Notification No. 14/2015 - Customs (ADD), dated 17th April, 2015]***

9. IMPORTERS CAN FILE REFUND CLAIM OF 4% SAD AT THE CUSTOMS STATIONS WHERE IMPORTS ARE MADE

As a trade facilitation measure, it has been decided by the department that importers may file refund claim of 4% SAD refund in terms of notification No. 102/2007- Customs dated 14.09.2007 at the Customs stations where imports are made within one Commissionerate. However, the number of such claims at a Customs station shall be limited to one in a particular month. - ***[Circular No. 12/2015 - Customs, dated 9th April, 2015]***

b. CENTRAL EXCISE

1. GOODS CLEARED AT FACTORY GATE AND FOR CAPTIVE CONSUMPTION IN ANOTHER FACTORY ARE TWO KINDS OF GOODS WHICH ARE NOT COMPARABLE WITH EACH OTHER

In the instant case, the appellant was the manufacturer of Tyre Cord Yarn (TCY) and Tyre Cord Fabric (TCB). The aforesaid goods TCY and TCB were manufactured by the appellant at its Goregaon factory. The products so manufactured were sold by the appellant at the factory gate as well as removed for captive consumption to its another factory at Tarapur. At Tarapur factory, the said yarn were utilised for manufacturing final products. The dispute arose in respect of the valuation of the TCY, which were removed for captive consumption and to be used at Tarapur factory of the respondent. The appellant had been filing the price list proforma under Section 4(1) of the Central Excise Act, 1944, declaring the wholesale price of TCY for such goods by showing the same price at which the goods are sold by the appellant at the factory gate to the third parties. When the price declaration so made was looked into by the Superintendent of Central Excise and he was not satisfied with this declaration as according to him, the price could not be declared at the same rate at which the goods are sold by the appellant at the factory gate to others. According to him, there was a difference between the goods which were cleared at the factory gate to be sold to the third parties and removed for captive consumption by the appellant itself for its Tarapur factory.

The Apex Court held that the two kinds of goods were not comparable with each other and therefore, the goods which were removed for captive consumption to be used by Tarapur Factory were to be valued under Rule 6(b)(ii) of the Rules and the price declaration given by the appellant applying Rule 6(b)(i) of the said rules was erroneous. - ***[Nirlon Ltd v. CCE, Mumbai, dated 23rd April, 2015 (Supreme Court)]***

2. OMISSION TO TAKE REGISTRATION AS INPUT SERVICE DISTRIBUTOR IS TO BE

CONSIDERED AS PROCEDURAL IRREGULARITY

The issue in this case was that whether the service rendered by the service provider for the products manufactured in Gujarat and invoices raised can be availed as CENVAT Credit at Mumbai. The Court observed that when there is no dispute as regards the services received by the appellant for the activity and service tax liability having been discharged by the service provider, omission to take registration as an Input Service Distributor is to be considered as procedure irregularity. - ***[Alarsin v. Commissioner Of Central Excise, Mumbai, dated 1st April, 2015 (CESTAT, Mumbai)]***

3. TRANSMISSION ASSEMBLIES OF TRACTORS ARE COMMERCIALLY KNOWN PRODUCTS AND THUS EXCISABLE AND DUTIABLE

The Apex Court has held that although the definition of "goods" is an inclusive one, it is clear that materials, commodities and articles spoken of in the definition take colour from one another. In order to be "goods" it is clear that they should be known to the market as materials, commodities and articles that are capable of being sold. The facts in the present case show that Transmission Assemblies of tractors are commercially known products. The fact that not a single sale of such Assembly has been made by the appellants is irrelevant. This being the case, the Court was of the view that the Transmission Assembly of the tractor on the facts is clearly an intermediate product which is a distinct product commercially known to the market as such. On this ground therefore, the appellants are not liable to succeed. - ***[M/s Escorts Ltd v. Commissioner Of Central Excise, Faridabad, dated 29th April, 2015 (Supreme Court)]***

c. SERVICE TAX

1. AMOUNT WHICH IS PAYABLE BY A PERSON CAN BE SAID TO BE PAYABLE ONLY AFTER THERE IS DETERMINATION AS PROVIDED U/S 72 OR U/S 73 OF THE FA, 1994 - WITHOUT THERE BEING ANY ADJUDICATION, COERCIVE STEPS CANNOT BE TAKEN FOR RECOVERY OF ST OR PENALTY OR INTEREST

Issue before the High Court in the Writ Petition was, whether, without there being any adjudication in any of the proceedings under the FA, 1994, coercive steps can be taken by the Revenue, for recovery of service tax or penalty or interest?

