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MONTHLY REPORT FOR AUGUST, 2013

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NATIONAL GREEN TRIBUNAL ACT,2010 – BY SHRI PRADEEP K MITTAL-9811044365

- The National Green Tribunal in the case of Nisarga Nature Club Vs. Bharat Petroleum Co Limited and Asstt Dy Conservator of Forest MANU/GT/0026/2013 has held that BPCL to maintain status quo and not to operate the Petrol filling station until appropriate permission is granted by the competent authority, which may impose conditions such as plantation of the bulldozed area at the cost of the Respondent No. 1, under supervision of the Forest Department, or alike, or may refuse the permission as may be deemed proper.

- The National Green Tribunal has observed that a combined reading of the preamble and also the above provisions would indicate that a vast jurisdiction is vested on the Tribunal to decide the environmental disputes in order to enforce the legal rights relating to environment and give compensation for damages to persons and property and for matters connected therewith and incidental thereto including conservation of natural resources . The Tribunal further held that further conditions for protection of environment be imposed in relation to setting to a setting up of Super Speciality Hospital. R Veeramani Vs. Secy PWD MANU/GT/0027/2013.

- According to the Applicant inspite of the Notification dated 05th July, 1996 issued by the Ministry of Environment and Forest declaring a "No Development Zone" (NDZ), rampant industrial growth, that too polluting units have been permitted to be setup even inside the No Development Zone, in flagrant violation of the prohibition, as well as mandatory provision of law. The Applicant cannot be permitted to function within the No Development Zone of Kaziranga National Park in the absence of the consent. Liberty is however granted to the Applicant to approach the concerned Authorities for granting consent/permission. If such an attempt is made, it should be open to the Authorities to consider the Application strictly in consonance with the Rules.

On verification, if the Authorities are satisfied that the Applicant's unit is situated beyond the NDZ and is a non-polluting one and does not lead to congestion, they may consider and pass necessary orders stipulating such conditions as would be deemed just and proper for conservation and protection of Kaziranga National Park, of course subject to the conditions imposed in the No Development Zone Notification. Sh P K Aggarwal Vs. Sh Rohit Choudhry MANU/GT/0019/2013.

COMPETITION ACT – BY SHRI PRADEEP K MITTAL-9811044365

- The Competition Commission of India in the case of SS Bermi Vs. Board for Cricket Control of India MANU/C0/0006/2013 has held that it is conclusive that all Sports Associations are to be regarded as an Enterprise in so far as their entrepreneurial conduct is concerned and treated at par with other business establishments. The Commission further relied upon the judgment of Delhi High Court in the case of All India Chess Federation (which performs similar functions as BCCI for the game of Chess) to be an enterprise for the purpose of the Act and concluded that BCCI is an enterprise for the purpose of the Act, and, therefore, within the jurisdiction of the Commission.

- The Competition Commission of India in the case of SLS Asia Ltd Vs. Schlumberger Asia Services Ltd & ONGC Ltd MANU/CO/0005/2013 has observed that " The crux of the allegation of the informant is that OP-1 indulged into predatory pricing. Predatory pricing essentially means quoting price below the cost in order to throw out the competitors from the market in the initial stage of competition with an eye on the later stage of the market to increase prices later so as to recoup losses made during the initial stage of the market. Normally predatory pricing is resorted to have sole control over the market power at that time. Thus, in order to make out a case for predatory pricing, it is necessary for a party to show as to what was the cost of providing services to the party who resorted to predatory pricing and how the cost at

which service was being provided to the customer was lower than the cost to the party. Further, it is essence of the competition that the firms/companies should compete and vie with each other for grabbing contracts by reducing prices. Giving rebates and adopting similar practices are an essential component of competitive process and law cannot condemn such practices. OP-1 has placed before the Commission charts showing that the prices for standard services have been falling since 2008 onwards and has also enumerated the factors accountable for falling prices. OP-1 has shown that over a period of time, the prices of standard services have been falling from 2008 onwards and even the price quoted by the informant in the present tender had been lower than the price quoted by informant in the previous tender. The decrease in the price of different players has been up to 36%. The informant also reduced its quoted price by 21% from the estimates given by ONGC. One common argument given by the opposite parties is that informant has not placed before the Commission material to show as to how it was a case of a predatory pricing since no data whatsoever has been placed by the informant before the Commission even about the pricing of its own product or the product of its foreign collaborator who is also in the same market, what to talk of the pricing data of the product of OP-1.

