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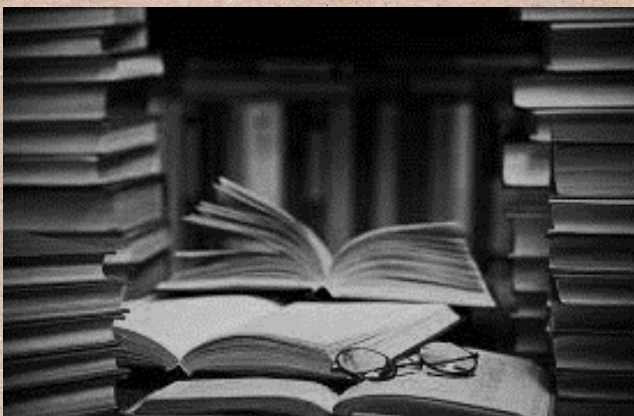


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## LEGAL MAXIM

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*Consensus ad idem: "agreement on the same thing"*



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## SEBI UPDATES

### STANDARD SETTING FORUM FOR AIFs RELEASES IMPLEMENTATION STANDARDS FOR OFFERING OF DIFFERENTIAL RIGHTS TO AIF INVESTORS

Securities and Exchange Board of India (“SEBI”), *vide* its notification dated November 18, 2024, had notified the SEBI (Alternative Investment Funds) (Fifth Amendment) Regulations, 2024 (“AIF Amendment Regulations”), thereby amending the SEBI (Alternative Investment Funds) Regulations, 2012 (“AIF Regulations”). The amendments were introduced with respect to maintaining pro-rata and pari-passu rights of investors in a scheme of an Alternative Investment Fund (“AIF”).

SEBI, *vide* its circular dated December 13, 2024 (“AIF Circular”) had further laid down the guidelines in respect of granting pro-rata and pari-passu rights of investors of AIFs.

The AIF Circular has specified that differential rights may be offered by AIFs to select investors without affecting the rights of other investors, based on the following guiding principles:


1. Any such right shall not result in any investor bearing liability accrued or accruing to other investors of the AIF/ scheme of AIF;
2. Any such right with respect to non-monetary/ non-commercial terms shall not provide control to an investor on the decision making of the AIF/ scheme of AIF, except in cases where investor/ its nominee is part of the Investment Committee constituted by the manager;
3. Any such right shall not alter the right(s) available to other investors under their respective agreements with the AIF/manager; and
4. Any such right and eligibility to avail the same shall be transparently disclosed in the Private Placement Memorandum (“PPM”) of the AIF/ scheme of AIF.

In this regard, Standard Setting Forum for AIFs (“SFA”) on January 28, 2025, has released the below mentioned implementation standards, prescribing the positive list of specific differential rights that may be offered by AIFs.

S. No.	Term of the PPM	Differential Right that may be offered
1.	Fund Expenses	For waiving off or reducing the expenses charged to select investors or for the manner or basis of charging the expenses. However, any increase in expenses attributed/attribution to other investors due to such differential right offered to select investors, shall be charged to manager/sponsor of the AIF and not to the other investors of the AIF.
2.	Management Fees	For difference in quantum, manner or basis of charging management fee to select investors.
3.	Hurdle rate of return	For having different hurdle rates of return for select investors.
4.	Carried Interest	For having different carried interest calculations for select investors.

5.	Co-investment rights	For offering co-investment opportunities to select investors. However, the common expenses with respect to the co-investment shall be shared proportionately between the AIF and the co-investors.
6.	Reporting and Information Rights	For providing/ sharing additional information and on a higher frequency to select investors, over and above the information required to be disclosed to all investors under the AIF Regulations or as disclosed in the PPM. This shall not include: (a) sharing/ providing any information that would be in breach of any applicable law; (b) any information which should be provided/ available to all investors of the AIF. Any cost associated with sharing of such information to select investors, shall be charged only to respective investors or to manager/sponsor of the AIF and not to the AIF or its other investors.
7.	Representation on committees constituted by the AIF/ scheme	For select investors to nominate/appoint a member on the committees of the AIF/scheme, including conditions relating to term, tenure, remuneration, attendance requirements, information to be provided, voting rights, resignation, subject to applicable provisions of the AIF Regulations, if any.
8.	Most Favoured Nation	For select investors to elect superior beneficial terms/rights provided to other investors of the AIF.
9.	Confidentiality of Investors' details/ information	For sharing details/ information of other investors to select investors, subject to specific and explicit consent of respective investors whose details/information are to be shared.
10.	Representation and warranties	For giving representation and warranties to select investors in the nature of providing certain undertakings and confirmations with respect to the AIF or manager or applicable law, etc., subject to representation/ warranty not resulting in any right being provided to such investors.

