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# LEGALAXY

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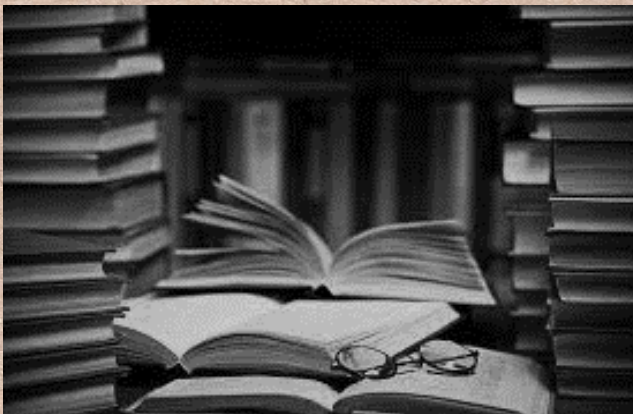


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## LEGAL MAXIM

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*Locus Standi: 'The right or ability to bring a legal action to a court of law, or to appear in a court'*



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# INDEX

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- SEBI relaxes additional disclosures by FPIs fulfilling certain objective criteria
- SEBI allows introduction of Beta version of T+0 rolling settlement cycle in equity cash market
- SEBI issues safeguards addressing concerns of investors on transfer of securities in dematerialized mode
- RBI amends the Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022
- Ministry of Finance amends the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019
- Patents (Amendment) Rules, 2024 – Notified
- Patents (Second Amendment) Rules, 2024 – Notified
- Cinematograph (Certification) Rules, 2024 – Notified
- Advisory on prohibition of advertising, promotion, and endorsement of unlawful activities
- Department of Pharmaceuticals issues the Uniform Code for Pharmaceutical Marketing Practices, 2024
- MeitY issues advisory for the intermediaries and AI platforms to undertake due-diligence obligations under the IT Rules, 2021
- Ministry of Heavy Industries provides a boost to manufacturing of electric passenger cars in India
- IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) Regulations, 2024 – Notified
- IRDAI (Protection of Policyholders' Interests, Operations and Allied Matters of Insurers) Regulations, 2024 – Notified
- Ministry of Environment, Forest and Climate Change notifies the E-Waste (Management) Amendment Rules, 2024
- Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2024 – Notified
- Plastic Waste Management (Amendment) Rules, 2024 – Notified
- Maharashtra Stamp Duty Amnesty Scheme, 2023 - Timelines extended
- Battery Waste Management Rules – Notified
- Home Ministry gives charge to Indian Cyber Crime Coordination Centre to pass orders to remove data under the IT Act

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## SEBI RELAXES ADDITIONAL DISCLOSURES BY FPIs FULFILLING CERTAIN OBJECTIVE CRITERIA

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Securities Exchange Board of India ("SEBI"), *vide* its circular dated August 24, 2023 ("FPI Circular"), had mandated additional disclosures for foreign portfolio investors ("FPIs") fulfilling certain objective criteria. FPIs fulfilling any of the following criteria were required to provide granular details of all entities holding any ownership, economic interest, or exercising control in the said FPIs: (a) FPIs holding more than 50% of their Indian equity assets under management ("AUM") in a single Indian corporate group; and (b) FPIs that individually, or along with their investor group hold more than INR 25,000 crores of equity AUM in the Indian markets.

Further, FPIs satisfying any of the criteria listed under Para 8 of the FPI Circular were exempted from the additional disclosure requirements, subject to conditions specified in the said FPI Circular:

SEBI, *vide* its circular dated March 20, 2024 ("Amended FPI Circular"), has now relaxed the additional disclosure requirements for FPIs holding more than 50% of its Indian equity AUM in a corporate group, subject to fulfilment of all the following 3 conditions:

- a) The apex company of such corporate group shall have no identified promoter;
- b) The FPI's holding should not be more than 50% of its Indian equity AUM in the corporate group, after disregarding its holding in the apex company (*with no identified promoter*); and
- c) The composite holdings of all such FPIs (*that meet the 50% concentration criteria excluding FPIs which are either exempted or have made disclosure*) in the apex company should be less than 3% of the total equity share capital of the apex company.

The Amended FPI Circular states that custodians and depositories shall track the utilisation of this 3% limit for apex companies, without an identified promoter, at the end of each day. Upon the 3% limit being met or breached, depositories are required to make this information public, before the start of trading on the next day.

Further, for any prospective investment in the apex company by FPIs that meet the 50% concentration criteria in the corporate group, FPIs would be required to either realign their investments below the 50% threshold within a period of 10 trading days or make such additional disclosures prescribed in the FPI Circular. However, no such requirement, to realign or make disclosures, shall be applicable unless the 3% cumulative limit for the apex company continues to be met through the said 10 trading days.

The Amended FPI Circular shall come into force from immediate effect.

To read the Amended FPI Circular [click here](#) & to read the FPI Circular [click here](#)



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## SEBI ALLOWS INTRODUCTION OF BETA VERSION OF T+0 ROLLING SETTLEMENT CYCLE IN EQUITY CASH MARKET

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SEBI, *vide* its circular dated September 7, 2021 ("Circular No. 1"), had allowed for introduction of T+1 rolling settlement cycle, which was fully implemented w.e.f. January 27, 2023.