CENTRAL EXCISE –BY SHRI PRADEEP K MITTAL-9811044365

- In case the demand of duty has been confirmed against the company, such dues cannot be recovered by attaching the properties of the former director of the company in the absence of statutory authority. Anita Grover Vs. CCE 2013(196) DLT 598 (Delhi DB).

- Then AP High Court has granted a stay against any coercive action to be taken by the Department till the decision of the stay petition since the stay petition could not be heard by the CESTAT as there is no bench available - there is no fault on the part of the appellant. Lee Pharma Ltd Vs. UOI 2013(289) ELT 248 AP.

- When the Department was aware of the marketing pattern of the company as the earlier decision was rendered in the case of the company belonging to the same group, the show cause notice was also issued on the same ground of marketing pattern and therefore, allegation of suppression with an intent of evade payment of duty cannot alleged against the company. CCE Vs. Polar Industries Limited 2013(292) ELT 503 (All).

- The price higher than the MRP affixed on the television sets charged by two dealers – no evidence led by the department to prove that the extra amount so charged was passed on by the dealers to the manufacturers or such amounts was charged with the consent and approval of the manufacturers. There is no other evidence led by the department that all other dealers were also charging higher than the MRP. CCE Vs. Oscar Marketting Co (P) Ltd 2013(292) ELT 545 (Tri).

- It is well settled that once the cenvat credit taken is reversed before issuance of show cause notice, then it is to be considered as if no cenvat credit has been taken. CCE Vs. Vardhman Acrylics Ltd 2013(292) ELT 558 (Tri).

- If the entire demand of excise duty is based on consumption of gas, which is one of the raw materials, among various other materials and on which the department has not led any evidence of having procured these materials and consumed the same for the manufacture of goods which is alleged to be clandestinely manufactured and removed without payment of duty, the demand of duty cannot be fastened on this ground alone. SVM Cera Tea Ltd Vs. CCE 2013(292) ELT 580 (Tri).

- The press mud and spent wash is emerging as unavoidable/inevitable waste during manufacture of dutiable sugar and denatured ethyl alchohol, no duty is payable on such press-mud and spent wash. CCE Vs. EID Parry (India) Ltd 2013(293) ELT 10 Madras.

- The channels, angels, HR Plates, used for repair and maintenance of plant and machinery in the factory, the cenvat credit of duty paid on purchasing the above items

would be permissible. The repair and maintenance activity is essential for smooth manufacturing operations without which manufacturing activity would not be commercially viable. Panipat Cooperative Sugar Mills Ltd Vs. CCE 2013(293) ELT 66 (Tri).

- If the note sheet giving approval for filing of an appeal has been signed only by Chief Commissioner and other Chief Commissioner has not signed the same, there is no compliance of Section 35E of the Central Excise Act, 1944 and the appeal of the Department is liable to be dismissed on this short ground alone. CCE Vs. Paharpur Cooling Towers Ltd 2013(293) ELT 79 (Tri).

- When the one company is manufacturing "ingots" and other company is manufacturing "flats", the duty liability on both the companies (whose are separate and distinct legal entities) cannot be confirmed without segregating amount confirmed against each other. The appeal is allowed and the matter remanded to the adjudicating authority to decide the liability against each of the two companies. Rimjhim Ispat Ltd Vs. CCE 2013(293) ELT 124 (Tri).

- The show cause notice has been issued to the noticee without specifying the charges and also not clearly specifying clause or sub-clause of relevant Section 112 of the Customs Act, 1962, the show cause notice is bad in law which propose the recovery of penalty – penalty proceedings being quasi-criminal in nature. PP Dutta Vs. CCE 2013(293) ELT 127 (Tri).

SERVICE TAX –BY SHRI PRADEEP K MITTAL-9811044365

- When the assessee has paid the entire arrears of service tax before issuance of Show Cause Notice and at the same time, he was also entitled to avail the benefit of cenvat credit in respect of taxes paid on input service, therefore, the entire exercise is revenue neutral and it cannot be alleged that the

assessee has deliberate intention to evade payment of service tax. Penalty equivalent to the amount of the duty/taxes cannot be levied by invoking the provisions of Section 80 of Finance Act, 1994. CCE Vs. Dinesh Chandra R Aggarwal. 2013 (31) STR 5 (Guj).

