

VERDICT CORNER

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**Contesting  
respondent has  
blown hot and cold**

**Drug adulterators**

Directors of a pharma company can be prosecuted for manufacture and sale of adulterated drugs, the Supreme Court has ruled while allowing the Gujarat government to go ahead with the prosecution of Denis Chem Lab, its managing director Himanshu C Patel and others for supply of fungus-loaded drugs. The court said: "This was the case of the manufacture of the drug for human consumption and, after it was tested in laboratory, was found to be defective since there was a growth of fungus, which is a very serious matter related to public health." Dismissing the stand of Dinesh B Patel and other directors of the Gujarat-based firm that they were not actively involved in the manufacture and sale of the defective drugs, the court said their role should be determined in the trial and, therefore, the prosecution under the Drugs and Cosmetics Act 1940 cannot be quashed at the threshold itself.

**Sex talkers**

The apex court has upheld DoT's demand to recover Rs 4.54 lakh from Gujarat Cooperative Milk Marketing Federation Ltd, which owns the Amul brand, for "sex talk calls" made from the phone installed at the residence of one of its managing directors. It rejected the MD's stand that the calls were not made by him or his family members but someone else had misused his official phone line. While the average monthly bill was around Rs 8,500, the telephone was billed for Rs 4.54 lakh for the bimonthly period of January-March 1996 on account of calls made daily to international phone sex lines. DoT, after verification, had informed the company that the bill was correct as

there was no possibility of any external misuse. The federation moved the high court that quashed the bills and imposed costs of Rs 5,000 on the department. Coming to the department's rescue, the apex court has set aside the high court order on the grounds that it had proceeded on the wrong basis that the department was indulging in unnecessary litigation.

**Airport restaurateur**

The Supreme Court has allowed Mumbai International Airport Ltd and the Airport Authority of India to evict Golden Chariot Airport (GCA), a deluxe restaurant, from the airport premises. The court rejected

GCA's stand that the licence granted by AAI in 1996 was irrevocable and it had invested considerable money in constructing the restaurant, covering a space of about 5,000 sq ft in the car park zone in front of Terminal 1A of the Mumbai Airport, after assurances given by AAI. The court asserted that licences are revocable by their very nature and GCA had enjoyed the possession of the premises for a decade even after the licence was cancelled in May 2000. It also imposed a cost of Rs 5 lakh on the restaurant.

Besides, the apex court flayed GCA's conduct for prolonging proceedings saying that "it is amply demonstrated that the contesting respondent (GCA) has blown hot and cold by taking inconsistent stand, and... did not pursue its proceedings honestly in different fora." MIAL senior counsel Mukul Rohtagi submitted the restaurant premises were required for Mumbai airport development and a mere licence does not create any estate or interest in the property.



INDU BHAN

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