SEBI, *vide* its circular dated March 21, 2024 ("**Circular No. 2**"), has put in place a framework for introduction of the Beta version of T+0 settlement cycle on optional basis in addition to the existing T+1 settlement cycle in equity cash market for a limited set of 25 scrips and with a limited number of brokers. The same has been done after considering certain factors like significant evaluation of technology, architecture and capacity of market infrastructure institutions (*all stock exchanges, clearing corporations and depositories*), visibility of individual client level holdings in India's depository ecosystem in digital form, India's payment and settlement ecosystem's capacity for real time transfer.

T+0 is a trading cycle which means the trades will be settled on the same day, i.e., transfer of fund and securities on the date of execution of the trade which will shorten the settlement cycle and bring the cost and time efficiency, transparency in charges to investors and strengthen the risk management at clearing corporations and overall securities market ecosystem.

The provisions of Circular No. 2 have come into force with effect from March 28, 2024.

To read the Circular No. 1 [click here](#) & to read the Circular No. 2 [click here](#)



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## SEBI ISSUES SAFEGUARDS ADDRESSING CONCERNS OF INVESTORS ON TRANSFER OF SECURITIES IN DEMATERIALIZED MODE

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SEBI, *vide* its circular dated March 20, 2024, has amended Para 1.12 of the SEBI's Master Circular for Depositories dated October 6, 2023 ("**Master Circular for Depositories**") with an aim to harmonize the classification of inactive/ dormant accounts across stock exchanges and depositories and to strengthen the measures to prevent fraud and misappropriation of inoperative demat accounts.

Para 1.12 of the Master Circular for Depositories prescribes guidelines to address investors' concerns arising from the transfer of securities from beneficial owners ("**BOs**") account without proper authorization by the concerned investor.

The amended safeguards to address the concerns of the investors arising out of transfer of securities from the BO accounts are as follows:

- a) Depositories shall give more emphasis on investor education particularly with regards to careful preservation of Delivery Instruction Slip ("**DIS**") by the BOs. The depositories must advise BOs to not leave 'blank or signed' DIS with the depository participant ("**DP**") or any other person/ entity.
- b) DPs shall refrain from accepting pre-signed DIS with blank columns from the BOs.
- c) BOs must immediately intimate any lost/ stolen/ not traceable DIS booklet to the DP in writing. Upon receipt of such intimation, the DP shall cancel the unused DIS of the said booklet.
- d) Unless the request for fresh booklet is due to loss, etc., DPs shall issue a new DIS booklet only on the strength of the DIS instruction request slip (*contained in the previous booklet*), duly complete in all respects.

- e) In case, the request for issuance of the DIS booklet is received in an inactive/ dormant account, the DIS booklet shall be delivered at the registered address of the BO as per the DP's records. This helps to ensure the genuineness of the BO's request for the issuance of DIS. Such issuance of DIS shall be authorized by the compliance officer or any other designated senior official of the DP.
- f) DPs must not issue more than 10 loose DIS to one account holder in a financial year. The loose DIS can be issued only if the BOs come in person and sign the loose DIS in the presence of an authorised DP official.
- g) DPs shall put in place appropriate checks and balances for the verification of signatures of the BOs while processing the DIS. The DPs shall cross-check with the BOs under exceptional circumstances before acting upon the DIS. The authorized official of the DP verifying such transactions with the BO, shall record the details of the process, date, time, etc., of the verification on the instruction slip under his signature.
- h) The DPs shall mandatorily verify with a BO before acting upon the DIS, in case of an inactive/ dormant account, whenever any security in such account is transferred at a time. Such verification by DPs shall require a recorded phone call on registered number of BO by the authorized official of the DP and shall be additionally authorised by the compliance officer or any other designated senior official of the DP. In case of active accounts, such verification may be made mandatory only if the BO account has 5 or more International Securities Identification Number (ISIN) and all such ISIN balances are transferred at a time. The authorized official of the DP verifying such transactions with the BO, shall record the details of the process, date, time, etc., of the verification on the instruction slip under his signature. Such verifications shall be additionally authorized by the Compliance Officer or any other designated senior official of the DP.

The provisions of this circular have come into effect from April 1, 2024.

To read the circular [click here](#)



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## RBI AMENDS THE MASTER DIRECTION – CREDIT CARD AND DEBIT CARD – ISSUANCE AND CONDUCT DIRECTIONS, 2022

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Reserve Bank of India ("RBI"), *vide* its notification dated March 7, 2024, has amended certain provisions of the Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022 ("**Master Direction**"). As per the amended Master Direction, the instructions relating to credit cards shall apply to all credit card issuing banks and non-banking financial companies ("**NBFCs**") and the instructions relating to debit cards shall apply to every bank operating in India.

Some of the key amendments are as follows:

- (a) card-issuers are required to put in place an effective mechanism to monitor the end use of funds for business credit cards issued to business entities/individuals for business expenses;
- (b) the requirement to specify in the billing statement, the level of unpaid amount of the bill, i.e., part payment beyond 'minimum amount due' at which the interest-free credit period benefits would not be available to cardholders has been deleted;
- (c) there shall be no penal interest levied on the

outstanding amount after the due date; (d) cardholders have been provided with an option to modify the billing cycle of the credit card at least once, as per the cardholders' convenience; (e) the requirement of card-issuer to issue a 7-day notice to a cardholder to inform him about the intention to report him as defaulter has been removed; (f) the data relating to card transactions may be drawn directly from the card-issuer's system in an encrypted form and shall be displayed on the platform of the co-branding partner ("CBP") with robust security. Such information displayed on the CBP's platform will be visible only to the cardholder, and can neither be accessed nor be stored by the CBP; (g) no prior approval will be required by the banks (*all banks including payments banks, state co-operative banks and district central co-operative banks*) and NBFCs (*investment and credit company, housing finance company, factor, micro finance institutions, and infrastructure finance company*) registered with RBI to become a CBP of card-issuers; (h) in addition to the guidelines on "Managing Risks and Code of Conduct in Outsourcing of Financial Services" as amended from time to time, card-issuers are required to assure compliance with the Master Direction on Outsourcing of Information Technology Services dated April 10, 2023; and (i) card-issuers are prohibited from sharing card data (*including transaction data*) of the cardholders with the outsourcing partners unless it is essential in order to discharge the functions assigned to the said outsourcing partners. In the event of sharing any such data, explicit consent from the cardholder must be obtained, and it shall also be ensured that the storage and the ownership of card data remains with the card-issuer.

To read the notification [click here](#)



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## MINISTRY OF FINANCE AMENDS THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019

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Ministry of Finance, *vide* its notification dated March 14, 2024, has amended the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**NDI Rules**") and has notified the Foreign Exchange Management (Non-debt Instruments) (Second Amendment) Rules, 2024 ("**NDI Amendment Rules**").

Rule 2(aq) of the NDI Rules defines the term 'unit' to mean beneficial interest of an investor in an investment vehicle. By way of the NDI Amendment Rules, this definition has been broadened by insertion of an explanation to the effect that the term 'unit' will now include partly paid-up units which are permitted under the regulations framed by SEBI, in consultation with the Indian government.

The incorporation of this explanation is a pertinent change and is aimed at aligning the NDI Rules with the SEBI regulations on Alternative Investment Funds ("**AIFs**") which have previously been amended to allow allotment of units by AIFs in lieu of partial payment of consideration by investors.

To read the notification [click here](#)



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## PATENTS (AMENDMENT) RULES, 2024 – NOTIFIED

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The Department for Promotion of Industry and Internal Trade (“DPIIT”), Ministry of Commerce and Industry (“MCI”), *vide* its notification dated March 15, 2024, has notified the Patents (Amendment) Rules, 2024 (“**Patents Amendment Rules**”) and thereby amended the Patents Rules, 2003 (“**Principal Patents Rules**”). The Patents Amendment Rules aim to further facilitate patent filing procedures in India.

The key amendments as entailed in the Patents Amendment Rules are: (a) the time limit in Rule 12 of the Principal Patents Rules for filing statement and undertaking required to be filed by a patent applicant has been reduced to 3 months from the date of issuance of first statement of objections (*previously 6 months from the date of filing the application*); (b) the Controller (*as defined in the Principal Patents Rules*) may use accessible and available databases in order to consider information relating to applications filed in a country outside India and has also been empowered to direct the applicant to furnish a fresh statement and undertaking in Form 3 within 2 months from the date of such communication, and to condone the delay or extend the time for filing Form 3 for a period up to 3 months if such a request is made by the applicant in Form 4; (c) to allow a patent applicant to file one or more further applications under Section 16 of the Patents Act, 1970 (“**Patents Act**”), in respect of an invention disclosed in the provisional or complete specification or a further application filed under Section 16 of the Patents Act; (d) in Rule 24B of the Principal Patents Rules, the time limit set for examination of an application has been reduced to 36 months (*previously 48 months*); (e) a new Rule 29A has been inserted in the Principal Patents Rules by introducing a new Form 31 which can be filed to avail the grace period available under Section 31 of the Patents Act; (f) a new Rule 70A has been inserted in the Principal Patents Rules for allowing the Controller to issue a certificate of inventorship to an inventor with respect to a patent in force, upon the inventor making a request to that effect in the new Form 8A. Further, a duplicate certificate of inventorship may also be issued to the inventor upon making a request for the same. Such request shall contain a statement setting out the circumstances in which the original certificate of inventorship was lost, destroyed, damaged or cannot be produced; (g) Rule 138 has been revised to allow the Controller to condone delays or extend timelines for up to 6 months (*previously 1 month*) before the expiry of the said period of 6 months in any number of times within the specified time period; and (h) table I has been inserted in the first schedule thereby revising the fees payable on e-filing and physical applications, the second schedule has been revised thereby inserting new list of forms notified under the Patents Amendment Rules, and the formats of Form 1, Form 3, Form 4 and Form 27 have been revised.

To read the notification [click here](#)



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## PATENTS (SECOND AMENDMENT) RULES, 2024 – NOTIFIED

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The DPIIT, MCI, *vide* its notification dated March 16, 2024, has notified the Patents (Second Amendment) Rules, 2024 (“**2<sup>nd</sup> Amendment Rules**”), thereby inserting a new Chapter XIVA in the Principal Patents Rules to provide for a framework for adjudication of penalties and filing appeals.

The key points entailed in the 2<sup>nd</sup> Amendment Rules are as follows: (a) definition of ‘adjudicating officer’, ‘appellant’ and ‘appellate authority’ has been inserted; (b) all communications made under the new Chapter are to be transmitted through electronic means only; (c) any person may file

complaints in the newly inserted Form 31 through electronic means to the adjudicating officer; (d) a detailed procedure has been provided for holding of inquiry and for the purpose of adjudication under Section 124A of the Patents Act; (e) any person who is aggrieved by the order given by the adjudicating officer may file an appeal in the newly inserted Form 32 through electronic means to the appellate authority within 60 days from the date of such order; (f) the adjudicating officer or the appellate authority may extend the timelines contained in the 2<sup>nd</sup> Amendment Rules, when there is a reasonable cause for delay or failure and upon recording such reasons in writing; and (g) all the orders shall also be uploaded on the website of the adjudicating officer/appellate authorities and all sums realised by way of penalties shall be credited to the Consolidated Fund of India.