- In case the amount on account of sanction rebate on exports is due to the paid by the department by the assessee and when in respect of some other demand, the assessee has filed an appeal along with the stay application, the Department cannot adjust the such demand against the rebate so payable by the department to assessee, without affording an opportunity of hearing to the assessee. Arunachal Counder Textiles Mills (P) Ltd Vs. CCE 2013(31) STR 6 (Madras).

- The department cannot raise demand on the value of spare parts used for the repair and maintenance service when admittedly the party has paid sales tax paid while purchasing such spare parts and there is evidence to this effect, no service tax shall be payable on the value of spare parts but only on that portion which pertains to "repair and maintenance service". Samtech Industries Vs. CCE 2013(31) STR 16 (Tri).

- The cenvat credit is available in respect of service tax paid for group insurance and health insurance of employees, rent-a-cab services, air travel services is allowable – disregarding the contention of the department that it has no relation to the manufacture of goods – department is completely ignoring the words "auditing, accounting, financing" which are all post manufacturing activities and has no relation to the manufacture of goods. (Note: Will department allow exclusion of amounts spent on these services while calculating the assessable value for payment of Excise Duty – obvious answer is No). CCED Vs. Cholavil (P) ltd 2013(31) STR 29 (Tri).

- The service tax paid on the inputs services such as (a) outdoor catering service (b) valuation of immoveable property (c) consulting engineer service (d) air travel agent service, (e) Tour Operator Service; (f) business exhibition service (g)

repair charges (h) service tax paid for job work (i) service tax paid on repair of motor car and service tax paid to Authorized Service Station are all permissible and the assessee is entitled to Cenvat Credit. Cadmach Machinery Co (P) Ltd Vs. CCE 2013(31) STR 33 (Tri).

- The cenvat credit of service tax availed by the Unit No.I although permissible to the Unit no. II of the same assessee and on being pointed out by the audit party, the assessee has reversed the cenvat credit in respect of unit No.II, no interest is payable on such availment by the Unit I – in view of the judgment of the Karnataka High Court in the case of Gokaldas Images (P) Ltd 2012(28) STR 214 (Kar), Sharavathy Conductors (P) Ltd Vs. CCE 2013(31) STR 47 (Tri).

- When sports complex/stadium has been constructed for use of either games or for use of general public, no service tax shall be payable on the head "Commercial and Industrial Construction Service" merely because some token amount or small amount is charged for user of sports stadium and its facilities. BG Shirke Construction Technology (P) Ltd Vs. CCE 2013(31) STR 52 (Tri).

- The head office of the company has distributed the cenvat credit to its units in respect of the services availed at the head office but relatable to its manufacturing units, such cenvat credit shall not be dis-allowed merely because, at the time of distribution, the head office was not registered with the Department but registered subsequently. Precision Wires India Ltd Vs. CCE 2013(31) STR 62 (Tri).

- The service tax paid on security services required at the water pump station installed from the river from where the water is drawn – which is required for the factory operations. The department is seeking to dis-allow on the ground that the security service is not within the factory premises – the law requires the services should be integrally connected with manufacturing activities. Welspun Maxsteel Ltd Vs. CCE 2013(31) STR 64 (Tri).

- The cenvat credit of service tax paid on management services availed for disposal of one unit of the company for the purpose of raising finance required for the working of the second unit of the company, prima-facie this service is eligible service and the assessee would be entitled to avail cenvat credit. Sanmar Speciality Chem Ltd Vs. CCE 2013(31) STR 66 (Tri).

- Service Tax paid on (a) Car Parking at the head office (b) membership of engineering product association which is, at times, imparting and sharing information of technical issues, the cenvat credit would be available. BCH Electric Limited Vs. CCE 2013(31) STR 68 (Tri).

- The Hon'ble Tribunal has rejected the Appeal of the Department where the department has challenged the Order of Commissioner (Appeal) who viewed that no Service Tax shall be payable where the builders, on his own land, has constructed the flats for sale – in that event, there is no service provider and there is no service receiver irrespective of the fact that before start of construction, the builder has entered into agreement to sell with the prospective buyer. CCE Vs. Bee Gee Construction Co 2013(31) STR 86 (Tri).

