

VERITAS LEGAL
ADVOCATES & SOLICITORS

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COMPETITION

Enforcement Matters

Delhi High Court sets aside the prima facie order passed by the CCI and terminated the proceedings against JCB India and another

On 14 August 2024, the Delhi High Court ("**DHC**") quashed the prima facie order passed by the CCI directing an investigation into the conduct of JCB India Limited ("**JCB India**") that was initiated on account of information filed by Bull Machines Private Limited ("**Bull Machines**"). It also terminated the proceeding that arose from an intellectual property dispute between JCB India and Bull Machines.

It may be noted that these cases were instituted by the two companies against each other because of certain inter-se disputes that were eventually settled through mediation. Consequently, after the settlement was reached the Supreme Court passed an order disposing all the pending cases relating to this dispute and directed the parties to approach the DHC in relation to the challenge to CCI investigation.

The DHC, while noting the CCI's objections against the closure of the investigation, since competition parameters were not considered while reaching a settlement, observed that the CCI must honour the outcome of mediation and settlements between the parties as mediation is not a preliminary step but a conclusive process that provides binding and enforceable outcomes.

Guwahati High Court quashes the orders passed by the CCI against Star Cement and others

On 30 August 2024, the Guwahati High Court ("**GHC**") set aside an order passed by the CCI directing the Director General ("**DG**") to investigate Star Cement Limited ("**Star**") along with two other cement companies for allegedly cartelising; and the

subsequent penalty of INR 500,000 imposed on Star for not following the directions of the DG.

While accepting the contentions of Star that the CCI failed to establish a prima facie case against the cement companies prior to directing the DG to investigate the matter, the GHC observed that the 'test' (to be followed by the CCI) is to take information received at its face value and thereafter examine whether there has been any prima facie violation of the provisions of the Competition Act dealing with anticompetitive agreements and abuse of dominance.

Further, on applying this test and upon review of the evidence, it was inter alia noted that there was no uniform raise in price by the cement companies and the end prices also differed from company to company and as such it could not be concluded that the cement companies had indulged in cartelisation. Consequently, the GHC dismissed the orders passed by the CCI.

CCI dismisses complaint against Saint Gobain India and Campagnie De Saint-Gobain

On 22 July 2024, the CCI dismissed complaint against Saint Gobain India Pvt. Ltd. and its French parent company Campagnie De Saint-Gobain (collectively "**Saint Gobain**") alleging that there was an abuse of dominance and that Saint Gobain had entered into anti-competitive agreements with respect to glass distribution.

At the time of dismissing the matter, with respect to allegations pertaining to Saint Gobain's exclusivity arrangements, the CCI observed that (a) the exclusivity was limited to only certain types of glass; and (b) there were objective commercial justifications for imposing exclusivity such as technical training and guidance provided by Saint Gobain to improve efficiency. Thus, making the said exclusivity arrangement mutually

beneficial to both parties and accordingly not anti-competitive.

Further in relation to allegations concerning the co-branding of products, it was observed that co-branding in and of itself did not raise competition law issues. Moreover, on the allegations relating to resale price maintenance and refusal to deal, it was observed that such allegations appeared to be originating from oral directions without any other corroborating evidence and as such no case could be made out in this regard.

Lastly, with respect to the allegations pertaining to abuse of dominance, the CCI while acknowledging Saint Gobain's market position held that merely holding market power did not per se amount to abuse of dominance.

CCI dismisses abuse of dominance allegations against National Internet Exchange of India

On 20 August 2024, the CCI dismissed a complaint made by Extreme Infocom Pvt. Ltd. ("**Infocom**") against National Internet Exchange of India ("**NIXI**") that alleged that NIXI had abused its dominance by indulging in predatory pricing.

This dismissal was based on the reasoning that Infocom was able to increase its market presence even though it entered the market after NIXI, which in turn showed that the market was contestable and that NIXI didn't seem to hold any particular advantage over the competitors.

Separately, while addressing certain contentions made in relation to the jurisdiction of the CCI, since the subject matter also fell within the jurisdiction of a sectoral regulator (i.e. TRAI), the CCI noted that in every case of overlapping jurisdiction with a sectoral regulator, the CCI can't withhold taking action as this would render the object and purpose of the Competition Act nugatory.