To read the notification [click here](#)



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## CINEMATOGRAPH (CERTIFICATION) RULES, 2024 - NOTIFIED

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Ministry of Information and Broadcasting ("MIB"), *vide* its notification dated March 15, 2024, has notified the Cinematograph (Certification) Rules, 2024 ("**Certification Rules**") in supersession of Cinematograph (Certification) Rules, 1983. This is in furtherance to the Cinematograph (Amendment) Act, 2023 (*covered in the [earlier edition of Legalaxy](#)*).

The essential characteristics of the Certification Rules are:

(a) **online certification process**: every application to certify a film for public exhibition shall be made on the online portal '[e-cinepramaan](#)' in accordance with the Certification Rules; (b) **application for re-certification or change in category** of a film that has received final certification from the Central Board of Film Certification ("CBFC"), to be exhibited on television or such other media other than the medium originally certified has been allowed and shall be made on the online portal '[e-cinepramaan](#)' in accordance with the Certification Rules; (c) **revised timelines for certification of films**: (i) final report of the Examining Committee (*as defined in the Certification Rules*) shall be forwarded to the Chairperson within 5 days (*previously 10 days*) from the date of receipt of the script or the authentic sources, as the case may be; (ii) under Rule 37(5(b)), applicant has to submit his reply within 5 working days (*previously 14 days*) of the receipt of the communication; and (iii) in case where the film is not referred to a Revising Committee (*as defined in the Certification Rules*), a certificate shall be issued, or decision communicated within 2 days (*previously 7 days*); (d) **representation of women in CBFC**; (e) **priority scheme**: expeditious examination of film may be requested, subject to payment of 3 times the fee payable and available slots as decided by CBFC; and (f) **accessibility measures**: applicants for certification are mandated to submit same language subtitles, same language audio description, or same language closed captions, if any, and any other accessibility features as may be notified, from time to time, by the Central Government, along with their application. This has been introduced to make the films inclusive for disabled persons.

To read the notification [click here](#)





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## ADVISORY ON PROHIBITION OF ADVERTISING, PROMOTION, AND ENDORSEMENT OF UNLAWFUL ACTIVITIES

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Central Consumer Protection Authority ("CCPA"), *vide* its advisory dated March 6, 2024, has issued advisory in terms of Consumer Protection Act, 2019 ("COPRA") on prohibition of advertising, promotion, and endorsement of unlawful activities prohibited under various laws. This is issued to handle the increasing instances of direct and/or surrogate advertisement/ endorsements of activities considered illegal such as betting or gambling. This is in furtherance to other advisories issued by MIB in this relation.

CCPA has advised the celebrities/ influencers to refrain from endorsing and promoting illegal betting and gambling activities since endorsement by celebrities/ influencers gives an impression that indulging in such activity is acceptable. Further, CCPA has cautioned that advertisements/ endorsements/ promotions, whether directly or indirectly, of activities which are otherwise prohibited by law, including but not limited to betting or gambling, shall be subject to rigorous scrutiny. In case of violation of CCPA advisory, stringent measures as per the provisions of COPRA shall be initiated against the entire ecosystem encompassing the manufacturers, advertisers, publishers, intermediaries, social media platforms, celebrities, influencers, endorsers, and any other relevant stakeholders.

Consequently, MIB, *vide* its advisory dated March 21, 2024, has further advised the endorsers/ influencers, social media intermediaries and online advertisement intermediaries to refrain from showing such promotional content/advertisements, including surrogate advertisements, of offshore online betting and gambling platforms in any form whatsoever. The online advertisement intermediaries are advised not to target such content towards Indian audience and the social media intermediaries are advised to conduct sensitization efforts among their users to refrain from publishing such content. Non-compliance of the MIB advisory may lead to proceedings under the provisions of COPRA, removal/ disabling of social media posts/accounts where such advertisements/ endorsements are being published, and penal action under the applicable statutes.

To read the CCPA advisory [click here](#) & to read the MIB advisory [click here](#)



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## DEPARTMENT OF PHARMACEUTICALS ISSUES THE UNIFORM CODE FOR PHARMACEUTICAL MARKETING PRACTICES, 2024

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The Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, *vide* its notification dated March 12, 2024, has issued the Uniform Code for Pharmaceutical Marketing Practices, 2024 ("UCPMP"), to create a more ethical and patient-centric market whereby all pharmaceutical associations have been requested to constitute an Ethics Committee for Pharmaceutical Marketing Practices ("ECPMP"), set up a dedicated UCPMP portal on their website and take further necessary steps towards the implementation of the UCPMP.