COMPANIES ACT 1956 - BY SHRI PRADEEP K MITTAL-9811044365

- The Hon'ble Karnataka High Court has held that in case a company has been incorporated with a corporate name which bears similarity with the name of the existing company, the Regional Director would be justified in directing the company to change its name despite the pendancy of the civil suit on the same issue. Surya Elevators & Escalators India (P) Ltd Vs. Union of India 2013(112) CLA 555 kar.

- In a Scheme of Merger/Amalgamation where there are allegation of malicious intent, contrary to public policy, the court, while sanctioning the scheme under Section 391, may

pierce the corporate veil. However, not in every case, the court will question the overwhelming decision of the majority of shareholders on the ground that it benefits the promoters more than other shareholders. J K Agri Genetics Ltd Vs. Union of India 2013(122)CLA 583 Cal.

- The Company Court has not powers to make changes in the Scheme Sanctioned but can only make minor changes for the proper working of the Scheme. In case, the company wishes to make wholesome changes, it has to file a scheme once again before the Company Court under Section 391/394 of the Companies Act, 1956 and have it sanctioned. In other words, no modification of the sanctioned scheme is possible. Unique Delta Force Security (p) ltd Vs. 2013(112) CLA697 Bom.

- The approval of the company court under Section 391/397 of Companies Act, 1956, is a single window clearance and the company is not required to follow procedure for either (a) alteration of memorandum or (b) share capital. Where, holding company is sought to be merged with its subsidiary company, the provisions of Section 4 & 5 of the Competition Act, 2002 are nt required to be followed. Indiabulls Financial Services Ltd 2013(122) CLA 626 Delhi.

- Where the alleged transferor has lodged a complaint with the company about loss of share certificates along with a FIR, the Delhi High Court has held that company should not have transferred the shares in the name of alleged transferee – without transferee moving the appropriate court i.e. CLB/Civil Court seeking rectification of Register of Members. Unitech Ltd Vs. Girdhar Gopal Sharma 2013(122) CLA 632. Delhi.

- Where the parties have entered into compromise out of free will and volition and without any undue pressure, the same cannot be resiled by any party and the same is liable to be enforced under Section 634A of the Companies Act, 1956. K J Paul Vs. Trinity Arcade (P) Ltd 2013(112) CLA 637. CLB.

- Even if the notice under Section 433 and 434 of the Companies Act, 1956 has not been served at the Registered

Office of the Company, yet the company would be maintainable if the company has admitted its liability by issuance of cheque and there is no plausible or bonafide defence of the party against whom the winding up petition has been filed. Bibby Financial Services India (P) Ltd Vs. Ecotech Apparels (P) Ltd 2013(200) DLT 489.

- In a very interesting case of Raj Kumar Devraj Vs. Jai Mahal Hotels (P) Ltd 2013(200) DLT 527 , the Delhi High Court has held that the petition for rectification of Register of Member shall not be maintainable before Company Law Board only when fraud or forgery is alleged and prima-facie established by the party - otherwise the Company Law Board will have jurisdiction in respect of rectification of register of members of the company.

- If the amount is not disputed but is admitted one, the arbitration clause in the agreement shall not preclude the party from filing winding up petition before the Company Court to seek winding up of the company who is not paying the admitted debts. IFCI Factor Limited Vs. krish International (P) Ltd 2013(200) DLT 32 (CN).

- The Delhi High Court in the case of SEBI Vs. APL Industries Limited MANU/DE/0229/2013 has analyzed the right of applicant of shares to withdraw his application before formal allotment of shares. The court opined if the application for shares is made, pursuant to issuance of a prospectus, it was only an offer which could be withdrawn at any stage before its acceptance. I am in agreement with this submission of the learned counsel for the petitioner. [See MANU/TN/0139/1932 : AIR 1933 Mad 320, Official Liquidator of Bellary Electric Supply Co. Ltd. Vs. Kanniram Rawoothmal and A. Sirkar vs. Parjoar Hosiery Mills Ltd. MANU/RA/0171/1933 : 1933 (3) Comp. Cas 454]. Therefore, in my opinion, minimum subscription would have to be calculated after taking into account the requests made for withdrawal of share application.

- In case the arbitrator does not discuss the contentions of both the parties and also does not deal with the documents filed by the both the parties, then the award would be held to be non-speaking and the same is liable to be set aside and quashed. Associated Builders Vs. DDA 2012(194) DLT 14. DHC.

