

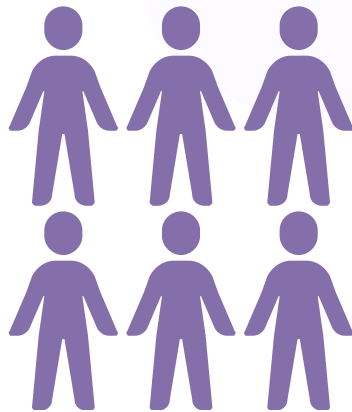
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Audit Trail

A Vital Tool in Detecting Fraud and Ensuring Compliance

- Khushi, Trainee at J Sundharesan and Associates

The Indian government is taking steps to increase financial transparency and improve corporate governance in companies. One such step is the implementation of Audit Trail software, which has been extended to the financial year commencing on or after April 1, 2023. The software creates a sequential record of all events and activities associated with a particular transaction or ledger entry. The purpose of an audit trail is to provide a complete and transparent record of all actions and decisions related to a transaction, which can be useful for financial reporting, detecting fraud or errors, and ensuring compliance with regulations.

An audit trail is crucial for any organization for various reasons. First, it enhances transparency by providing a clear record of all activities and transactions, increasing accountability. Second, it helps establish accountability by tracking who accessed what information and when, which is useful in detecting and preventing fraud or other unauthorized activities. Third, many industries have regulations that require the maintenance of an audit trail, which can help organizations comply with these regulations and avoid costly fines or penalties. Fourth, by monitoring and analyzing the audit trail, organizations can identify potential risks and take appropriate measures to mitigate them. Fifth, an audit trail can be used to ensure that processes are working correctly and that data is accurate, which can help improve the quality of products or services and enhance customer satisfaction. Finally, an audit trail can provide evidence in legal disputes or investigations, helping to protect an organization from legal liability.

To maintain an audit trail, organizations need to document various details, including the date and time stamp, user ID, action performed, object affected, reason for action, status, outcome, and comments. By including these details, organizations can track and analyze the history of all activities related to a system or process, enabling them to detect and investigate potential issues. Implementing an audit trail can also come with challenges.

For example, desktop applications may require a newer version to be installed, whereas cloud software vendors offer automatic updates without hardware requirements. Additionally, the database storage architecture must be designed to track every transaction and version history, which can be challenging for long-term maintenance in desktop applications. Existing software may not support the Audit Trail feature, making it difficult to comply with regulations and support verification and audit requirements. Finally, interlinkages of transactions, including front-end and automatic transactions, must be accounted for, and the audit trail information should be stored securely and backed up regularly. It should include sufficient information to establish events and their causes, and tamper-proof measures should be in place to ensure authorized access and tracking of data access.

Apart from implementing Audit Trail software, the government is taking other steps to improve corporate governance. For example, the corporate affairs ministry is contemplating amending the Companies Act to clarify the services that auditors cannot offer to their audit clients. Additionally, the National Financial Reporting Authority is devising a new regulation that mandates auditors to publish a yearly transparency report on their operations, quality control systems, ownership and management systems, and network relationships with other consulting firms to eliminate independence concerns. In conclusion, the implementation of Audit Trail software is a crucial step towards improving financial transparency and corporate governance in companies. An audit trail is essential for any organization as it enhances transparency, accountability, compliance, risk management, quality control, and legal protection. However, implementing an audit trail comes with challenges, such as the need to update software and design the database storage architecture. The government is taking other steps to improve corporate governance, such as amending the Companies Act and mandating auditors to publish a yearly transparency report. Overall, these steps are expected to create a more transparent and accountable business environment, which will benefit investors, shareholders, and lenders.

EVENTS IN APRIL 2023



INCOME TAX DEPARTMENT CHALLENGES NCLT ORDER APPROVING SURAKSHA GROUP' BID FOR JAYPEE INFRATECH



The Income Tax Department has filed an appeal against the National Company Law Tribunal approving Suraksha Group's bid to buy Jaypee Infratech Ltd (JIL) under the insolvency resolution process. Sources said the I-T Department has filed the petition before the National Company Law Appellate Tribunal (NCLAT) against the NCLT order regarding certain claims.