CCI dismisses complaint against India Bulls Housing Finance and its officials

On 22 July 2024, the CCI, while dismissing claims against India Bulls Housing Finance Limited ("**IBHFL**") that alleged the breach of provisions of the Competition Act pertaining to anti-competitive agreements and abuse of dominance, observed that IBHFL could not be considered to be a dominant entity *inter alia* because of the presence of a large number of banks and non-banking financial companies in the market. Further, in this regard, the CCI reiterated its position that an agreement with an end-consumer is not envisaged as an anti-competitive agreement under the Competition Act.

CCI dismisses complaint against Sugar Mills Associations and others

On 22 July 2024, the CCI dismissed bid rigging and cartelization allegations made against the Indian Sugar Mills Associations and others. Notably, in 2023 the NCLAT had set aside the earlier findings and penalties imposed by the CCI on account of natural justice infringements and remanded the matter back to the CCI.

At the time of dismissing the matter the CCI observed that in order to establish such violations of horizontal collusion, parallel pricing must be supplemented with "plus factors" which establish that the alleged conduct was a conscious action and not the result of independent business decisions.

Further while dealing with the averments that the joint tendering process was itself anticompetitive, the CCI observed that if such tender was set up purely on account of commercial and operational considerations and to meet the directives of the government in a cost effective manner it could not be construed as anti-competitive.

Merger Control

CCI imposes penalty on India Business Excellence Fund-IV for gun-jumping

On 16 August 2024, the CCI imposed a penalty of INR 1 million on India Business Excellence Fund-IV ("IBEF") for gun jumping since it wrongly notified and consummated its acquisition of a stake in VVDN Technologies Private Limited under the Green Channel route.

During its review, the CCI took note of Printed Circuit Board assembly services provided by the target to an IBEF portfolio company on an ad hoc basis.

Concluding that this arrangement amounted to a vertical/ complimentary linkage, and thus making the transaction ineligible for the Green Channel route, the CCI *inter-alia* observed that merely because a service was being provided commercially only to one entity and not to others or that it was not the primary business activity, did not imply that a vertical/complementary relationship did not or could not exist.

Developments in the Legal Framework

Updated Merger Control Regime has come into effect

The Indian merger regime has undergone significant changes, with effect from 10 September 2024.

These changes have been effectuated through the contemporaneous notification of various sections of the Competition (Amendment) Act 2023 that dealt with changes to the merger control provisions and

- a. The Competition Commission of India (Combination) Regulations,

2024 ("Combination Regulations") which governs the procedural aspects of how transactions are to be notified to the CCI and replaces the erstwhile Combination Regulations of 2011;

- b. The Competition (Criteria for Exemption of Combinations) Rules, 2024 ("Exemption Rules") which provides for various exemptions to transactions based on their structure;
- c. The Competition (Criteria of Combinations) Rules, 2024 ("Green Channel Rules") which provides for the types of transactions that are eligible for fast tracked approvals under the green channel route; and
- d. Competition (Minimum Value of Assets or Turnover) Rules, 2024 which exempts transactions from needing to be notified to the CCI if the target's assets/turnover is below certain monetary thresholds ("De-minimis/Small Target Rules").

To know more about these amendments; please read our detailed article available at [here](#).

Updated General Regulations has come into effect

On 17 September 2024, the CCI notified the Competition Commission of India (General) Regulations, 2024 ("General Regulations, 2024") replacing the erstwhile 2009 regulations.

The General Regulations 2024, not only harmonises the recent changes to the Indian competition regime with updated procedure but also introduces changes to streamline existing process, some of which include

- a. introduction of the distinction between interlocutory and miscellaneous applications for applications filed during the pendency of a suit and those filed after the passing of the CCI's final order;
- b. simplification of the procedure to seek extensions of time and adjournments;
- c. timelines within which matters are to be concluded etc.

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FINANCE

Regulatory Updates

Reduction in denomination of debt securities and non-convertible redeemable preference shares

SEBI has, *vide* circular dated 3 July 2024, amended Chapter V (Denomination of issuance and trading of non-convertible securities) of the Master Circular for Issue and Listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated 22 May 2024 ("**NCS Master Circular**"), lowering the minimum ticket size of investments in these securities. The amendments are applicable to all issues of debt securities and non-convertible redeemable preference shares on private placement basis, proposed to be listed from 3 July 2024.