- In case there is a imposition of tax through subsequent legislation after the award of the contract and for which there is no provision in the contract, it will take the colour of royalty and the contractor shall be entitled to claim the amount due to increase in rate of tax or imposition of fresh tax. NHAI Vs. Hindustan Construction Co 2013(196) DLT 498 Delhi DB.

- In case the amendment in sought in Objections already filed under Section 30 and 33 of Arbitration Act, 1940, the party shall have to seek condonation of delay in seeking amendment. The defendant State Bank of India is raising ground for the first time in the Written Submission (which ground not raised earlier), the same cannot be entertained as the same was not raised in the previous Objection Petition nor there is any application for amendment of the Objection Petition. Kiran Chand Jain Vs. State Bank of India 2013(196) DLT 523. Delhi.

- In case the party alleges that it has signed "discharge voucher" under duress and compulsion and the same has been proved beyond doubt, the party is entitled to appointment of arbitrator for settling the disputes between the parties under Section 11 Arbitration Act, 1996 and signing of "discharge voucher" does not obliterate the arbitration agreement. Pacific Garments (P) Ltd Vs. Oriental Insurance Co Ltd 2013(196) DLT 121.

- The Supreme Court has observed that the separate sentence i.e. imprisonment can be awarded against the accused person in case there is default on their part in payment of compensation granted against the accused person after completion of trial under Section 138 of NI Act which has arisen due to dishonour of cheque. R Mohan Vs. A K Vijay Kumr 2012(8) SCC 721..

- If the part of the amount (which is claimed under the civil suit for recovery of money) is included in the civil suit filed against the "Sick Industrial Company" whose reference is pending before BIFR, such company would be entitled to protection of under Section 22 of SICA and the suit for recovery of money shall not proceed further unless the consent of BIFR has been obtained by that company. LML Ltd Vs. Sunil Mittal 2013(200) DLT 398 Delhi DB.

- Once an action has been initiated under Section 13(4) of Securitisation Act by the three fourth in value of the secured creditor which is outstanding against the company, the proceedings before the BIFR would automatically abate in view of the provisions of Section 15(1) of the said Act – be the reference before BIFR at any stage – budding stage, nurturing or blossoming stage or at the final stage. The secured creditors are not entitled to seek permission of BIFR to proceed further in the matter. Salem Textiles Ltd Vs. Phoenix Arc (P) Ltd 2013(114) CLA 560 Madras High Court DB.

- The Supreme Court in the case of Morgan Securities & Credits (P) Ltd Vs. Modi Rubber limited 2007(76) CLA 158 has held that provisions of SICA would prevail over the provisions of Arbitration & Conciliation Act, 1992 and BIFR can, under Section 22(3) of SICA, to suspend the operations of Award passed by the Arbitral Tribunal awarding monetary claims against the sick industrial company.

- The one who asserts is required to prove and establish with evidence. In case, the plaintiff asserts that the defendant had acknowledged signature, it is obligatory on his part to substantiate the same. It is obligatory on the part of the defendant to deal with each of the allegations in the plaint and should not deny evasively but must answer each and every point. If there are no pleadings, no evidence can be allowed to be led. Gian Chand Vs. Rattan Lal 2012(I) SLT 226 SC.

- If within a reasonable time, no objection with respect to quality, quantity or in any respect has not been raised, then the goods shall be deemed to have been accepted by virtue of Section 42 of Sale of Goods Act. Aar Ess & Co Vs. Rathi Udyog Ltd 2012(15) DLT 31.

- The correspondence exchanged between the parties shall not extend the period of limitation for initiating the legal proceedings by a party. The starting point of limitation shall not get affected by the conduct of the parties or by protracted correspondence exchanged between the parties. C P Kapur Vs. The Chairman 2013 (198) DLT 56. Delhi.

- In case the summons have been sent by ordinary post and by registered post at the correct address and the same have not come back unserved, there is a presumption about is service by virtue of Section 27 of General Clause Act and also under Section 114 (f) of Indian Evidence Act. A mere bald statement that the summons have not been served is not enough – something more is required for seeking to set aside the ex-parte decree and judgment passed in favour of the petitioner. Chander Pal Vs. BRM Lease & Credit Ltd 2013(196) DLT 56 (CN) Delhi.

- In case an undertaking has been given on behalf of the Company and later on there is a default in complying with the same, then every person/director who is in charge and

responsible for day to day affairs of the company shall be liable for contempt of the court orders. Matrix Cellular Services (P) Ltd Vs. Sanjoy Mukherjee 2013(196) DLT 649 Delhi.