Further, (a) any information provided to select investors which elaborates AIF documents in line with the AIF Regulations and circulars and (b) right in the nature of providing specific treatment to select investors to comply with laws or regulations applicable to them, will not be considered as a differential right.

To read the AIF Amendment Regulations [click here](#), to read the AIF Circular [click here](#) & to read the SFA Implementation Standards [click here](#) 

## SEBI UPDATES FAQS FOR GRANT OF REGISTRATION AS AIF AND TAKING ON RECORD PPM OF THE SCHEME

In January 2025, SEBI has updated FAQs for grant of registration as an AIF and taking on record PPM of the scheme ("Updated FAQs").

As per the Updated FAQs, the applicants are required to pay the application fees through online mode available on SEBI Intermediary Portal. Further, while paying the application fees, the exact amount should be tendered including paisa (*no round off*), failing which the amount may be rejected by the system.

The key updates/ revisions brought in by the Updated FAQs have been summarised below:

- (a) Key documents/ information required to be provided by the applicant at the time of filing application for registration
- (i) Certificate of incorporation of trustee of the AIF (*in case AIF is a trust*).
  - (ii) Fit and proper person declaration as per the SEBI (Intermediaries) Regulations, 2008 to be provided separately for the AIF, trustee, sponsor, manager and their directors/ partners as the case may be. Previously, declaration had to be given by the applicant, sponsor and manager.
  - (iii) The due diligence certificate from a SEBI registered merchant banker to be in terms of Annexure 3 of the SEBI Master Circular for AIFs dated May 7, 2024 ("AIF Master Circular").
  - (iv) In case of schemes of large value funds, the undertaking from the Chief Executive Officer of the manager (*or person holding equivalent role depending on the legal structure of manager*) and compliance officer of the manager to be in terms of Annexure 9 of the AIF Master Circular.
  - (v) For seeking registration as an AIF and for taking the PPM on record, the trustee/ board of directors/ designated partners of the applicant depending upon the legal structure of the AIF shall provide an undertaking as per Annexure B of the Updated FAQs.
  - (vi) While providing details of shareholders/ partners of sponsor and manager, in case the shareholder or partner of the manager/ sponsor is a non-individual, further details of entities holding 15% or more in such shareholder/partner had to be provided. This threshold has been reduced to 10% by the Updated FAQs.
  - (vii) Disclosure as to whether sponsor, manager or their shareholders/ partners with shareholding/ voting rights/ partnership interest of 20% or more are registered with the Reserve Bank of India ("RBI"), Insurance Regulatory and Development Authority of India ("IRDAI"), Pension Fund Regulatory and Development Authority (PFRDA) or any other financial regulator had to be made. This threshold has also been reduced to 10%.
  - (viii) While providing information with respect to controlling entities/ persons, key management person, key investment team, etc., name of persons holding 10% or more shareholding/ partnership interest and voting rights/ controlling interest will have to be disclosed. Previously, the threshold for disclosure was 20%.
  - (ix) As per the Updated FAQs, information with respect to associate and group companies of the applicant, sponsor and manager is no longer required.
  - (x) At least 1 key personnel of the key investment team shall have relevant NISM certification (*NISM-Series-XIX-C: Alternative Investment Fund Managers Certification*) and at least 1 key personnel with professional qualification in finance, accountancy, business management, commerce, economics, capital market or banking from a university or an institution recognized by the Central Government or any State Government or a foreign university, or a Chartered Financial Analyst ("CFA") charter from the CFA institute or any other qualifications may be specified by SEBI.

- (xi) An excel file containing all the details of the persons/entities specified in the Updated FAQs along with their Permanent Account Number ("PAN") and date of birth/ date of incorporation shall be provided. Previously, only PAN information had to be submitted in the excel file.
  
- (b) Additional information mentioned in the checklist for registration of the AIF along with format for undertaking to be submitted by the trustee/ board of directors/ designated partners depending upon the legal structure of the applicant, for registration of the AIF:
  - (i) The applicant shall disclose whether the applicant or its associates or its sponsor(s) or manager(s) or any person controlling 10% or more directly/ indirectly in sponsor or manager is/ are registered with SEBI, RBI or any other regulatory authority in any capacity.
  - (ii) Details of other AIFs/ Venture Capital Funds ("VCFs") floated/ managed by the sponsor/ manager or any person controlling 10% or more directly/ indirectly in sponsor. Previously, only details of other AIFs/VCFs floated/managed by the sponsor/manager respectively, had to be disclosed.
  - (iii) Declarations provided by the applicant, trustee, sponsor and manager with respect to involvement in any litigation connected with the securities market or any order passed against them for violation of securities law, suspension prior to the application and refusal of registration by SEBI also require disclosure from any person controlling 10% or more directly/indirectly in sponsor or manager regarding the above declarations.
  - (iv) The applicant shall also disclose the controlling structure of the sponsor and manager along with ultimate beneficial owner at the time of making the application.
  