Debt securities or non-convertible redeemable preference shares on a private placement basis can now be issued at a face value of INR 10,000, subject to the certain conditions, such as:

- The issuer must appoint at least one merchant banker, with roles and responsibilities similar to those for a public issue.
- The debt security or non-convertible redeemable preference share must be interest/dividend bearing security paying coupon/dividend at regular intervals with a fixed maturity without any structured obligations.

Further, credit enhancements such as guaranteed bonds, partially guaranteed bonds, standby letter of credit backed securities, will be permitted for such securities.

The circular also provides that for shelf placement memorandum or general information documents (GID) which is valid as on the effective date of the circular, the issuer may raise funds

through tranche placement memorandum or key information document (KID) at a face value of INR 10,000, provided at least one merchant banker is appointed to carry out due diligence in respect of such issuances.

Clause 2.3 of Chapter V of the NCS Master Circular, has also been modified to provide that all trading lot of listed debt securities / non-convertible redeemable preference share issued on private placement basis, which are traded on a stock exchange or over the counter will always be equal to the face value.

RBI Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions

RBI has issued Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions, dated 15 July 2024 ("**FRM in CBs and AIFIs - Master Directions**"), which supersede the 'Master Circular on Frauds - Classification and Reporting by commercial banks and select FIs' dated 1 July 2016.

Key provisions of the FRM in CBs and AIFIs - Master Directions are as follows:

- Requirement of a board approved policy on fraud risk management providing roles and responsibilities of board / senior management of banks and institutions.
- Such policy shall be reviewed by the board at least once in 3 years, or as more frequently prescribed by the board.
- Banks and financial institutions shall constitute a committee of board known as 'Special Committee of the Board for Monitoring and Follow-Up of cases of Frauds' to oversee the effectiveness of fraud risk

management by such entity.

- Banks and financial institutions are required to have a framework for Early Warning Signals (EWS) and Red Flagging of Accounts (RFA) under an overall fraud risk management policy approved by their board of directors.

The FRM in CBs and AIFIs - Master Directions also require the Cooperative Banks to put in place a transparent mechanism to ensure that whistle blower complaints on possible fraud cases / suspicious activities in account(s) are examined and concluded appropriately under their whistle blower policy.

Further, banks and financial institutions are required to monitor activities in credit facility / loan account / other banking transactions and remain alert on activities which could potentially turn out to be fraudulent. In cases there is a suspicion of fraudulent activity in case of credit facility / loan account (i.e. a red flag account), banks and financial institutions shall use an external / internal audit for further investigation. The loan agreement with borrowers are required to contain clauses for conduct of such audit at the behest of lender(s). Where such audit report remains inconclusive or is delayed due to non-cooperation by the borrower, banks / financial institutions shall conclude on status of the account as a fraud or otherwise basis material available.

Persons or entities classified as fraud along with their associated entities and persons, shall be debarred from raising funds and / or seeking additional credit facilities from financial entities regulated by RBI, for a period of 5 years from the date of full repayment of the defrauded amount / settlement amount agreed upon in case of a compromise settlement.

The FRM in CBs and AIFIs - Master Directions also provide for a reporting mechanism for reporting offences to

different authorities such as the law enforcement agencies, RBI, etc.

Note that similar directions have been issued for cooperative banks on 15 July 2024.

RBI Directions on Fraud Risk Management in Non-Banking Financial Companies

The RBI has issued Master Directions on Fraud Risk Management in Non-Banking Financial Companies ("NBFCs") dated 15 July 2024 ("**FRM in NBFCs - Master Directions**"), superseding the earlier 'Master Directions on Monitoring of Frauds in NBFCs' dated 29 September 2016. These Master Directions apply to all NBFCs (including housing finance companies) in the upper layer, middle layer and base layer (with asset size of INR 5 billion and above).

NBFCs are required to establish a framework to identify early warning signals and monitor the same. NBFCs are also required to conduct an audit of suspicious activities and conduct audit through external or internal auditors for further investigation, in accordance with their approved policy.

NBFCs are required to report any fraudulent activity within 14 days to the RBI. Persons or entities classified and reported as fraud by NBFCs and also entities and persons associated with such entities, shall be debarred from raising of funds and / or seeking additional credit facilities from financial entities regulated by RBI, for a period of 5 years from the date of full repayment of the defrauded amount or settlement amount agreed upon in case of a compromise settlement.

