

INSIDE THIS ISSUE

SEBI: Guidance 1
Note On SEBI Regu-
lations, 2015

RBI: Reporting un-
der FDI Scheme on
the E-biz Platform 3

RBI: Section 23 OF 4
Banking Regulation
Act, 1949

APTEL: Appeal No. 6
315 of 2013

OERC: Case no. 54 8
OF 2014

MERC: Case No. 190 9
of 2014

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AUGUST 2015

THE SECURITIES AND EXCHANGE BOARD OF INDIA

GUIDANCE NOTE ON SEBI (PROHIBITION OF INSIDER TRADING) REGU- LATIONS, 2015

The Securities and Exchange Board of India (“SEBI”) vide its [Circular No. LAD-NRO/GN/2014-15/21/85](#) dated January 15, 2015 dealing with SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”).

SEBI has now issued a guidance note on the Regulations vide a [Notification dated 24 August, 2015](#) to resolve the queries received from the market participants seeking guidance on the interpretation of the Regulations .

According to the guidance note, exercise of Employee Stock Ownership Plan (“ESOPs”) shall not be considered to be “trading”. For instance, if a designated person has sold/ purchased shares, he can subscribe and exercise ESOPs at any time after such sale/purchase, without attracting contra trade restrictions or where a designated person acquires shares under an ESOP and subsequently sells/ pledges those shares, such sale shall not be considered as contra trade, with respect to exercise of ESOPs. Also, buy back offers, open offers, rights issues, bonus, etc. of a listed company are available to designated persons also, and restriction of contra-trade shall not apply in respect of such matters.



The Compliance Officer who is appointed by the Board of Directors of the Company shall have the approving authority for trades of all the Insiders. It is the Compliance Officer who shall review the Trading Plan and shall approve after making necessary changes, if any. Once the Trading Plan is approved it shall be irrevocable and the Insider shall mandatorily have to implement the plan without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan. The Board of Directors shall have the ultimate approving authority for trades carried on by the Compliance Officer himself or his/her relatives as Insiders so as to ensure compliance with Regulations.

Schedule A clause 3 specifies every listed Company to designate a senior officer known as a Chief Investor Relations Officer (“**CIRO**”) to deal with dissemination of information and disclosure of unpublished price sensitive information (“**UPS**”). It is at Company’s discretion to designate two separate persons as CIRO and Compliance Officer, respectively for fulfilling specified responsibilities as specified under Schedule A clause 3 . In cases where both CIRO and Compliance Officer have been designated for overlapping functions, they shall be jointly and severally responsible for compliance of the Regulations thereunder.

For further information, please visit the link provided herein.

THE RESERVE BANK OF INDIA

FOREIGN DIRECT INVESTMENT – REPORTING UNDER FDI SCHEME ON THE E-BIZ PLATFORM

The Reserve Bank of India (“RBI”) vide its [A.P. \(DIR Series\) Circular No. 9](#) has issued provisions for reporting of the Foreign Direct Investment (“FDI”) Scheme on the e-biz platform.

With a view to ease reporting of transactions under FDI, the RBI, under the support of the e-Biz project of the Government of India has enabled online filing of the Foreign Currency Transfer of Shares (“FCTRS”) returns for reporting transfer of shares, partly paid shares and warrants, convertible debentures, etc. from a person resident in India to a person resident outside India and vice versa.

The online reporting on the e-Biz platform is an additional facility to the Indian residents to undertake their FCTRS reporting and the manual system of reporting as prescribed in terms of [A.P. \(DIR Series\) Circular No.6 dated July 18, 2014](#) would continue till further notice. The Authorised Dealer Banks will be required to access the e-Biz portal which is hosted on the National Informatics Centre (“NIC”) servers using a Virtual Private Network (“VPN”) Account obtained from NIC.

For further information, please visit the link provided herein



RBI: Section 23 of Banking Regulation Act, 1949

RBI vide [Circular No. DBR.No.BAPD.BC.34/22.01.001/2015-16](#) dated August 06, 2015 provides Relaxation in Branch Authorisation Policy- Section 23 of the Banking Regulations Act, 1949.