- In case the landlord has not led any evidence for market rent, then the landlord shall be entitled to increase of 10% every year from the last rent paid so long as the tenant does not vacate the premises. Rani Pushpa Kumari Vs. Embassy of Ryrian 2013(196) DLT 75B (CN)

- Any party could be impleaded to any pending litigation only when, no order could be passed effectively in the absence of that party. The part must have some interest in pending litigation. V N Verma Vs. Veena Mahajan 2013(200) DLT 499 Delhi DB.

- Ordinarily in the transactions relating to sale of immoveable property, the time is not essence of the contract. The court can in its discretion may call upon the one the purchaser to pay some additional amounts since with the passage of time, value of immoveable property has gone up. V N Verma Vs. Veena Mahajan 2013(200) DLT 499 Delhi DB.

INDUSTRIAL & LABOUR LAWS - BY SHRI PRAVEEN K MITTAL - 9810826436

- During the pendancy of the proceedings before High Court, the workman is entitled to last drawn wages and/or minimum wages fixed from time to time which is higher under Section 17B of Industrial Disputes Act, and the courts have no discretion to reduce it provided the workman is satisfied that he is not gainfully employed for which the onus is on the workman. Mysore lamp Works Ltd Vs. Girish Kumar Jain 2012 (194) DLT 180.

- The Hon'ble Rajasthan High Court in the case of Rajasthan Udyog Vs. Asstt Director (Enforcement) (MANU/RH/0257/2011 as set aside the imposition of penalty of Rs. 10,000/- on each of the five Directors of the Appellant No. 1 Company by the adjudicating authority with the vague finding that, "it is not clear as to who amongst the directors was the incharge and responsible for the affairs of the company so far as this export is concerned, I hold that all the Directors guilty in terms of Section 68(1) of the Foreign Exchange Regulation Act, 1973 and impose a nominal penalty of Rs. 10,000/- (Rupees ten thousand only) each on all the five Directors"; is also illegal and unjustified because all the Directors cannot be saddled with the penalty by one sweep unless there are specific averment in the complaint against the particular Director being responsible for realization of the foreign exchange in question.

- The Division Bench of Hon'ble Delhi High Court in the case of Shahid Balwa Vs. Director of Enforcement MANU/DE/1588/2013 has held that in case, in the adjudication proceedings, if the department is relying upon the statement of three persons, then it is absolutely necessary that these persons must be made available for the purpose of cross-examination by the counsel for the petitioner otherwise their statement could not be relied upon by the Department in the adjudication proceedings.

- The Andhra Pradesh High Court in N R Akkineno Vs. Appellate Tribunal Foreign Exchange MANU/AP/0333/2013 has affirmed the order of Foreign Exchange Appellate Tribunal, who in turn, affirmed the order of the Adjudicating Authority, in the following manner:-

- The Primary Authority imposed penalty of Rs. 30,00,000/- against the Company and Rs. 20,00,000/- against the Managing Director of the Company. I may assume for the purpose of quantifying the penalty that the contravention cannot be quantified. The penalty in such a circumstance is

not more than Rs. 2,00,000/-. The rider however is that the contravener is liable to penalty up to an extent of Rs. 5,000/- for each day's contravention. While the Sanction Letter was issued on 02-02-1999, the Company would appear to have utilised the sanction in 1999 itself. Right from the beginning of 2000, the non-filing of the statements and returns envisaged by Clause (6) of the Sanction Letter is a violation attracting penalty of not more than Rs. 5,000/- per each day. Even if the penalty is worked out at Rs. 2,00,000/- and penalty at the rate of Rs. 5,000/- per day is added to the same, it would be much more for the past over 12 years. The Appellate Tribunal confirmed the order on 30-3-2006. I consider that imposition of penalty at Rs. 2,00,000/- and working out additional penalty at Rs. 5,000/- per day for over 5 years from 2000 onwards is far less than Rs. 30,00,000/-. The Primary Authority as well as the Appellate Authority would appear to be in fact sympathetic with the case of the appellants in imposing penalty of Rs. 30,00,000/- against the Company and Rs. 20,00,000/- against the Managing Director of the Company. The penalty imposed is quite reasonable and does not warrant interference. The penalty as imposed by the Primary Authority and confirmed by the Appellate Authority deserves to be confirmed.

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