RBI has also provided for having effective mechanisms in place to ensure that whistle blower complaints are addressed properly and encourages NBFCs to adopt a board approved policy for fraud risk management. The FRM in NBFCs -

Master Directions also provide for establishment of a special board committee to oversee the effectiveness of fraud risk management in NBFCs.

RBI Circular on the revised Domestic Money Transfer Framework

The RBI has, *vide* notification dated 24 July 2024, revised the framework in relation to Domestic Money Transfer (“DMT”) with effect from 1 November 2024. The key amendments under the updated framework are:

- **Cash Pay-out Service:** The remitting bank should obtain and keep a record of the name and address of the beneficiary.
- **Cash Pay-in Service:** Remitting banks / Business Correspondents (“BCs”) should register the remitter based on a verified cell phone number and a self-certified Officially Valid Document (OVD) in accordance with the RBI’s ‘Master Direction - Know Your Customer (KYC) Direction, 2016’. Every transaction by a remitter is required to be validated by an additional factor of authentication. Further, the remitter bank is required to include remitter details as part of the IMPS / NEFT transaction message and the transaction message shall include an identifier to identify the fund transfer as a cash-based remittance.
- The guidelines on card-to-card transfer are excluded from the purview of the DMT framework and shall be governed under the guidelines issued or approval granted for such instruments.

Revised Ceiling limit for Urban Cooperative Banks - Finance against Shares and Debentures

The RBI has, *vide* notification dated 25 July 2024, revised the ceiling of bank finance against the security of shares and debentures for Primary (Urban)

Co-operative Banks (“UCBs”), with effect from 1 January 2025. Under the erstwhile provisions, the aggregate of all loans against the security of shares and debentures were required to be within the overall ceiling of 20% of the owned funds for the UCBs. However, after the notification being effective, the ceiling of 20% would be linked to Tier 1 capital of the concerned bank, as on 31 March of the previous financial year.

RBI’s Circular on Prudential Treatment of Bad and Doubtful Debt Reserve by Co-operative Banks

The RBI has, *vide* notification dated 2 August 2024, issued revised instructions for bringing uniformity in the treatment of Bad and Doubtful Debt Reserve (“BDDR”) for prudential purposes by co-operative banks. Under these instructions, with effect from FY 2024-25, all provisions as per Income Recognition, Asset Classification and Provisioning (IRACP) norms, whether accounted for under the head ‘BDDR’ or any other head of account, shall be charged as an expense to the Profit and Loss (P&L) account in the accounting period in which they are recognised.

After charging all applicable provisions as per IRACP norms and other extant regulations to the P&L account, co-operative banks may make any appropriations of net profits below the line to BDDR, if required as per the applicable statutes or otherwise.

Amendments to the Non-Banking Financial Company – P2P Lending Directions

The RBI has, *vide* its notification dated 16 August 2024, issued amendments (“Amendment Directions”) to the Master Direction for Non-Banking Financial Company – Peer to Peer Lending Platform (NBFC-P2P Lending Platform) Directions, 2017 (“**2017 Directions**”). The NBFC-P2P Lending Platform acts as an intermediary

providing online marketplace / platform to the participants involved in peer-to-peer lending. The 2017 Directions aimed to regulate the functioning of NBFC-P2P Lending Platforms, imposing restrictions to protect lenders and borrowers.

However, it was observed that some of NBFC-P2P Lending Platforms had adopted certain practices (such as improper fund transfer mechanisms, misleading promotions, unauthorized deposit taking) which were violative of the 2017 Directions.

The RBI has issued the Amendment Directions to address these violations, with some key changes as follows:

- **Credit Risk:** NBFC-P2P shall not bear any credit risk, directly or indirectly arising out of transactions carried out on its platform, with the lenders bearing all risk of loss of principal and interest. These platforms are now required to disclose to lenders that the lenders must bear all credit risks. Additionally, these platforms are restricted from cross-selling insurance products that function as credit enhancements/guarantee.
- **Clarification on Escrow Accounts:** Funds managed through escrow accounts on NBFC-P2P Platforms are required to be now remitted within 1 business day of receipt (T+1) in the escrow account.
- **Lender/borrower matching as pre-condition:** No loan shall now be disbursed, unless the lenders and borrowers have been matched/mapped as per NBFC-P2P's board approved policy, in addition to the existing requirement of all concerned participants having signed the loan contract.
- **Enhanced Disclosure Requirements:** Apart from public disclosure of portfolio performance

and NPAs, the NBFC-P2P Platforms are now required to disclose losses borne by the lenders on principal and interest.