RBI stated that the earlier circulars DBOD No. BAPD.BC.54 and 60/22.01.001/2013-14 dated September 18, 2013 and October 21, 2013 permitted domestic scheduled commercial banks to open branches in Tier 1 to Tier 6 centres without permission from RBI. In accordance with the above and to allow banks greater freedom, the banks have to undertake the following activities with the instruction:-

1. Merger/ Closure/Shifting of branches:-

- a. Banks may shift, merge or closure all branches except rural branches and sole semi-urban branches at their discretion;
- b. Shifting , merger or closure of rural branch would require approval of District Consultative Committee (“DCC”) / District Level Review Committee (“DLRC”) and banks may also ensure that banking needs of centre continue to be met through satellite offices/mobile vans or through Business correspondents;
- c. The Customers of the branch, should be informed well in time before shifting, merger or closure to avoid inconvenience and should also ensure that branches are shifted within the same or to a lesser population category ;
- d. License if any to be surrendered to the Regional Office concerned of DBS and branches in Maharashtra & Goa, would be surrendered to DBR. CO, Mumbai;
- e. Metropolitan, urban and semi urban branches and their rural branches may be shifted without prior approval of RBI ;





2. Part Shifting of Branches:-

Banks may require shifting/part shifting some activities of branch due to space/rent constraints without prior approval of RBI. Deposit or loan business cannot be maintained at both places and part shifting has to be within 1Km of the existing location

3. Opening of Extension Counters:-

Banks can open Extension Counters in the premises where they are the principal bankers or obtain NOC from principal banker. To enable customer choice and operational freedom, there is no need of being a principal banker for opening a extension counter.

4. Rationalisation of Reporting Requirements:-

- a. Banks are required to report details of opening a new place of business including Mobile branch, ATMs, closure , merger, shifting or conversion of any existing place of business not later than two (2) weeks to the Regional office concerned of DBS except in case of branches in Maharashtra & Goa, would be reported to DBR. CO, Mumbai.
- b. Banks should provide details relating to opening, closure, merger, shifting and conversion of branches within fourteen (14) days of every quarter to RBI.

For further information, please visit the link provided herein

ELECTRICITY



Order of the Hon'ble Appellate Tribunal for Electricity in Appeal No. 315 of 2013 in the matter of M/s. Torrent Power Limited vs. Central Electricity Regulatory Commission & Ors. dated August 20, 2015.

Vide the [Order dated August 20, 2015](#) in Appeal No. 315 of 2015 of M/s. Torrent Power Limited vs. Central Electricity Regulatory Commission & Ors., the Hon'ble Appellate Tribunal for Electricity ("**APTEL**") was pleased to partly allow the Appeal and set aside the Impugned Order dated May 8, 2013 pronounced by the Central Electricity Regulatory Commission ("**CERC**") whereby the CERC has passed an order with regard to the sharing of Transmission charges for inter-regional links between Western Region and other Regions on proportionate basis and sharing of wheeling charges for Gujarat and Maharashtra for use of Gujarat Energy Transmission Corporation Limited ("**GETCO**") for conveyance of power from Central Sector to Union Territories of Daman & Diu and Dadra Nagar Haveli and use of Maharashtra State Electricity Transmission Company Limited ("**Maha Transco**") for wheeling of power from the Central Sector Generating Station to the State of Goa.

The issues before the Hon'ble APTEL were whether the CERC erred in concluding that the Appellant is liable to share the transaction charges for inter-regional links and whether the CERC erred in concluding that the Appellant as a Long Term Open Access Customer of Western Region Transmission System is liable to bear the wheeling charges for the transmission lines of GETCO and MPPTCL use for conveyance of Central Sector power to Daman & Diu and Dadra and Nagar Haveli and to the State of Goa.

Under the Petition Power Grid Corporation of India Limited provided Open Access to the Appellant. The point of injection of power was 400 KV Generating switch yard of the Appellant's SUGEN Power Plant for 500 MW Power to be injected into the Inter State transmission network. Thereafter, the Central Commission granted licence to TPGL (the joint venture between the Appellant and Power Grid) allowing it to transmit electricity as transmission licensee and for that purpose to construct, maintain and operate 400 kV transmission line along with associated system for evacuation of power from the SUGEN Mega Power Plant. Pursuantly, Bulk Power Transmission Agreement ("**BPTA**") was entered into between the Appellant and Power Grid in accordance with the which the points of injection and drawals were both situated in the Western Region. Subsequent to the execution of the BPTA, the Central Transmission Utility ("**CTU**") on 7-8-2008, wrote a letter to all the constituents of the Western Region including the GETCO stating that the Appellant/ Petitioner needs to share the western region transmission charges corresponding to the power transfer capacity.

Aggrieved by the Impugned Order of the CERC, the Appellant has filed the instant Appeal before the Hon'ble APTEL. The Hon'ble APTEL held that the Appellant is not liable to share the inter regional transmission charges and is only liable to pay the transmission charges for its own region i.e. Western Region. Accordingly, the Hon'ble APTEL directed the Respondent to refund of all the recoveries made on this account from the Appellant. Further the Hon'ble APTEL also held that the CERC in the Impugned Order has wrongly held that the Appellant, being the Open Access Customer of the Western Region is liable to share the wheeling charges for Gujarat and Maharashtra for use of (a) GETCO's transmission system for conveyance of Central Sector Power to Union Territory of Daman & Appeal No. 315 of 2013 Page 36 of 45 Diu and Dadra Nagar Haveli and (b) Maha Transco's transmission system for wheeling of Central Sector Power to the State of Goa.