- (c) Additional information mentioned in the checklist for processing of scheme applications of AIFs along with format for undertaking to be submitted by the trustee/ board of directors/ designated partners depending upon the legal structure of the applicant, for taking the PPM on record:
  - (i) PAN of the scheme, if available.
  - (ii) In case the manager is owned or controlled by persons resident in India then whether any member of the investment committee is/ proposed to be non-resident/citizens of country other than India and details of the same and whether such member is employee, director or partner of the manager of the AIF.
  - (iii) Whether the AIF has shared the data pertaining to its previous schemes, in terms of Chapter 16 (*Performance Benchmarking of AIFs*) of the AIF Master Circular, as and when asked by the performance benchmarking agencies. If yes, names of the agency(ies) and latest dates of communication made to these agencies may be provided.

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## EXTENSION OF TIMELINE FOR REVIEW OF ESG RATING

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SEBI, *vide* its circular dated January 17, 2025, has extended the timeline for reviewing environmental, social and governance (“ESG”) ratings, as notified under its Master Circular dated May 16, 2024. While ESG Rating Providers are still required to review ESG ratings within 10 days for most material events, the timeline has been extended to a maximum of 45 days specifically for reviews triggered by the publication of the Business Responsibility and Sustainability Reports.

To read the circular [click here](#)



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## RBI & IFSC UPDATES

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### RBI ALLOWED INDIAN EXPORTERS TO MAINTAIN FOREIGN CURRENCY ACCOUNT OUTSIDE INDIA

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RBI, *vide* its notification dated January 14, 2025, has notified the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) (Fifth Amendment) Regulations, 2025, thereby amending the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2015 ("**FCA Principal Regulations**").

Regulation 5(CA) has been inserted to the FCA Principal Regulations to authorize a person resident in India, being an exporter, to open, hold and maintain a foreign currency account with a bank outside India, for realisation of full export value and advance remittance received by the exporter towards export of goods or services. Funds in this account may be utilised by the exporter for paying for its imports into India or repatriated into India within a period not exceeding the end of the next month from the date of receipt of the funds after adjusting for forward commitments, provided that the realisation and repatriation requirements as specified in Regulation 9 of the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 are also met.

To read the notification [click here](#)



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### RBI ALLOWED GREATER FLEXIBILITY TO FOREIGN INVESTORS IN TERMS OF THE TYPES OF BANK ACCOUNTS FOR REMITTANCES IN INDIA FOR FOREIGN INVESTMENTS

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RBI, *vide* its notification dated January 14, 2025, has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) (Third Amendment) Regulations, 2025, thereby amending the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019.

Regulation 3.1 regarding instructions on mode of payment and remittance of sale proceeds has been amended as follows:

A person resident outside India can now remit funds for investments through banking channels or from any repatriable foreign currency or rupee account, as per the Foreign Exchange Management (Deposits) Regulations, 2016 ("**FEM Deposit Regulations**"). The permissible investments include:

- (a) Equity instruments of Indian companies;
- (b) Limited liability partnerships and investment vehicles; or
- (c) Convertible notes issued by Indian start-up companies.

This update replaces the previous requirement of using specified bank accounts such as Non-Resident (External) Rupee accounts (NRE) or Foreign Currency (Non-Resident) accounts (FCNR), as outlined under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019.



Additionally, the new rules apply to remittances for sale proceeds, disinvestment proceeds, repayments, or refunds (in cases where the equity instruments are not issued within 60 days of receiving the consideration). These proceeds can now be remitted to an overseas account from any repatriable foreign currency or Rupee account, instead of the previously prescribed NRE/FCNR accounts.

Foreign portfolio investors can now invest in Indian depository receipts using funds from a foreign currency account and/or a special non-resident rupee account.

Further, the Regulation 3.2 has been amended to provide that a start-up company issuing convertible notes to a person resident outside India shall receive the amount of consideration by inward remittance through banking channels or by debit to any repatriable foreign currency or rupee account of the person concerned, maintained in accordance with the FEM Deposit Regulations. Repayment or sale proceeds may be remitted outside India or credited to any repatriable foreign currency or Rupee account of the person concerned, maintained in accordance with the FEM Deposit Regulations.

RBI has defined 'banking channels' to include any rupee vostro accounts, including special rupee vostro accounts, permitted to be held by a person resident outside India, in terms of Regulation 7(1) of the FEM Deposit Regulations.