The High Court answered the question in negative. It was held that Section 73 of the said Act is most relevant for the purpose of the present petition; that provisions of section 72 and 73 involve complete adjudicatory process; that in both the provisions, the legislature has taken care to ensure that before the assessment is made and the amount payable is determined, the assessee is given complete opportunity of either being heard or represented. - ***[ICICI Bank Ltd v. UOI &Anr., dated 20th April, 2015 (Bombay HC)]***

2. ISSUANCE OF INSURANCE POLICY BY INSURER, AND THEN TAKING OF RE-INSURANCE BY IT, IS A CONTINUOUS PROCESS, AND IT CANNOT BE SAID THAT THE SAME WOULD NOT BE AN 'INPUT SERVICE' ELIGIBLE FOR CENVAT CREDIT

In the present case, the respondent - Insurer had procured re-insurance service from over-seas Insurance companies and had availed CENVAT credit of Service Tax paid on such services received by it. The Commissioner of Central Excise (Adjudication), vide its order dated 2.12.2013, disallowed the CENVAT credit to the respondent - Insurer and held that Service Tax paid on re-insurance services received cannot be considered as Input Service since re-insurance takes place after the Insurance business is affected.

The Court observed that the process of issuance of an Insurance Policy by the Insurer and subsequent procurement of re-insurance policy from another company (which is a statutory requirement) is an integral part of the total process. The process of insurance does not come to an end merely on the issuance of the Insurance Policy by the Insurer. In fact, it continues till the existence of the term of the policy. The re-insurance is taken by the Insurer immediately after the insurance policy is issued, as is required under Section 101A of the Insurance Act, 1938.

Held that the issuance of insurance policy by insurer, and then taking of re-insurance by it, is a continuous process, and in the facts of the present case, it cannot be said that the same would not be an 'input service' eligible for CENVAT credit within the meaning of Rule 2 (l) of the CENVAT Credit Rules 2004. - ***[The Commissioner Of Service Tax, Bangalore v. M/s PNB Metlife India Insurance Co Ltd, dated 9th April, 2015 (Karnataka HC)]***

3. TAXABILITY OF CONTRACTS EXECUTED FOR WATER SUPPLY PROJECTS/ PIPELINES / IRRIGATION /CANALS FOR GOVERNMENT FOR NON-COMMERCIAL PURPOSES - FIVE KEY ISSUES DECIDED BY THE LARGER BENCH OF CESTAT

The Five issues that came up for consideration and decided by the bench are as follows-

A. Whether laying of pipelines for lift irrigation systems, transmission and distribution of drinking water or sewerage, undertaken for Government/ Government undertakings should be classified under ECIS as erection, commission or installation of plant, machinery, equipment or structures, whether pre-fabricated or otherwise; or installation of plumbing, drain laying or other installations for transport of fluids, enumerated in Section 65(105)(zzd) and defined Section 65(39a), during 16.06.2005 to 31.05.2007; or must be classified under CICS, as amounting to construction of pipeline or conduit; and if classifiable under the later provision, whether the activity is not taxable since it is not used or to be used, engaged or to be engaged primarily for industry or commerce;

HELD: Laying of pipelines/ conduits for lift irrigation systems for transmission of water or for sewerage disposal, undertaken for Government/ Government undertakings and involving associated activities like trenching, soil preparation and filling, supporting masonry work, jointing of pipes, electro-mechanical works or pumping stations and like activity, is classifiable only under Commercial or Industrial Construction Service (CICS) for the period upto 01.06.2007 and not under Erection, Commissioning or Installation Service (ECIS);

B. Whether construction of canals for irrigation purposes and laying of pipelines including as part of lift irrigation systems, undertaken for the Government/ Government undertakings is liable to service tax under WCS as turnkey projects, including engineering, procurement and construction or commissioning projects under clause (e) of Explanation (ii) in the definition of WCS or is excluded from the ambit of WCS since it is in respect of a "Dam" and thus stands excluded from WCS, as defined;

C. Whether, turnkey projects, including engineering, procurement and construction or commissioning (EPC) projects specified in clause (e) is merely an enumeration of the mode of execution of taxable services specified in clauses (a) to (d) or is a wholly distinct taxable service and is exigible to service tax as an independent species of works contract service;

D. Whether, even if clause (e) in Explanation (ii) of WCS is considered a distinct and independent service, where construction of canals for irrigation purposes and laying of pipelines either as part of lift irrigation systems or for transport and distribution of water is undertaken for Government/ Government undertakings, the same is more appropriately covered under clause (b) of WCS i.e.