Some of the key provisions entailed in the UCPMP are as follows:

(a) promotion of drugs to be consistent with the terms of its marketing approval, and the drugs must not be promoted prior to the receipt of its marketing approval from the competent authority, thereby authorising its sale or distribution; (b) the information about drugs must be balanced, up-to-date, verifiable, must not mislead either directly or by implication, accurately reflect the current knowledge or responsible opinion and must be capable of substantiation before the members without any delay, at request of the members of the medical and pharmacy professions; (c) pharmaceutical companies are not allowed to make claims and comparisons of their drug's usefulness without sufficient up-to-date evidence to back up such claims and comparisons; (d) the word 'safe' must not be used without qualification, and it must not be stated categorically that the medicine has no side effects, toxic hazards or risk of addiction; (e) the word 'new' must not be used to describe any drug which has been generally available or any therapeutic intervention which has been generally promoted in India for more than a year; (f) prohibits pharmaceutical companies or their agents (*distributors, wholesalers, retailers, etc.*) from offering gifts or any personal benefit to any healthcare professional or family member (*both immediate and extended*) and also prohibits offering, supplying or promising any pecuniary advantage or benefit in kind to any person qualified to prescribe or supply drugs, by any pharmaceutical company or its agents; (g) medical representatives cannot employ any inducement or subterfuge to gain an interview, and must not pay under any guise for access to a healthcare professional; (h) engagement of the pharmaceutical industry with healthcare professionals for continuing medical education, continuing professional development or otherwise for conferences, seminars, workshops, etc., shall be permitted only through a well-defined, transparent, and verifiable set of guidelines based on which the pharmaceutical industry may undertake such expenditures; (i) supply of free samples of drugs to persons not qualified to prescribe to such products has been prohibited; (j) companies have been made responsible for the activities of their employees, including medical representatives, for ensuring compliance of the UCPMP, and an appropriate clause to that effect is required to be inserted in the employment contract signed between such company and medical representative; (k) gives specific instructions on how drugs must be promoted, including both textual and audio-visual promotion; (l) every violation of the UCPMP in each pharmaceutical association shall be handled by the ECPMP, where the ECPMP will be chaired by the Chief Executive Officer of such pharmaceutical association; (m) the ECPMP in case of any breach of the UCPMP by any entity may take disciplinary or remedial actions against the erring entity such as suspending and expelling the entity from the pharmaceutical association, requiring the entity to issue corrective statements in the media, and asking the entity to recover money/ items given in violation of the UCPMP; and (n) sets out a procedure for lodging of complaints and handling of complaints, the penalties in relation to the contravention provisions contained therein, and the procedure for appeal.

To read the notification [click here](#)



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## MEITY ISSUES ADVISORY FOR THE INTERMEDIARIES AND AI PLATFORMS TO UNDERTAKE DUE-DILIGENCE OBLIGATIONS UNDER THE IT RULES, 2021

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Ministry of Electronics and Information Technology ("MeitY"), *vide* its advisory dated March 15, 2024, has issued an advisory to the 'intermediaries' and 'platforms' hosting Artificial Intelligence ("AI Platforms") including generative AI based models ("AI Advisory"), to undertake due-diligence

obligations outlined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 ("IT Rules"). The AI Advisory has been issued in continuation of the previous advisory of MeitY dated December 26, 2023 (*covered in the [earlier edition of Legalaxy](#)*) and supersedes the advisory issued by MeitY dated March 1, 2024, for the intermediaries and AI Platforms ("**Erstwhile Advisory**"). The AI Advisory has omitted the provisions in the Erstwhile Advisory related to the obligation of obtaining explicit permission of Government of India before the use of under-testing / unreliable AI models/ LLM/ Generative AI, software(s) or algorithm(s) in India.

The key provisions of the AI Advisory are: (a) all intermediaries or AI Platforms to ensure that: (i) use of AI model(s)/ LLM/ Generative AI, software(s) or algorithm(s) on or through its computer resource does not permit its users to host, display, upload, modify, publish, transmit, store, update or share any unlawful content as provided in Rule 3(1)(b) of the IT Rules or violate any other provision of the Information and Technology Act, 2000 ("IT Act"); (ii) its computer resource does not permit any bias or discrimination or threaten the integrity of the electoral process; (iii) the under-tested / unreliable AI foundation model(s)/ LLM/ Generative AI, software(s) or algorithm(s) or further development on such models should be made available to the users in India only after appropriately labelling the possible inherent fallibility or unreliability of the output generated; (iv) 'consent popup' or equivalent mechanism may be used for explicitly informing the users regarding the possible and inherent fallibility or unreliability of the output generated; and (b) where the intermediaries through its software or any other computer resource permits or facilitates synthetic creation, generation or modification of the information (*text, audio, visual or audio-visual*) which may be potentially used as misinformation or deepfake, it is advised that such information may be labelled/embedded with a permanent unique metadata or identifier in a manner that such label, metadata or identifier can be used to identify that such information has been created, generated or modified using the computer resource of the intermediary. Additionally, if any changes are made by any user, the said metadata should be configured to enable identification of such user/ computer resource that effected the said change.

Non-compliance with provisions of the IT Act and/or IT Rules could result in penal consequences, such as prosecution under IT Act and other criminal laws, etc., to the intermediaries, AI Platforms, and its users. All intermediaries have been asked to ensure compliance with the AI Advisory with immediate effect.

To read the AI Advisory [click here](#) & to read the Erstwhile Advisory [click here](#)



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## MINISTRY OF HEAVY INDUSTRIES PROVIDES A BOOST TO MANUFACTURING OF ELECTRIC PASSENGER CARS IN INDIA

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Ministry of Heavy Industries ("MHI"), *vide* its notification dated March 15, 2024, has notified a scheme to promote manufacturing of electric passenger cars in India ("**Scheme**").