To read the notification [click here](#)



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## RBI ALLOWED PERSON RESIDENT OUTSIDE INDIA HAVING BUSINESS INTEREST IN INDIA TO OPEN SNRR ACCOUNT

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RBI, *vide* its notification dated January 14, 2025, has notified the Foreign Exchange Management (Deposit) (Fifth Amendment) Regulations, 2025 ("Deposit Amendment Regulations") thereby amending the FEM Deposit Regulations.

The key amendments include:

- (a) Any person resident outside India having a business interest in India may open with an authorised dealer in India or its branch outside India, a Special Non-Resident Rupee Account ("SNRR Account") for the purpose of putting through permissible current and capital account transactions with a person resident in India and for putting through any transaction with a person resident outside India. The Deposit Amendment Regulations enable a non-resident to open an SNRR Account with the branch of authorised dealer outside India. A unit in an International Financial Services Centre (IFSC) may open an SNRR Account with an authorised dealer in India (outside IFSC) for its business related transactions outside IFSC.
- (b) The Deposit Amendment Regulations permit the transfer of funds for all bona fide transactions between repatriable rupee accounts maintained in accordance with the FEM Deposit Regulations.

- (c) The Deposit Amendment Regulations provide that the tenure of the SNRR Account shall be concurrent to the tenure of the contract/period of operation/the business of the account holder. Previously, the tenure of the SNRR Account was restricted to 7 years.

To read the Deposit Amendment Regulations [click here](#)



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## RBI AMENDS GUIDELINES ON SETTLEMENT OF DUES OF BORROWERS BY ARCS

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RBI, *vide* its notification dated January 20, 2025, has revised the guidelines on settlement of dues payable by the borrowers of the Asset Reconstruction Companies ("ARCs"), thereby amending the RBI (ARCs) Master Directions, 2024.

The revised guidelines state that every ARC shall frame a board-approved policy for settlement of dues payable by the borrowers which shall, *inter alia*, cover aspects such as cut-off date for one-time settlement eligibility, permissible sacrifice for various categories of exposures while arriving at the settlement amount and methodology for arriving at the realisable value of the security. Settlement with the borrower shall be done only after all possible ways to recover the dues have been examined and settlement is considered as the best option available. The net present value of the settlement amount should generally be not less than the realizable value of securities. If there is a significant variation between valuation of the securities recorded at the time of acquisition of financial assets and realisable value of the securities assessed at the time of entering into a settlement, reasons thereof shall be duly recorded.

Further, the settlement amount should preferably be paid in lump sum. In case the settlement does not envisage payment of entire amount in 1 instalment, the proposal should be in line with and supported by an acceptable business plan (*where applicable*), projected earnings and cash flows of the borrower.

The revised guidelines segregate borrowers into 2 classes, i.e., the borrower having aggregate value of more than INR 1 crore in terms of outstanding principal in the books of transferor(s) at the time of acquisition by the ARC and the borrower having aggregate value of INR 1 crore or below in terms of principal outstanding in the books of transferor(s) at the time of acquisition by the ARC and prescribe different procedure for settlement of accounts for the 2 classes. The limit of INR 1 crore shall be the aggregate outstanding principal of all the accounts of the borrower acquired by the ARC from the transferor(s).

The compromise settlements with the borrowers under this framework shall be without prejudice to the provisions of any other statute in force. Further, wherever ARCs had commenced recovery proceedings under a judicial forum and the same is pending before such judicial forum, any settlement arrived at with the borrower shall be subject to obtaining a consent decree from the concerned judicial authorities.

To read the notification [click here](#)



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## FRAMEWORK FOR IMPOSING MONETARY PENALTY AND COMPOUNDING OF OFFENCES UNDER THE PAYMENT AND SETTLEMENT SYSTEMS ACT, 2007

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RBI, *vide* its notification dated January 30, 2025, has notified the framework for imposing monetary penalty and compounding of offences under the Payment and Settlement Systems Act, 2007 ("PSS Act"), signifying an effort to tighten norms to facilitate the imposition of monetary penalties and compounding offences, thereby consolidating the enforcement action taken by the RBI.