construction of a new building or a civil structure or a part thereof, or of a pipeline or conduit, by applying principles of classification set out in Section 65A(2)(a) & (b) and thus fall outside the ambit of levy, since the activity is not primarily for the purpose of commerce or industry; or whether a contrary view that clause (e) being an independent entry, activities falling thereunder would be taxable even if the rendition of service thereby or thereunder, was not primarily for non commercial or non industrial purposes;

HELD (Issue B, C, D):

i. Construction of canals for irrigation or water supply; construction or laying of pipelines/ conduits for lift irrigation conceived and integrated into a dam project, must be classified as works contract "in respect of dam" and is thus excluded from the scope of "Works Contract Service" defined in Section 65(105)(zzzza) of the Act, in view of the exclusionary clause in the provision;

ii. Turnkey/ EPC project contracts, enumerated in clause (e), Explanation (ii) in Section 65(105)(zzzza) of the Act is a descriptive and ex abundant cautela drafting methodology. In the light of the decision in Alstom Projects India Ltd., fortified by the Special Bench decision (dated 19.03.2015) in Larsen & Toubro Ltd, a turnkey/ EPC contract is taxable prior to 01.06.2007 as well. On and since 01.06.2007, turnkey/ EPC contracts must be classified on the basis of the essential character of the service provided thereby, with the aid of classification guidelines set out in Section 65A(2) of the Act. Consequently, a turnkey/ EPC contract must be classified under any of the clauses (a) to (d), Explanation (ii), Section 65(105)(zzzza). The bundled bouquet of services provided as turnkey/ EPC contract, classifiable as Commercial or Industrial Construction Service (CICS) prior to 01.06.2007, would be classifiable under clause (b), Explanation (ii), Section 65(105)(zzzza) on and from 01.06.2007 and would not be exigible to service tax if the rendition of service thereby is primarily for non-commercial, non industrial purpose, in view of the exclusionary clause in clause (b) of the definition of WCS.

This is the only possible and harmonious interpretation possible of the several clauses under Explanation (ii) of Section 65 (105)(zzzza), a distinct taxable service defined with constituent elements thereof substantially drawn from elements of pre-existing taxable services like ECIS, CICS or COCS; and other services when bundled to amount to turnkey/ EPC;

iii. Construction of canals/ pipelines/ conduits to support irrigation, water supply or for sewerage disposal, when provided to Government/ Government undertakings would be for non-commercial, non-industrial purposes, even when executed under turnkey/ EPC contractual mode and would fall within the ambit of clause (b), Explanation (ii) of Section 65(105)(zzzza); and would consequently not be exigible to service tax, in view of the exclusion enacted in clause (b); and

E. Where execution of the whole or a part of the work is sub-contracted on back to back basis by the main contractor (which is a joint venture) to sub contractors, in the absence of any transfer of property in goods involved in the execution of such works, from the main contractor to the Government/ Government undertakings, whether levy of service tax in the hands of appellant (main contractor) is valid under WCS, in the light of the judgment in State of A.P. vs. L & T Ltd.

HELD: Where under an agreement, whether termed as works contract, turnkey or EPC, the principal contractor, in terms of the agreement with the employer/ contractee, assigns the works to a sub-contractor and the transfer of property in goods involved in the execution of such works passes on accretion to or incorporation into the works on the property belonging to the employer/ contractee, the principal contractor cannot be considered to have provided the taxable (works contract) service enumerated and defined in Section 65(105)(zzzza) of the Act. - ***[M/s LancoInfratech***

Ltd &Ors. v. Commissioner Of Customs, Central Excise And Service Tax, Hyderabad, dated 28th April, 2015 (CESTAT - Larger Bench)]

4. SUPPLY OF DRILLING RIG - NOTFN 14/2010 CANNOT BE SAID TO BE CLARIFICATORY - TRANSACTION IS IN NATURE OF PROVIDING SERVICES BY VESSELS FOR PROSPECTING MINERAL OIL & AS SUCH IS SERVICE CONSUMED BY SEABED IN CONTINENTAL SHELF & WOULD COME IN TAX NET ONLY AFTER NOTIFICATION CAME INTO EFFECT

In this case the Appellant was engaged in the activity of supply of drilling rig along with its personnel to operate the same on charter hire basis.

An interesting question that came for consideration in this appeal was whether the Notification No. 14/2010-ST dated 27.2.2010 is clarificatory / declaratory in nature or as to whether it brings about substantive change in law.