Salient features of the Scheme include:

- (a) The applicant company or its group company(ies) will need to meet the following common criteria to qualify and receive benefits under the Scheme:

Eligibility Criteria	Auto OEM
Global group revenue (from automotive manufacturing), based on the latest audited annual financial statements at the time of application	Minimum INR 10,000 crores.
Investment, based on the latest audited annual financial statements at the time of application	Global Investment of Company or its Group Company(ies) in fixed assets (gross block) of INR 3,000 crores
Minimum Investment Commitment in India during a 3-year window	INR 4,150 crores (USD 500 Mn)
Maximum Investment Commitment in India during a 3-year window	No Limit
Domestic value addition criteria during manufacturing	25% to be achieved within 3 years and 50% to be achieved within 5 years from date of issuance of approval letter by MHI/ Project Management Agency ("PMA")

Further,

- (i) New investments should be made by the approved applicant only.
  - (ii) Cumulative new domestic investment made, starting from date on which approval letter under the Scheme is issued by MHI (*Application Approval Date*) shall be considered under this condition.
- (b) Bank Guarantee - The applicant's commitment to setup manufacturing facility(ies) and achievement of domestic value addition shall be backed by a bank guarantee from a scheduled commercial bank in India.
- (c) Application - The applications will be invited within 120 days (or more) of notification of the Scheme and the window for receiving applications will be for a period of 120 days (or more). Further, MHI shall have the right to open the application window, as and when required, within the first 2 years of the Scheme.
- (d) The maximum number of electric vehicles to be imported under this Scheme shall be such that the total duty foregone will be limited to the lower of the following:
- (i) maximum duty foregone per applicant (*limited to INR 6,484 crores*), or
  - (ii) committed investment of the applicant.
- (e) PMA - The Scheme will be implemented through the PMA which will be responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as assigned by Government of India from time to time.
- (f) The tenure of the Scheme will be 5 years or as notified by Government of India. The detailed guidelines for implementation of the Scheme will be issued separately.

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## IRDAI (REGISTRATION, CAPITAL STRUCTURE, TRANSFER OF SHARES AND AMALGAMATION OF INSURERS) REGULATIONS, 2024 – NOTIFIED

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The Insurance Regulatory and Development Authority of India (“IRDAI”), *vide* its notification dated March 20, 2024, has notified the IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) Regulations, 2024 (“**IRDAI Regulations**”) with an aim to promote the growth of insurance sector by simplifying the process of registration of insurer, transfer of shareholding, other forms of capital, amalgamation of insurers, listing of shares of insurers on stock exchange and to promote ease of doing business.

The key points under the IRDAI Regulations are as follows:

(a) an applicant can register any permissible class of insurance business i.e., life insurance business, general insurance business, health insurance business exclusively and a reinsurance business exclusively; (b) provides the grounds on which an applicant may be disqualified from registering its insurance business which includes: (i) rejection of application any time during 2 financial years preceding the date of the application; (ii) cancellation of certificate of registration at any time during 2 financial years preceding the date of the application; or (iii) name of the applicant not containing words ‘insurance’, ‘assurance’ or ‘reinsurance’; (c) provides for minimum paid-up equity capital depending on class of insurance business; (d) provides for the procedure for registration which includes obtaining a no-objection certificate from the Competent Authority under the IRDAI Regulations, Form IRDAI/R1 approval, and Form IRDAI/R2 approval; (e) upon the successful consideration of the application, IRDAI may grant a certificate of registration in Form IRDAI/R3 to the applicant who may commence its insurance business within 12 months from the grant of such certificate; (f) certain relaxations have been provided with respect to the lock-in period for making investments in insurance companies; (g) lays out specific criteria for investment by private equity funds; (h) enumerates the conditions towards listing of equity shares of insurer on the stock exchange; (i) provides for the mechanism of transfer of shares of a listed insurance company; and (j) provides for the procedure to be followed for amalgamation and transfer of insurance business.

To read the notification [click here](#)



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## IRDAI (PROTECTION OF POLICYHOLDERS’ INTERESTS, OPERATIONS AND ALLIED MATTERS OF INSURERS) REGULATIONS, 2024 – NOTIFIED

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IRDAI, *vide* its notification dated March 20, 2024, has notified the IRDAI (Protection of Policyholders’ Interests, Operations and Allied Matters of Insurers) Regulations, 2024 (“**IRDAI Protection of Policyholders’ Interest Regulations**”). The IRDAI Protection of Policyholders’ Interest Regulations has come into force from April 1, 2024. The aim of the IRDAI Protection of Policyholders’ Interest Regulations is to ensure fair treatment of policyholders’ interest, insurers, distribution channels and safeguard the interests of policyholders.

These regulations apply to all insurers and distribution channels, excluding those exclusively engaged in reinsurance business, unless otherwise specified.

The IRDAI Protection of Policyholder's Interest Regulations is divided into 2 parts: (a) Part A; and (b) Part B. Part A lays down obligations for insurers, which *inter alia* include, providing inclusive and equitable access to insurance products, maintaining transparency in the solicitation process, establishing an approved board policy to safeguard policyholders' interests, and ensuring that information provided to prospects accurately depicts the features, risks, exclusions, and exit options of the product offering. Part B lays down obligations for insurers, which *inter alia* include, ensuring that advertised information is fair and true, the registered name of the insurer is prominently displayed on advertisements, mandatory disclosures are clear and legible, abstaining from unfair trade practices, obtaining written approval from the insurer before issuing advertisements, and establishing internal controls and compliance measures.