The department did not make any plea when the case was being heard by the NCLT's Delhi bench and the latest move is surprising, the sources added. According to the sources, the plea is expected to come up for hearing before the appellate tribunal next week.

The department's petition is the fourth plea filed by an entity against the NCLT order passed on March 7.

Last month, Jaiprakash Associates Ltd and its promoter Manoj Gaur approached NCLAT against the NCLT order relating to the distribution of Rs 750 crore in the Jaypee Infratech matter.

The amount was deposited with the Supreme Court registry by Jaiprakash Associates Ltd (JAL), the erstwhile promoter of JIL, which has been going through insolvency proceedings since August 2017.

Yamuna Expressway Industrial Development Authority (YEIDA) has also moved NCLAT as its claims for additional compensation payable to the farmers and others, were rejected by the NCLT while approving the resolution plan of Suraksha Group.

On March 7, the NCLT approved the Mumbai-based Suraksha Group bid to acquire JIL and complete around 20,000 flats across various projects in Noida and Greater Noida, Uttar Pradesh.

NFRA IMPOSED RS.1 CR PENALTY ON AUDITOR OF CAFE COFFEE DAY GROUP



The National Financial Reporting Authority(NFRA) has imposed Penalty of Rs.1 Cr on Auditor of Cafe Coffee Day Group.

Considering the proved professional misconduct and keeping in mind the nature of violations, principles of proportionality and deterrence against future professional misconduct, we, in exercise of powers under Section 132(4)(c) of the Companies Act, 2013, hereby order:

- a) Imposition of a monetary penalty of Rs One Crore only upon M/s ASRMP & Co. In addition, M/s ASRMP & Co. is debarred for a period of two years from being appointed as an auditor or internal auditor or from undertaking any audit in respect of financial statements or internal audit of the functions and activities of any company or body corporate.
- b) Imposition of a monetary penalty of Rs Ten Lakhs only upon CA A. S. Sundaresha. In addition, CA A. S. Sundaresha is debarred for a period of five years from being appointed as an auditor or internal auditor or from undertaking any audit in respect of financial statements or internal audit of the functions and activities of any company or body corporate.
- c) Imposition of a monetary penalty of Rs Five Lakhs only upon CA Madhusudan U A. In addition, CA Madhusudan U A is debarred for a period of five years from being appointed as an auditor or internal auditor or from undertaking any audit in respect of financial statements or internal audit of the functions and activities of any company or body corporate.
- d) Imposition of a monetary penalty of Rs Five Lakhs only upon CA Pranaav G. Ambekar. In addition, CA Pranaav G. Ambekar is debarred for a period of five years from being appointed as an auditor or internal auditor or from undertaking any audit in respect of financial statements or internal audit of the functions and activities of any company or body corporate.

This order will become effective after 30 days from the date of issue of this order.

NCLT GRANTS 90 DAYS EXTENSION TO FUTURE RETAIL FOR CONCLUDING INSOLVENCY



Allowing FRL's plea the Mumbai bench of the National Company Law Tribunal (NCLT) has extended the deadline to July 15, 2023, for concluding the CIRP of FRL.

The NCLT has granted Future Retail Ltd (FRL) an extension of 90 days for concluding the Corporate Insolvency Resolution Process (CIRP) of the company.

Allowing FRL's plea the Mumbai bench of the National Company Law Tribunal (NCLT) has extended the deadline to July 15, 2023, for concluding the CIRP of FRL.

"... NCLT on April 13, 2023, heard the application and granted the said exclusion of 90 days from CIRP of FRL and consequent extension for completion of CIRP till July 15, 2023," said a regulatory filing from the company.

This order was pronounced orally by NCLT on April 13, 2023, and a "written order is awaited", FRL added.

The CIRP was initiated against FRL by NCLT on July 20, 2022, following loan default.