- **Restriction on use of lender funds:** An NBFC-P2P shall not deploy lenders' funds in any manner other than as specified in the 2017 Directions, as amended.
- **Disclosure of fee charged:** NBFC-P2P is required to disclose fee to be charged (as a fixed amount / proportion of principal amount) at the time of lending itself.

The modifications to the Master Directions take effect immediately, except for the modification to the 'T+1' criteria for escrow funds which will take effect 90 days after the notification.

New Regulations for listing of Debt Securities on recognised stock exchanges in IFSCs

The International Financial Services Centres Authority ("**IFSCA**") has, *vide* notification dated 20 August 2024, notified the IFSCA (Listing) Regulations, 2024 ("**Listing Regulations**"), establishing the rules for listing of specified securities, debt securities, depository receipts and other permitted financial products on recognised stock exchanges in the International Financial Services Centres in India ("**IFSCs**").

The securities and other permitted financial products listed or proposed to be listed on a recognised stock exchange shall be freely transferable and held in dematerialised form.

The Listing Regulations also provide for general eligibility criteria of an issuer to list its securities or any other permitted financial product, being: (a) the issuer is incorporated or set up either in an IFSC or in India or in a foreign jurisdiction, in accordance with laws of its home jurisdiction; (b) the issuer

operates in conformity with its constitution; and (c) the issuer is eligible to issue such securities or other financial products, proposed to be listed on the recognised stock exchange, in conformity with laws of its home jurisdiction.

The Listing Regulations *inter alia* provide for public offer of specified securities (initial public offer and follow-on public offer), listing of specified securities without public offer, listing of specified securities already listed in other jurisdiction, listing of special purpose acquisition companies (SPAC), rights issue, preferential issue and qualified institutional placement, listing of depository receipts and listing of debt securities. For many of these listings, IFSCA will prescribe further norms.

One of the key requirements under the Listing Regulations for issuers of debt securities is that they must obtain a credit rating from an agency registered with either IFSCA or a foreign jurisdiction's regulator.

Reduction in timelines for listing of debt securities and non-convertible redeemable preference shares for public issues

SEBI has, *vide* circular dated 26 September 2024 ("**Circular**"), reduced the timeline for listing of debt securities and non-convertible redeemable preference shares for public issues, from T+6 working days to T+3 working days.

Additionally, the listing timeline of T+3 working days has been introduced as an option to issuers for a period of 1 year and on a permanent basis thereafter. Therefore, during the period of voluntary applicability of the listing timeline of T+3 working days, Regulation 37 (2) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (requiring issuers to refund the application moneys in an event of failure to list securities within

specified timelines) shall become applicable only after T+6 working days, even in cases where the issuer has chosen T+3 working days as the listing timeline but fails to meet the same.

The provisions of the Circular shall be applicable: (a) on a voluntary basis to public issues opening on or after 1 November 2024; and (b) mandatorily for public issues opening on or after 1 November 2025.

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INSURANCE

Regulatory Updates

Prevention of Money-Laundering (Maintenance of Records) Amendment Rules, 2024

The IRDAI has introduced certain amendments to the Prevention of Money-Laundering ("Maintenance of Records") Rules, 2005 ("**PML Rules**"). The amendments introduced by the IRDAI include the following: (i) for complying with Know your Customer ("**KYC**") norms, the Insurers shall adopt the procedure specified in Rule 9 (1C) of the PML Rules; (ii) in cases where updated KYC information is obtained from a client, such updated information has to be provided to the Central Know Your Customer Registry ("**CKYCR**") as per Rule 9(1D) and if information of any update in the KYC record of an existing client is informed by the CKYCR, the Insurers shall retrieve the updated KYC records from the CKYCR and also update the KYC record maintained by it.

Master Circular on Protection of Policyholders' Interests, 2024

The IRDAI by way of a circular dated 5 September 2024 has issued the Master Circular on the Protection of Interests of Policyholders ("**Master Circular**"). The Master Circular has repealed approximately 30 prior guidelines and circulars issued by the IRDAI in relation to protection of interest of policyholders. The Master Circular, *inter alia*, provides a summary of the important and relevant information at various stages of an insurance contract for the prospects/policyholders / customers. The Master Circular includes provisions in relation to protection of policyholders interest and provides the different returns required to be filed by an Insurer in relation to issuance of insurance policies.