To read the notification [click here](#)



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## MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE NOTIFIES THE E-WASTE (MANAGEMENT) AMENDMENT RULES, 2024

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Ministry of Environment, Forest and Climate Change ("MoEFCC"), *vide* its notification dated March 8, 2024, has notified the E-Waste (Management) Amendment Rules, 2024 ("E-Waste Management Amendment Rules").

The E-Waste Management Amendment Rules have substituted the definition of "dismantler" to mean any person or entity engaged in dismantling of used electrical and electronic equipment and components thereof in accordance with the guidelines of the Central Pollution Control Board ("CPCB") made in this regard.

Further, the E-Waste Management Amendment Rules has inserted the following in the E-Waste (Management) Rules, 2022 ("E-Waste Management Rules"):

- (a) The Central Government may relax the timelines for filing of any return or report to be filed by manufacturers, producers, refurbishers, or recyclers of electrical and electronic equipment, components, consumables, parts, or spares thereof, for a period not exceeding 9 months;
- (b) The Central Government may establish one or more platforms for the exchange or transfer of Extended Producer Responsibility Certificates ("EPRCs") in accordance with the guidelines issued by the CPCB with approval of the Central Government. The operation of these platforms shall be operated and regulated according to the guidelines set by the Central Government on the recommendation of the CPCB;
- (c) The CPCB shall set the upper and lower price limits for the exchange of EPRCs. These limits shall be equal to 100% and 30%, respectively, of the environmental compensation for failing to fulfill extended producer responsibility obligations under the E-Waste Management Rules; and

- (d) The exchange price of EPRCs between registered entities through the portal shall be within the range of the highest and lowest prices referred in point (c) above.

To read the notification [click here](#)



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## HAZARDOUS AND OTHER WASTES (MANAGEMENT AND TRANSBOUNDARY MOVEMENT) AMENDMENT RULES, 2024 – NOTIFIED

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MoEFCC, *vide* its notification dated March 12, 2024, has notified the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2024 (“**HW Amendment Rules**”), thereby amending the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“**HW Rules**”). The HW Amendment Rules has come into effect from April 1, 2024.

The key provisions of the HW Amendment Rules are as follows:

- (a) a new clause 22A has been inserted in Rule 3 of the HW Rules to define ‘deposition centers’ as a deposition center specified in the Solid Waste Management Rules, 2016 for collection of domestic hazardous wastes; (b) deposition centers have been mandated to procure an authorisation from the State Pollution Control Board (“**SPCB**”) or the Pollution Control Committee (“**PCC**”) concerned under Rule 6 of the HW Rules; (c) deposition centers are required to provide the domestic hazardous waste to the actual user or operator of the disposal facility, maintain records of the same in Form 3, and file annual return in Form 4 to the SPCB or the PCC concerned; (d) the SPCB may extend the storage of hazardous and other wastes from 90 days to up to 365 days for small generators (*less than 5 tons per annum*); (e) the Central Government may by an order relax any period within which any return or report is to be filed under the HW Rules by a producer, collection agents, recycler and used oil importer, for a further period not exceeding 9 months; (f) the Central Government may by an order establish one or more platforms for exchange or transfer of EPRCs in accordance with the guidelines issued by the CPCB and with the approval of the Central Government, along with the guidelines for price setting for such EPRCs; and (g) import of post-industrial or pre-consumer polyethylene wastes have been permitted with a requirement to export at least 35% of the total annual turnover.

To read the notification [click here](#)



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## PLASTIC WASTE MANAGEMENT (AMENDMENT) RULES, 2024 – NOTIFIED

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MoEFCC, *vide* its notification dated March 14, 2024, has notified the Plastic Waste Management (Amendment) Rules, 2024 (“**Plastic Amendment Rules**”) to amend the Plastic Waste Management Rules, 2016 (“**Plastic Waste Rules**”).

The key amendments, *inter alia*, include:

(a) manufacturers shall not sell or provide or arrange plastic to be used as raw material to a producer or to a seller not registered under the Plastic Waste Rules; (b) provision of thickness ( 120 microns in thickness with effect from the December 31, 2022) shall not apply to carry bags or commodities made from compostable plastic or biodegradable plastics; (c) carry bags and commodities made from compostable plastics shall conform to the Indian Standard: IS/ISO 17088:2021 titled as specifications for compostable plastics; (d) manufacture of carry bags and commodities shall be permitted to be made from compostable plastics or biodegradable plastics subject to mandatory marking and labelling laid down under the Plastic Waste Rules and the regulations of the Food Safety and Standards Authority of India for food contact applications; (e) manufacturers of commodities made from compostable plastics or biodegradable plastics shall report the quantity of such commodities introduced in the market and pre-consumer waste generated to the CPCB; (f) every manufacturer of commodities made from plastic or part thereof shall ensure processing of the pre-consumer plastic waste generated in the form of reject or discard material at the stage of manufacturing and such manufacturer shall report to the SPCB or PCC concerned; (g) each recycled plastic packaging or commodity shall bear a label "recycled having [specify percentage] of recycled plastic" and a mark as provided in the Plastic Amendment Rules and shall conform to the Indian Standard: IS 14534: 2023 titled as "plastics — recovery and recycling of plastics waste — guidelines", as amended from time to time; (h) every person engaged in recycling or processing of plastic waste shall prepare and submit online an annual report in Form IV to the local body concerned and also to the SPCB or PCC concerned by the 30<sup>th</sup> April of every year; (i) every manufacturer and importer of plastic raw material shall prepare and submit online a quarterly report in Form VII to the SPCB or PCC concerned by the last day of month following the quarter and an annual report by 30<sup>th</sup> June of every year; and (j) every person engaged in the sale of plastic raw material or an intermediate material used for manufacture of plastic packaging shall prepare and submit online an annual report mentioning therein the detail of transactions to the SPCB or PCC concerned by the 30<sup>th</sup> June of every year.