The key provisions of the framework are as follows:

- (a) Offences that warrant penalties - Lays out key offences that warrant penalties under Section 26 of the PSS Act, such as operation of a payment system without authorization, non-compliance to authorization conditions, providing false statements, unauthorized disclosure, violations in 'know your customer' norms *et al*;
- (b) Imposition of penalties - Authorizes the RBI to impose penalties under Section 30 (*Power of Reserve Bank of India to impose a penalties*) of the PSS Act, wherein fines may be levied up to INR 10 lakhs or twice the amount involved in the contravention, whichever is higher. In case of ongoing violations, an additional penalty of INR 25,000 per day will be levied until the contravention is rectified;
- (c) Compound contraventions - Permits an officer of the RBI to compound contraventions under Section 31 of the PSS Act with the exclusion of offences punishable by imprisonment, or imprisonment with fine, covering offences such as unauthorized disclosures, failure in submission of documents, and non-compliance to regulatory directives;
- (d) Imposing monetary penalties - Lays out the process for imposing monetary penalties by calling for issuance of show-cause notice, followed by a hearing for offenders to present their case. A designated authority shall consider the evidence before him and issue a final decision. Additionally, the quantum of the penalty shall be determined by metrics such as financial impact, proportionality, mitigating factors, and intent behind the contraventions;
- (e) Procedure for compounding offences - Lays out the procedure for compounding offences wherein entities can file an application before the RBI, which shall examine the case and may conduct a personal hearing and the compounding amount would be based on certain principles listed down in this framework. The final compounding order is to be issued within 6 months of receiving the application;
- (f) Regulatory action - Authorizes the RBI to initiate further regulatory action, including criminal proceedings and financial penalties, if monetary penalties are not paid within a time frame of 30 days; and
- (g) Disclosure of the monetary penalty - Mandates the disclosure of the monetary penalty imposed by the entities in their notes to accounts forming a part of their annual financial statements, in addition to a press release on the RBI website.

To read the notification [click here](#)



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## LABOUR UPDATES

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### GOVERNMENT OF KARNATAKA INCREASES THE CONTRIBUTION RATES TO KARNATAKA LABOUR WELFARE FUND

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Government of Karnataka, *vide* its notification dated January 10, 2025, has notified the Karnataka Labour Welfare Fund (Amendment) Act, 2024 thereby amending the Karnataka Labour Welfare Fund Act, 1965 ("**Karnataka LWF Act**"). Pursuant to the notification, Section 7A(2) of the Karnataka LWF Act has been amended to increase the contribution rates from employees, employers, and the state government towards the Karnataka Labour Welfare Fund:

- (a) The contribution rate for employees has been increased from INR 20 to INR 50.
- (b) Employers' contribution has been increased from INR 40 to INR 100.
- (c) The state government's contribution to the fund has been increased from INR 20 to INR 50.

To read the notification [click here](#)



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### MEGHALAYA GOVERNMENT NOTIFIES CONDITIONS FOR EXEMPTION FOR EMPLOYING WOMEN IN THE FACTORY DURING NIGHT SHIFT

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Government of Meghalaya, *vide* its notification dated January 16, 2025, has notified the conditions in respect of any factory which apply for the exemption for employing women in the factory during night shift, i.e., between the hours of 07.00 PM to 06.00 AM, in order to ensure their safety and security. Following are certain important conditions:

- (a) Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 to be ensured by the occupier of the factory;
- (b) For women required to work alone in any room or place due to the nature of her job, the occupier must ensure her safety and security;
- (c) The occupier shall provide proper lighting and CCTV cameras not only inside the factory, but also surrounding of the factory and to all places where the female workers may move out of necessity in the course of her work;
- (d) The occupier shall provide transportation facility to the women workers from their residence and back;
- (e) Sufficient women security guards to be provided at the entry as well as exit point of the factory;
- (f) The supervisors or shift-in-charge or other supervisory staff deputed for the women workers working during night shift shall be women;
- (g) Declaration/ consent from each women worker, including supervisors or shift-in-charge or other supervisory staff, shall be obtained;
- (h) The occupier shall provide appropriate medical facilities by engaging a doctor/ female nurse during the night shift; and

- (i) The occupier shall follow the Factories Act, 1948, Equal Remuneration Act, 1976, and all other applicable labour legislations.

To read the notification [click here](#)



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## REVISION IN VALIDITY OF LICENSES GRANTED/ RENEWED UNDER THE MEGHALAYA FACTORIES RULES, 1980

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Government of Meghalaya, *vide* its notification dated January 16, 2025, has notified the Meghalaya Factories (Amendment) Rules, 2025 thereby amending the Meghalaya Factories Rules, 1980 ("**Meghalaya Factories Rules**"). Pursuant to the notification, Rules 6(2) and 8(2) of the Meghalaya Factories Rules have been substituted.

The substituted Rule 6(2) provides that every license granted or renewed under the Meghalaya Factories Rules shall remain valid or be in force for a minimum period of 1 year to a maximum period of 10 years as applicable. The license so granted or renewed shall remain valid up to the end of the tenure period. Similarly, the substituted Rule 8(2) provides that every application for renewal of a license shall be applied online, and shall be made not less than 2 months before the date on which the license expires, and, if the application is so made, the premises shall be held to duly licensed for a validity period of 1 year and may be extended to 10 years on a case-to-case basis as applicable with the approval of the Chief Inspector.