The Master Circular provides in detail the information that a prospect/policyholder should know before buying a life, health or retail general insurance policy. Provisions in relation to, *inter alia*, activities

undertaken prior to sale of insurance policies, proposal for sale of insurance policies, issuance of insurance policies, servicing of policyholders and settlement of claims and other service related aspects have been set out in the Master Circular.

Circular- Subscribers to Other Forms of Capital

The IRDAI notified the IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) Regulations, 2024 ("**Registration Regulations, 2024**") and also issued the Master Circular on Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers, 2024 on 15 May 2024 ("**Master Circular on Registration, 2024**") earlier in the year. Pursuant to the circular dated 6 September 2024 the IRDAI has, *inter alia*, introduced the provision that the other forms of capital issued by an Insurer may be subscribed by any entity incorporated, set-up or registered under any Indian law or any entity incorporated, set-up or registered under any law in force in any Financial Action Task Force compliant jurisdiction.

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PROJECTS & INFRASTRUCTURE

Regulatory Updates

NHAI Circular on Bid Security and Performance Security

National Highways Authority of India ("**NHAI**") has, *vide* circular dated 1 July 2024, notified that the bid security and performance security in relation to national highway works will now also be accepted in form of insurance surety bonds, account payee demand draft, fixed deposit receipts, banker's cheque, and bank guarantee (including e-bank guarantee) with immediate effect. The relevant existing clauses of the standard documents for Engineering, Procurement and Construction (EPC), Hybrid Annuity Model (HAM) and Build-Operate-Transfer (BOT) (toll) projects may be required to be amended accordingly for necessary compliance.

CERC (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2024

The Central Electricity Regulatory Commission ("**CERC**") has, *vide* notification dated 12 July 2024, notified the Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2024 ("**Regulations**"). The Regulations are applicable during the period from 1 April 2024 until 31 March 2029, unless modified or extended by CERC. These regulations are applicable for the determination of fees and charges to be collected by Regional Load Despatch Centres ("**RLDCs**") from the generating companies, distribution licensees, bulk consumers, and any other users.

The Regulations also provide that recovery of incentive by the RLDCs and National Load Despatch Centre ("**NLDC**") shall be based on the

performance against the Key Performance Indicators (KPIs) as specified in the Regulations or such other parameters as may be prescribed by the CERC.

The Regulations also detail the requirements for capex plans which should cover aspects such as infrastructure upgrades, modernization, automation, replacement of obsolete assets, adoption of advanced information technology and communication systems, cyber security, innovative schemes, projects, and disaster recovery control centres.

Key Amendments to the Central Connectivity and General Network Access Regulations

The CERC has notified the Second Amendment to the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (such amendment, the "**Amendment Regulations**") effective from 15 July 2024. Some of the key provisions of the Amendment Regulations are:

- To avoid rejection of applications for connectivity with minor deficiencies, the nodal agency must now notify minor deficiencies within 10 working days of receipt of application, for rectification by the applicant within 7 working days thereafter, failing which the application will be closed.
- A minimum installed capacity threshold of 25MW has been introduced, for applications for grant of connectivity in northeastern region and Sikkim.
- For renewable energy generating station (other than hydro station) or energy storage system (other than

pump storage) applicants and renewable park developers, in states where government order for allotment of land is issued to nodal agency (with advance possession to developer), such government order with advance possession letter (for at least 50% land required for connectivity purposes) will be considered as valid documents for land use towards grant of connectivity. Alternatively, a bank guarantee of INR 10 lakh per MW (for up to 1000 MW) or INR 100 crores plus INR 5 lakh per MW (for capacity above 1000 MW) may be provided.

- The timeline for in-principle grant of connectivity has been extended from 30 to 60 days (from the last day or the month in which application is received) if no Associated Transmission System ("ATS") is required. If ATS is required, the timeline has been extended from 60 to 90 days.
- Renewable energy generating station (other than hydro station) or energy storage system (other than pump storage) applicants and renewable park developers, must submit proof of land ownership or rights within 18 months of an in-principle connectivity grant or within 12 months of a final grant, whichever is earlier (instead of the earlier time of 180 days from final grant). Financial closure must be achieved by 6 months before the scheduled date of commercial operation or start date of connectivity, whichever is later, with proof submitted within 15 days of achieving closure.