To read the notification [click here](#)



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## MAHARASHTRA STAMP DUTY AMNESTY SCHEME, 2023 – TIMELINES EXTENDED

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The Revenue and Forests Department of Maharashtra, *vide* its order no. Mudrank-2023/C.R.No.342/M-1(Policy) published in Central Section (Division), Extra Ordinary (Gazette Type) in Part 4-B (Section) on March 15, 2024 ("Amnesty Scheme Amendment Order"), has amended the Maharashtra Stamp Duty Amnesty Scheme-2023 dated December 7, 2023 ("Amnesty Scheme") covered in the [earlier edition of Legalaxy](#). The Amnesty Scheme was previously amended in February 2024, covered in the [earlier edition of Legalaxy](#), wherein the new time for implementation of phase I of the Amnesty Scheme was extended from December 1, 2023 till February 29, 2024 and phase II of the Amnesty Scheme was extended from March 1, 2024 to March 31, 2024.

The Amnesty Scheme Amendment Order has now further amended and extended the period of implementation of phase II of Amnesty Scheme from March 1, 2024 till June 30, 2024.

To read the order visit here <https://egazete.mahaonline.gov.in/Forms/GazetteSearch.aspx>





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## BATTERY WASTE MANAGEMENT RULES – NOTIFIED

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MoEFCC, *vide* its notification dated March 14, 2024, has notified the Battery Waste Management (Amendment) Rules, 2024 ("**Battery Waste Management Rules**"), to amend the Battery Waste Management Rules, 2022.

The key amendments, *inter alia*, include:

- (a) The CPCB will establish the upper and lower limits for EPRCs. These limits will correspond to 100% and 30%, respectively, of the environmental compensation imposed on obligated entities for failing to fulfill extended producer responsibility obligations, as determined by the CPCB (*previously, the CPCB would determine the maximum and minimum prices for EPRCs every 6 months or as necessary, taking into account the costs associated with the collection and environmentally sound management of waste batteries, as well as the prevailing environmental compensation framework*);
- (b) The exchange rate of EPRCs between registered entities *via* the portal shall fall within the range of the highest and lowest prices mentioned above;
- (c) The CPCB will formulate and propose guidelines for imposing and collecting environmental compensation from manufacturers and entities engaged in refurbishing and recycling waste batteries in the event of non-compliance with the Battery Waste Management Rules; and
- (d) As per Schedule 2 of the Battery Waste Management Rules, column 5, clauses (vi), (vii), (viii), (ix), (x), (xi), and (xii), up to 60% of the remaining quantity of batteries placed in the market during the applicable compliance cycle may be carried forward to the next compliance cycle. Previously, the carry forward was allowed: (i) under clauses (vi) and (vii), for up to 60% of the average quantity of batteries placed in the market per year over the 10-year cycle to the next compliance cycle; (ii) under clause (viii), for up to 20% of the average quantity of batteries placed in the market per year during the 7-year cycle to the next compliance cycle; (iii) under clauses (ix), (x), and (xi), for up to 60% of the average quantity of batteries placed in the market per year during the 7-year cycle to the next compliance period; and (iv) under clause (xii), for up to 60% of the average quantity of batteries placed in the market per year during the 14-year cycle to the following compliance cycle.

To read the notification [click here](#)



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## HOME MINISTRY GIVES CHARGE TO INDIAN CYBER CRIME COORDINATION CENTRE TO PASS ORDERS TO REMOVE DATA UNDER THE IT ACT

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Ministry of Home Affairs ("**MHA**"), *vide* its notification dated March 13, 2024, has designated the Indian Cyber Crime Coordination Centre ("**I4C**"), to be the agency of MHA to perform the functions under Section 79(3)(b) of the IT Act and to notify the instances of information, data, or communication link residing in or connected to a computer resource controlled by the intermediary being used to commit the unlawful act.

Section 79(1) of the IT Act provides protection/exemption to an intermediary (*like Meta, WhatsApp, X*) from the liability of any third party information, data, or communication link made available or hosted by such intermediary (*also known as 'safe harbour provision'*). According to Section 79(3)(b) of the IT Act, safe harbour provision shall not apply to an intermediary, if upon receiving actual knowledge or on being notified by the appropriate government or its agency, i.e., I4C, that any information, data or communication link residing in or connected to a computer resource controlled by the intermediary is being used to commit the unlawful act, the intermediary fails to expeditiously remove or disable access to that material on that resource without vitiating the evidence in any manner.

The notification was published on the official gazette of India on March 14, 2024, i.e., the effective date of coming into force of the notification.

To read the notification [click here](#)



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We hope you like our publication. We look forward to your suggestions. Please feel free to contact us at [mumbai@vaishlaw.com](mailto:mumbai@vaishlaw.com).

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