To read the notification [click here](#)



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## ENVIRONMENTAL UPDATES

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### MOEFCC NOTIFIES THE ENVIRONMENT PROTECTION (END-OF-LIFE VEHICLES) RULES, 2025

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Ministry of Environment, Forest and Climate Change ("MoEFCC"), *vide* its notification dated January 6, 2025, has notified the Environment Protection (End-of-Life Vehicles) Rules, 2025 ("End-of-Vehicles Rules"), signifying the intent of the government to ensure environmentally safe practices for the recycling and disposal of vehicle components, with the contemporaneous promotion of sustainability in the automotive sector.

The key provisions in the End-of-Vehicles Rules are as follows:

- (a) Applies to producers, bulk consumers, registered owner of vehicles, collection centres, registered vehicle scrapping facilities, automated testing stations, and other entities involved in the handling and processing of End-of-Life vehicles, but shall not apply to, *inter alia*, waste batteries, plastic packaging, waste tyres and used oil and e-waste;
- (b) Applies to all types of vehicles defined in Section 2(28) of the Motor Vehicles Act, 1988 ("MV Act"), and includes an electric vehicle, battery operated vehicle, e-rikshaw or e-cart but shall not apply to agricultural tractors, agricultural trailers, agricultural harvesters and power tillers;
- (c) Lays out roles and responsibilities of producers, including but not limited to, (i) fulfilling the extended producer responsibility ("EPR") for vehicles introduced by the producer in the domestic market, (ii) meeting the scrapping targets of End-of-Life vehicles, as mentioned in the Schedule to the End-of-Vehicles Rules, for vehicles that the producer has introduced or introduces in the domestic market, (iii) employing measures to ensure that End-of-Life vehicles are deposited with the registered vehicle scrapping facility ("RVSF") or designated collection centres, (iv) declaring its EPR obligations for the current year by 30<sup>th</sup> April of the same year to the Central Pollution Control Board ("CPCB"); (v) employing measures for sustainable production of vehicles; (vi) furnishing annual returns in Form 1 on centralised online portal to the CPCB by 30<sup>th</sup> June for the previous financial year; and (vii) taking the measures for complying with the provisions of AIS-129, as published by the Central Government under Central Motor Vehicles Rules, 1989 ("MV Rules");
- (d) Lays out roles and responsibilities of registered owners and bulk consumers, including but not limited to, (i) ensuring that vehicles are tested in accordance with Section 56 of the MV Act and Rule 52 of the MV Rules; (ii) ensuring deposition of End-of-Vehicles at any RVSF, producer's sales outlet or a designated collection centre within 180 days from the date the vehicle becomes the End-of-Life vehicle; (iii) obtain registration on the centralised online portal from the State Pollution Control Board; and (iv) file an annual return in Form 2 on or before 30<sup>th</sup> June for the previous financial year on the centralised online portal about the details of vehicles it owns or possesses and the End-of-Life vehicles deposited;

- (e) Lays out roles and responsibilities for Collection Centres, such as: (i) collecting and storing End-of-Life vehicles and delivering them to the RVSF; (ii) maintaining the required records of the End-of-Life vehicles and send it to RVSF; and (iii) handling End-of-Life vehicles in an environmentally sound manner and send them to RVSF;
- (f) Lays out roles and responsibilities of the RVSF, including but not limited to: (i) refurbishment and recycling of materials on its own or through authorized recyclers or refurbishers; (ii) safe storage and categorization of waste through separate bins; (iii) sending non-recyclable items to waste treatment and disposal facilities, and (iv) exchanging EPR certificates upon processing of each End-of-Life vehicle on the basis of the quantity of steel; and
- (g) Permits the CPCB to issue EPR certificates through a centralized online portal, wherein the producer may purchase a certificate limited by its EPR obligation. Such certificates shall be non-transferable, with a validity period of 5 years.

To read the End-of-Vehicles Rules [click here](#)



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## PRODUCERS, IMPORTERS AND BRAND OWNERS TO DISCLOSE SPECIFIC INFORMATION REGARDING PLASTIC PACKAGING

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MoEFCC, *vide* its notification dated January 23, 2025, has notified the Plastic Waste Management (Amendment) Rules, 2025 ("**Plastic Waste Amendment Rules**"), thereby amending the Plastic Waste Management Rules, 2016 ("**Plastic Waste Rules**") with an aim to enhance the transparency and accountability of producers, importers, and brand owners regarding plastic packaging.