New Tariff Regulations for Pipeline Transportation of Petroleum and Petroleum Products

The Petroleum and Natural Gas

Regulatory Board ("**PNGRB**"), *vide* notification dated 19 July 2024, notified the Petroleum and Natural Gas Regulatory Board (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Regulations, 2024 ("**New Tariff Regulations**"), effective from 1 August 2024, in supersession of the existing regulations in this regard.

The New Tariff Regulations provide for the procedure for determination tariff for pipelines, based on their classification in the following 3 categories: (a) pipelines commissioned before notification of the PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Regulations, 2010 ("**PNGRB Regulations**"); (b) pipelines commissioned after the notification of the PNGRB Regulations; and (c) pipelines authorised by PNGRB prior to notification of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Amendment Regulations, 2023 and have completed pipeline operation of 10 years from the date of commissioning (for determination of tariff 11th year onwards).

New Regulations for Deviation Settlement Mechanism

CERC, *vide* notification dated 5 August 2024, notified the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 ("**Deviation Settlement Regulations**"), in suppression of the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2022. The Deviation Settlement Regulations have come into effect from 16 September 2024.

The Deviation Settlement Regulations are applicable to all grid connected regional entities and other entities

engaged in inter-state purchase and sale of electricity and seek to ensure that grid users do not deviate from their schedule of drawal and injection of electricity in the interest of security and stability of the grid.

Some key provisions of the Deviation Settlement Regulations are below:

- Every grid-connected regional entity is required to adhere to its schedule as per the grid code and shall endeavour not to deviate from its schedule.
- Deviation shall generally be managed through deployment of ancillary services, with computation, charges and related matters in respect of such deviation being dealt with as per the regulations.
- Methodology of computation of deviation in a time block and charges for deviations have been provided for general sellers, WS sellers (*i.e.*, sellers in case of wind / solar / wind-solar hybrid generators) and buyers.
- Payment of charges for deviation shall have high priority, and the concerned regional entity shall pay the due amounts within 10 days of issue of the statement of charges for deviation by the regional power committee, failing which late payment surcharge of 0.04% shall be payable for each day of delay.

Amendment in Guidelines for Import/Export (Cross Border) of Electricity

The Ministry of Power has *vide*, an office memorandum dated 12 August 2024, issued amendments to the Guidelines for Import/Export (Cross Border) of Electricity, 2018, with the following key amendments:

- Restrictions on export of electricity by domestic coal based generating plants (regarding use of imported coal, spot e-auction coal, coal obtained from commercial mining or from other sources specified by the Central Government), will not apply to collective transactions through power exchanges in India.
- Export of electricity from gas based generating plants has been introduced, with similar restrictions as coal based generating plants.
- Provision for permitting Indian generating stations supplying electricity exclusively to a neighbouring country through a dedicated transmission line to connect to the Indian grid to facilitate sale of power within India, in case of sustained non-scheduling of capacity or default notice issued by a generator under the power purchase agreement.

Revised Guidelines for Assessment of Environment Compensation for Violation of Plastic Waste Management Rules, 2016

The Central Pollution Control Board (“CPCB”), *vide* its notification in August 2024, issued the 'Revised Guidelines for Assessment of Environmental Compensation to be Levied for Violation of the Plastic Waste Management Rules, 2016' (“**Revised Guidelines**”).

The Revised Guidelines aim to strengthen the enforcement of the Plastic Waste Management Rules, 2016 (“**PWM Rules**”) by focusing on promoting compliance, imposing penalties for violations, and ensuring sustainable management of plastic waste, and *inter alia* provide for:

- Details of environmental

compensation ("**EC**") and penalty to be levied for non-compliance of PWM Rules, for different categories of violations and violators.

- Details of EC for violation of guidelines on Extended Producer Responsibility ("**EPR**") for plastic packaging, for different categories of violations and violators.
- Minimum & maximum amount of EC to be levied for different categories of violations and violators.
- Further consequences in case the EC and financial penalties are not deposited by the violating facility within the stipulated time period.