After hearing the parties it was held that the Notfn. 14/2010-ST cannot be said to be clarificatory in nature but it brings about substantive change in law. It widens the tax scope and amongst various other services also brings into the service tax net the services rendered to or by the installations, structures and vessels. Present transaction is in the nature of providing services by the vessels of the appellant for the purpose of prospecting mineral oil and as such is a service consumed by the seabed of Continental Shelf of India and would come in the tax net only after 2010 Notification came into effect.

It was concluded that the Tribunal erred in holding that the transactions involved in the present case falls under Notification No. 21/2009-ST dated 7.7.2009 issued under the provisions of clause (a) of sub-section (6) of Section 6 and clause (a) of sub-section (7) of Section 7 of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976. As a consequence, it is held that the Tribunal has erred in upholding the tax demand against the Appellant. - ***[M/s Greatship (India) Ltd v. Commissioner Of Service Tax, Mumbai, dated 28th April, 2015 (Bombay HC)]***

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INTELLECTUAL PROPERTY RIGHTS

1. TEST OF A PERSON OF AVERAGE INTELLIGENCE HAVING IMPERFECT RECOLLECTION: CALCUTTA HC

The plaintiff filed the instant suit seeking permanent injunction restraining the defendant from infringing the registered copyright of the plaintiff and for damages.

The plaintiff claimed to be using a distinctive logo. The plaintiff claimed it to be an original artistic word. The plaintiff has been using such logo with its trade mark. The plaintiff alleges that, the defendant is selling pressure cookers bearing an identical and/or deceptively similar label as that of the plaintiff. The plaintiff had issued a cease and desist notice to the defendant. The defendant not doing so, the plaintiff has filed the instant suit.

The defendant filed a written statement. In the written statement the defendant contended that, the mark was not an original work of art. The label used by the defendant is neither similar nor deceptively similar. There were a number of differences between the plaintiff's label and the label used by the defendant. The defendant contended that the plaintiff has abandoned its label and has instead adopted a dissimilar label.

In view of the rival contentions and material on record it was held by the Hon'ble Court that the plaintiff was the prior manufacturer of pressure cooker and has been in the market prior to that of the defendant's pressure cooker. Court found that the two logos were deceptively similar. The two pressure cookers with their logos when displayed side by side in a shop would look similar by reason of the colour combination, get-up and layout of the two logos. There is every likelihood of a person of average intelligence having an imperfect recollection looking at the logos of the two pressure

cookers misunderstanding the defendant's pressure cooker to be the one manufactured of the plaintiff. - ***[Hawkins Cookers Limited v. Khaitan Pressure Cooker Pvt. Ltd., dated 10th April, 2015 (Calcutta HC)]***

2. WHEN THE DESIGN IN QUESTION CANNOT, PRIMA FACIE, BE READ IN EVIDENCE IN VIEW OF THE PROVISIONS OF SUBSECTION (5) OF SECTION 30 OF THE ACT: DELHI HC

In this case, admittedly, the assigned designs were registered in the name of Naveen Kumar Jain who had assigned the same in the name of plaintiff for a total sum of Rs.3,000/- as consideration along with goodwill. However, the plaintiff on the date of filing of the suit was not registered as subsequent owner with the Controller of Designs in terms of sub-section (1) to Section 30 and therefore, the certificate of registration on which the plaintiff claim is based, the design in question cannot be, prima facie, read in evidence in view of the provisions of subsection (5) of Section 30 of the Act. The plaintiff did not have any valid right to file the present suit unless the assignment is duly registered. During the course of hearing, the plaintiffs' counsel has informed the court that the application for registering the assignment is pending. Therefore, on the date of filing of the suit by the plaintiff for infringement of same very designs was not maintainable. The question of passing off does not arise, once it is noticed by the Court that the goodwill and reputation does not attach with the design which is also not new or original, colour combination is different and both products are sold under different brand name. - ***[Amit Jain v. Ayurveda Herbal &Ors, dated 24th April, 2015 (Delhi HC)]***