The Plastic Waste Amendment Rules has introduced sub-rule (1A) under Rule 11 of the Plastic Waste Rules, which requires all producers, importers and brand owners ("**PIBOs**") to disclose specific information such as name, registration certificate numbers, etc., about their plastic packaging starting from July 1, 2025, using one of the following 3 ways:

- (a) a barcode or Quick Response (QR) code printed on the plastic packaging,
- (b) a product information brochure;
- (c) print on the plastic packaging the unique identification number (UIN) issued under the relevant laws.

As per the Plastic Waste Amendment Rules, PIBOs shall inform the CPCB of the details of publishing of a barcode or QR code, brochure or unique number. CPCB shall maintain and publish a list of the PIBOs on its website, who have adhered to the new labelling requirements. The said list shall be updated quarterly.

The Plastic Waste Amendment Rules have also inserted Rule 19 into the Plastic Waste Rules which provides that failure to comply or any contravention of the Plastic Waste Rules shall attract a penalty as per Section 15 of the Environment (Protection) Act, 1986, which prescribes a penalty of not less than INR 10,000 but which may extend to INR 15 lakhs for each such contravention. Additionally, in

case of a continuing offence, the person shall be liable to a penalty of INR 10,000 for every day during which such contravention continues.

To read the Plastic Waste Amendment Rules [click here](#)



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## MOEFCC'S NEW AIR AND WATER POLLUTION GUIDELINES: SIMPLIFYING THE INDUSTRIAL CONSENTS

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MoEFCC, *vide* its notifications dated January 29, 2025 and January 30, 2025, has issued 2 guidelines namely the Control of Air Pollution (Grant, Refusal or Cancellation of Consent) Guidelines, 2025 ("**Air Pollution Guidelines**") and the Control of Water Pollution (Grant, Refusal or Cancellation of Consent) Guidelines, 2025 ("**Water Pollution Guidelines**"), respectively (*collectively, referred to as the "Pollution Guidelines"*), for streamlining the process for granting, renewing, or rejecting consents for industrial establishments under the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") and the Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**").

The key points under the Pollution Guidelines are as follows:

- (a) It specifies the form and manner in which the applications for consent to establish or operate an industrial unit under both the Air Act and the Water Act must be submitted with required details and fees. 5% rebate is offered for renewal applications under both the Air Act and the Water Act, if submitted 4 months in advance, while late fees will apply for delayed renewal submissions.
- (b) Consent to establish is valid for 5 years, extendable by a maximum of 2 years with an application made in this regard, making the total validity period 7 years. Consent to operate is valid for a period of 5 years for red category plants, 10 years for orange, 15 years for green, and an additional 2 years for blue category plants.
- (c) It also specifies the period within which every application shall be granted or refused for industrial units of red, orange and green category.
- (d) It specifies that restrictions may be imposed on the establishment of industrial plants based on advancements in industrial planning and manufacturing processes, to protect sensitive areas such as national parks, sanctuaries, wetlands, and archaeological monuments.
- (e) Consent to establish requires compliance with location criteria and other conditions, such as the installation and operation of control equipment at the industry premises, equipment being maintained in good working condition, erection of chimney in the premises, wherever necessary, etc.
- (f) Consent to operate is granted after the plant is established, and the required pollution control systems are in place and ready to operate. Application for consent to operate shall be obtained by the occupier and it must include compliance reports of conditions stipulated in the consent to establish.



- (g) Renewal applications for consent to operate must include compliance report of conditions stipulated in the consent to operate, environmental statements as specified under the Environment (Protection) Rules, 1986, annual returns (*for hazardous waste*) and a declaration of no changes in the manufacturing process, capacity, or emissions.
- (h) Consent granted to the industrial plant can be refused or cancelled for various reasons, such as: (i) variations in its process and operations; (ii) non-compliance with the location criteria, conditions of the consent; environmental clearance conditions; emission standards and failure to upgrade the air pollution control devices, fugitive emission control systems or any other prescribed equipment, court directions, guidelines, notifications and standard operating procedures; or (iii) for submitting false information; etc. However, a reasonable opportunity of being heard must be provided before any refusal or cancellation of a consent.
- (i) It provides for establishment of monitoring committees at 2 levels, i.e., National-Level Monitoring Committee and State Level Monitoring Committee for overseeing and monitoring the implementation of the Pollution Guidelines.
- (j) The Pollution Guidelines mandate the development of an online portal for processing of applications for grant of consent and its renewal, verification, site inspection, refusal or cancellation, through such portal. The development of the online portal should be carried out within 6 months, and not later than 1 year from the date of notification of the Pollution Guidelines.
- (k) Failure to comply with any provision of these guidelines shall result in liability for actions under the relevant provisions of both the Air Act and the Water Act.