Guidelines for Environmental Compensation under Waste Tyre EPR Regime

The CPCB, *vide* its notification dated 3 September 2024, issued the 'Guidelines for Environmental Compensation under Waste Tyre EPR Regime' ("**EC Guidelines for Waste Tyre EPR**") under the Hazardous and Other Waste (Management & Transboundary Movement) Amendment Rules, 2022 ("**HWM Rules**").

The EC Guidelines for Waste Tyre EPR are applicable to entities involved in manufacture, sale, transfer, purchase, recycling, and retreading of waste tyre or tyre as defined in the HWM Rules. The EC Guidelines for Waste Tyre EPR *inter alia* provide for the details of environmental compensation to be levied and penal action for non-compliance of HWM Rules in respect of the regime for EPR for waste tyres basis violators involved and the approach for assessment of such compensation.

Guidelines for imposition of environmental compensation under

Battery Waste Management Rules, 2022

The CPCB, *vide* its notification dated 10 September 2024, issued the Guidelines for imposition of Environmental Compensation under the Battery Waste Management Rules, 2022 ("**BWM Rules**") (such guidelines, the "**BWM EC Guidelines**").

The BWM EC Guidelines are applicable to producers, recyclers, refurbishers and entities involved in collection, segregation and treatment of waste battery. The BWM EC Guidelines *inter alia* provide for:

- The specific violations under the BWM Rules for which environmental compensation ("**EC**") shall be levied.
- 2 regimes i.e. EC Regime 1 (for producers for non-fulfilment of metal use EPR targets) and EC Regime 2 (for any entity for non-compliance of BWM Rules), and calculation of EC for specific violations and violators.
- Actions to be taken for different non-compliances of BMW Rules, including action under the 2 regimes above.
- Further consequences in case the EC and financial penalties are not deposited by the violators within the stipulated time period.

Scheme Guidelines for Implementation of VGF Scheme for Offshore Wind Energy Projects

The Ministry of New and Renewable Energy has, on 11 September 2024, notified the Scheme Guidelines for Implementation of 'Viability Gap Funding ("**VGF**") Scheme for Offshore Wind Energy Projects' ("**VGF Scheme Guidelines**"). The VGF Scheme Guidelines primarily focus on setting up

1000 MW of offshore wind energy projects, split between 500 MW projects located at the coasts of each of Gujarat and Tamil Nadu.

The VGF Scheme Guidelines *inter alia* provide for the following:

- A total financial outlay of INR 74.53 billion, which includes INR 68.53 billion allocated for the installation and commissioning of the wind energy projects off the coasts of Gujarat and Tamil Nadu.
- The scheme will be implemented by the Ministry of New and Renewable Energy (“**MNRE**”) through Solar Energy Corporation of India Limited (“**SECI**”) as the implementation agency. The developers will be selected through a transparent bidding process involving technical and financial eligibility criteria, with power purchase agreements for a 25-year period.
- The successful bidders under the scheme must commission the projects within 48 months from the date of signing of agreements. The disbursement of amounts will be through SECI based on achievement of milestones and submission of claims by the successful bidders.
- The VGF under the scheme will be provided till financial year 2031-32.
- Pre-defined milestones for VGF disbursement, with the first instalment being disbursed only after *pari passu* contribution by developer as equity and/or debt.

Guidelines for Installation and Operation of Electric Vehicle Charging Infrastructure, 2024

In supersession of the existing regime, the Ministry of Power has issued the Guidelines for Installation and

Operation of Electric Vehicle Charging Infrastructure, 2024, dated 17 September 2024 (“**EV Charging Infra Guidelines**”) with immediate effect.

The EV Charging Infra Guidelines are applicable to: (a) manufacturers, owners and operators of electric vehicle (“**EV**”) charging infrastructure located in private parking spaces, semi restricted places like office buildings, educational institutions *etc.*, public places, and highways and expressways; and (b) power utilities, and central and state agencies.

The EV Charging Infra Guidelines *inter alia* provide for the following:

- Public land may be provided by government / public entities at promotional rates for public charging stations.
- All EV supply equipment shall comply with the standards indicated in the EV Charging Infra Guidelines.
- Components of the total fee to be charged by charge point operators from customers.
- Guidelines on tariff for supply of electricity to EV charging stations.
- Guidelines for public charging stations, charging at residence, community charging for residents, charging stations for e-buses, charging station as solar carport *etc.*

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