For further information, please visit the link provided herein

ORDER OF THE HON'BLE ODISHA ELECTRICITY REGULATORY COMMISSION IN THE MATTER OF CASE NO. 54 OF 2014 M/S GREEN ENERGY ASSOCIATION VERSUS M/S NALCO DATED AUGUST 11, 2015

Vide Order dated August 11, 2015 the Hon'ble Odisha Electricity Regulatory Commission ("**OERC**") pronounced judgment in [Case number 54 of 2014](#). An application under Section 142 & 146 of the Electricity Act, 2003 read with Regulation 7 (1) and (2) of the OERC Orissa Electricity Regulatory Commission (Renewable and Cogeneration Purchase Obligation and its Compliance) Regulations, 2010 ("**RPO Regulations**") for non-implementation of the order dated November 21, 2013 of the Orissa Electricity Regulatory Commission ("**OERC**") passed in Case No. 21 of 2013.

The said petition was filed by M/s. Green Energy Association which was represented by Eternity Legal. The Petitioner through this application sought action under Sections 142 and 149 of the Electricity Act, 2003 against the Respondent M/s. NALCO for non-compliance of the order of the OERC in Case No. 21/2013 dated November 21, 2013 with regard to the RPO Regulations.

The OERC in the said order had stated that the reasons advanced by the parties for the non-fulfilment of Renewable Purchase Obligation ("**RPO**") was unjustified and the OERC did not grant any exception in the said matter. Further it was stated that the entities would be allowed to carry over their renewable and cogeneration purchase obligation upto March 31, 2015 only till August 31, 2016. If they do not purchase the obligated quantity of power they can purchase REC at least 5% per month of the RPO upto March 31, 2015 from August, 2015 onwards and must comply the arrear obligation in full by August 31, 2016. The OERC further stated that the entities shall submit compliance report quarterly to the OERC.

The Hon'ble OERC stated that the above mentioned order dated August 7, 2015 shall be applicable mutatis mutandis to the present case and shall supersede all other previous orders issued by the OERC in this regard.

For further information, please visit the link provided herein

Order dated August 4, 2015 in the matter of Verification of compliance of Renewable Purchase Obligation targets by MSEDCL for FY 2013-14 in Case No. 190 of 2014

Vide Order dated August 4, 2015 in [Case no. 190 of 2014](#), the Maharashtra Electricity Regulatory Commission (“**MERC**”) notified the MERC (Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework) Regulations, 2010 (“**RPO-REC Regulations**”) on 7 June, 2010. These aforesaid RPO-REC Regulations specify the RPO targets for Obligated Entities, including the Maharashtra State Electricity Distribution Co. Ltd. (“**MSECL**”), a Distribution Licensee, for FY 2010-11 to FY 2015-16.

- a) The specified RPO targets for the year 2013 to 2016 are 9% for minimum quantum of purchase from Renewable Energy sources.
- b) In accordance with Regulation 9.6 of the RPO-REC Regulations, Maharashtra Electricity Development Agency (“**MEDA**”), vide its letter dated 18 September, 2014, submitted the RPO settlement data cumulatively as of FY 2013-14, i.e. cumulatively for the four years FY 2010-11 to FY 2013-14, in respect of the Distribution Licensees, including MSEDCL. The RPO compliance details of MSEDCL for FY 2010-11 to FY 2013-14, as submitted by MEDA, is summarised in Table A provided in the Order.

MERC directed as follows:

1. MSEDCL shall constitute, within a month of this Order, a separate 'RPO Regulatory Charges Fund';
2. The Fund shall be utilized by MSEDCL to purchase Solar and Non-Solar RECs and/or procure power so as to fully meet the shortfall against RPO targets by the end of March 2016, and the amounts deposited into the Fund shall be determined by MSEDCL accordingly over the remaining period of FY 2015-16;
3. MSEDCL shall furnish a statement of the amounts deposited into the Fund and the purchase of RECs and/or actual power therefrom to MEDA every month;
4. MEDA shall report the position to the MERC with its comments every month.

MSEDCL has asked that it not be compelled to procure RECs to fulfil the RPO target since it would burden consumers. If a penalty is levied for non-compliance of RPO, MSEDCL may be allowed to recover it from RE generators. The MERC clarifies that, considering the circumstances set out in this Order which have led to it invoking the provisions of Regulation 12, the expenditure on purchase of RECs and/or actual power procurement from the Fund shall not be passed through to consumers to the extent of the shortfall not met by MSEDCL by the end of FY 2015-16.

For further information, please visit the link provided herein



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Warm Regards,
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