To read the Air Pollution Guidelines [click here](#) & to read the Water Pollution Guidelines [click here](#)



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## OTHER UPDATES

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### REGULATED ENTITIES TO MAINTAIN RECORDS OF THEIR BUSINESS TO ENSURE SECURITY AND COMPLIANCE WITH APPLICABLE LAWS; AND TO ADOPT AN ESTABLISHED DATA GOVERNANCE FRAMEWORK

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IRDAI, *vide* its notification dated January 1, 2025, has notified the IRDAI (Maintenance of Information by the Regulated Entities and Sharing of Information by the Authority) Regulations, 2025 (“**IRDAI Mol Regulations**”) with an aim to establish a framework for systematic maintenance and sharing of information by regulated entities while ensuring confidentiality, security, and the protection of stakeholders’ interests.

The IRDAI Mol Regulations require insurers and intermediaries to maintain comprehensive records of business operations, including policy details, claims, and intermediary transactions. These records must be securely stored, either electronically or physically, and comply with privacy and security standards requested. They must also segregate critical information to facilitate audits and inspections by the IRDAI.

Key provisions of the IRDAI Mol Regulations include:

- (a) Categories of Information: Information may be classified as public domain information or non-public information available with the IRDAI;
- (b) Purpose of Information Requests: Information can be sought for statutory functions, regulatory purposes, or public interest, as per applicable laws;
- (c) Information Sharing: IRDAI may disclose information after obtaining written consent from the entity and evaluating the request on merit. It may withhold information if it impacts stability of its regulated entity or the insurance sector as a whole or to be safeguard public interest or policyholder’s interest;
- (d) Record Maintenance by Insurers: Insurers must maintain accurate, complete records of policies issued and claims made, in accordance with clause (a) and (b) of sub-section (1) of Section 14 of the Insurance Act, 1938 ensuring electronic storage with security and governance features. Records must be stored in India and be accessible for inspections, investigations, or any other purposes as required by IRDAI;
- (e) Compliance with Legal Requirements: Every insurer shall maintain, at their principal place of business in India, all records, information, data, documents, books, or registers required to be maintained under the extant provisions of the Insurance Act, 1938, rules, regulations, guidelines, circulars, or directions applicable to insurers, as well as the provisions of any other law applicable to their business; and
- (f) Minimum Information: Insurers, intermediaries, and insurance intermediaries must maintain specific records outlined in Schedule I and II of the IRDAI Mol Regulations. The IRDAI may specify additional information as necessary.

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## THE BHARATIYA VAYUYAN ADHINIYAM, 2024 – NOTIFIED

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Ministry of Civil Aviation, *vide* its notification dated December 31, 2024, has notified the Bharatiya Vayuyan Adhiniyam, 2024 (“**Bharatiya Vayuyan Adhiniyam**”). Replacing the 90-year-old Aircraft Act, 1934, the Bharatiya Vayuyan Adhiniyam seeks to enable the design and manufacture of aircrafts in India, protection of passenger rights, and facilitate ease of doing business in the aviation sector.

The key provisions of the Bharatiya Vayuyan Adhiniyam are as follows:

- (a) Introduction of definitions for ‘design’, ‘manufacture’ and ‘maintenance’, ensuring regulatory certainty for the maintenance, repair and overhaul sector, consequently signaling greater investment;
- (b) Mandates the Directorate General of Civil Aviation (“**DGCA**”) to conduct Radio Telephone Operator Restricted certificate and licence testing process. The change streamlines the process, by establishing a single-window clearance process for stakeholders to obtain the required certificates from a single authority;
- (c) Introduction of a Second Appellate Officer, an additional level of appeal against the orders passed by the First Appellate Officer, replacing the previous system of appealing to an Appellate Officer appointed by the Central Government;
- (d) Prescribes the Central Government to be the final appellate authority against orders passed by the DGCA or the Bureau of Civil Aviation Security with no further appeals being permissible and appeals are to be filed within 30 days from receipt of the order (*extendable by up to 30 days*);
- (e) Specifies penalties for violations involving carriage of prohibited goods, flying of aircraft in a manner that causes danger to person or property, and slaughter and deposit of rubbish near airports. Additionally, the Central Government shall hold discretion to define civil or criminal punishments for violation of provisions in relation to aircraft regulation, international conventions and more; and
- (f) Improves the consumer protection framework by empowering the Central Government to draft rules for economic regulation, including fair regulation, for aviation services. All airlines shall now be mandated to disclose ticket prices a month in advance to the DGCA, without any possibility for changes or revisions.

To read the *Bharatiya Vayuyan Adhiniyam* [click here](#) & to read the notification of Ministry of Civil Aviation [click here](#)



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