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CONSUMER

1. KINGFISHER AIRLINES HELD GUILTY FOR ADOPTING UNFAIR MEANS IN TICKET SALES: NCDRC

Complainant booked air tickets for travelling from Delhi to Bhubaneshwar on the website of Opposite party. When the complainant reached the Airport and sought issue of the Boarding he was told that did not operate any flight from Delhi to Bhubneswar and he was directed to take flight operated by Deccan Aviation Ltd. According to the complainants, the opposite parties were indulging in unfair trade practices by booking tickets on the website of opposite party No.1, giving flight numbers of the said opposite party but making the passengers travel in the flights operated by opposite party No.2, a Low Cost Airline. The commission held that Opposite party Kingfisher Airlines has adopted unfair means and practices, since a person purchasing tickets of the flights operated by opposite party No.2 from the website or the offices of opposite party No.1, or from the agents appointed by the opposite party No.1, is likely to believe that he will get the services, including facilities and amenities, which a regular/premier airlines provides on its flights, and it is on account of the aforesaid belief generated in his mind due to the misleading statements contained on the tickets, that he pays a price higher than the price charged by a Low Cost Airlines. Kingfisher Airlines Ltd. was asked to deposit a sum of Rs.25,00,000/ as compensation in the Consumer Welfare Fund. ***[J.K. Mittal, v. Kingfisher Airlines Ltd. &Anr, dated 9th April, 2015, (NCDRC)]***

2. ACCEPTING A PARTICULAR AMOUNT IN FULL AND FINAL SETTLEMENT OF ITS CLAIM IS NOT CONCLUSIVE WHEN THERE ARE ALLEGATIONS OF FRAUD, UNDUE INFLUENCE ETC WHICH HAVE TO BE ESTABLISHED BY THE COMPLAINANT: : NCDRC

In this case substantial part payment had been made to the insured before filing the complaint and the discharge voucher was executed on receiving the

balance payment, in terms of the report of the surveyor, during the pendency of the complaint before a Consumer Forum. Unless the insured places material before the concerned Court / Forum, which would substantiate the plea of fraud, undue influence etc., taken by him and establish that the discharge voucher executed by him was not voluntary and was in fact a product of exercise of fraud, undue influence, coercion, misrepresentation etc., on the part of the insurer. The onus will be upon the insured to substantiate the plea of fraud, undue influence etc. ***[Aradhana Fabrics Pvt. Ltd. v. United India Insurance Company., dated 15th April, 2015, (NCDRC)]***

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ENVIRONMENT

1. RS 5,000 FINE FOR BURNING WASTE IN NCR

In yet another bid to check air pollution in Delhi and the rest of the NCR, the NGT has banned burning of waste in the open. It also imposed a fine of Rs 5,000 on anyone who is caught burning dry leaves, plastic, rubber or any other waste material in NCR. - ***[The Times of India, dated 29th April, 2015]***

2. NGT DIRECTS POLLUTION CONTROL BODY TO INSPECT INDUSTRIES IN GREATER NOIDA

After a plea was filed by Greater Noida resident, alleging that extensive industrial activity was taking place in a "clandestine manner" and this had led to large scale pollution and contamination of groundwater in the area. In view of the facts NGT directed the Central Pollution Control Board (CPCB) and the Uttar Pradesh Pollution Control Board to inspect and initiate action against polluting industries in the Greater Noida. - ***[The Indian Express, dated 24th April, 2015]***

3. SC DISMISSES PLEA CHALLENGING NGT BAN ON 15-YEAR-OLD VEHICLES IN DELH

The Supreme Court has refused to entertain a petition challenging an order passed by the National Green Tribunal (NGT) banning vehicles over 15 years old from plying on Delhi roads. The Court observed that the NGT needs more encouragement rather than obstacles in the way of the good work it has been doing. The Bench further observed that the NGT has only confirmed what constitutional courts have been saying all these years about pollution. - ***[The Hindu, dated 21st April, 2014]***

4. NGT ORDERS TO TAKE ACTION AGAINST RAMPANT ILLEGAL EXTRACTION OF GROUNDWATER

Alarmed over the depleting water table in Delhi-NCR, the NGT has ordered the Central Ground Water Authority (CGWA) to ensure that no illegal extraction of groundwater takes place in Gurgaon. - ***[The Times of India, dated 16th April, 2015]***

5. NGT BANS 10 YEAR OLD DIESEL VEHICLES AND 15 YEAR OLD PETROL VEHICLES IN NCR

NGT has banned all diesel vehicles over ten years old from plying in Delhi and the National Capital Region and also cracked the whip on rampant construction activity adding dust to the air. Reiterating that diesel vehicles are major source of pollution in the ambient air quality and citing examples of countries which are in the process of controlling or banning diesel vehicles, the NGT ordered, "We direct all diesel vehicles, heavy or light, which are ten years old will not be permitted on roads of NCR of Delhi". - ***[The Hindu, dated 8th April, 2015]***

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