The Insolvency and Bankruptcy Code (IBC) time frame for resolution is 330 days, inclusive of the time taken for litigation.

As per Section 12(1) of the Code, the CIRP shall be completed within a period of 180 days from the date of initiation. However, NCLT may grant a one-time extension of 90 days. The maximum time within which CIRP must be mandatorily completed, including any extension or litigation period, is 330 days. Last week, FRL informed that they have received an Expression of Interest (EoI) from 49 players, including Reliance Retail, Jindal Power Ltd and Adani Group for acquiring the assets of FRL.

On March 23, 2023, the resolution professional (RP) of FRL invited new expressions of interest, where prospective buyers can bid for the debt-ridden firm "as a going concern or individual cluster or a combination of clusters of its assets", as it failed to attract a resolution plan in over four months.

Earlier, it had received EoI and finalised 11 prospective bidders, including Reliance and April Moon Retail, but could not get a resolution plan despite two extensions in the deadline for submissions.

The Committee of Creditors had provided two options in the EoI, for which the last date for submission was April 7, 2023.

In the first option, the Prospective Resolution Applicant (PRA) could bid for the acquisition of Future Retail as a whole, including its shareholding interest in its subsidiaries. While under the second option, Future Retail's business has been distributed in five clusters diving business, in which PRAs can bid for "any individual cluster or any combination of clusters."

As per the invitation, FRL currently has access to 302 leased retail stores spread across 23 states and Union Territories, consisting of 30 large format stores such as Big Bazaar and FBB stores and 272 small format stores.

SEBI PROBING SOME ADANI OFFSHORE DEALS FOR POSSIBLE RULE VIOLATIONS: REPORT



MUMBAI - India's market regulator is investigating possible violation of 'related party' transaction rules in the Adani Group's dealings with at least three offshore entities that have links to the brother of the conglomerate's founder, two people said.

The three entities allegedly entered into several investment transactions with unlisted units of the ports-to-power conglomerate founded by billionaire Gautam Adani over the last 13 years, said the sources with direct knowledge of the matter.

Vinod Adani, Gautam Adani's brother, is either a beneficial owner, director or has links with those three offshore entities, said the two sources, adding the regulator, the Securities and Exchange Board of India (SEBI), is probing if lack of that disclosure violated 'related party transaction' rules.

Under Indian laws, direct relatives, promoter groups and subsidiaries of listed companies are considered related parties. A promoter group is defined as an entity that has a large shareholding in a listed company and can influence company policy.

Transactions between such entities have to be disclosed in regulatory and public filings and require shareholder approval above a specified threshold. Violations typically attract monetary fines.

An e-mail to SEBI requesting comment was not answered. SEBI chairperson Madhabi Puri Buch declined to comment on the Adani investigations at a news conference on Wednesday.

An Adani Group spokesperson said Vinod Adani is a member of the Adani family and is part of the promoter group, but he does not hold any managerial position in any of the listed Adani entities or their subsidiaries.

"This fact, like all other material information required to be reported, has been disclosed to the regulatory authorities in the past and also as and when required," the spokesperson added, without commenting on the regulatory probe into offshore entities.

Vinod Adani could not be reached for comment. Requests for comment sent to his holding company in Dubai, Adani Global Investment DMCC, were not responded to.

The probe comes after U.S. short-seller Hindenburg Research's Jan. 24 report alleging improper use of tax havens and stock manipulation by Adani Group, among other things - charges it has denied.

Hindenburg's report eroded more than \$100 billion in the value of shares in Adani group of companies. India's Supreme Court asked SEBI in March to investigate the Adani Group for any lapses related to public shareholding, related party rules or regulatory disclosures.

SEBI's investigation into Adani's possible 'related party' transactions with offshore entities with links to Vinod Adani has not been reported before.

While SEBI investigations are continuing, top regulatory officials are due to give a status report to a court-appointed panel on Sunday, the two sources said, speaking on condition of anonymity as investigations are private.

'DISCLOSURE VIOLATIONS'

Hindenburg in its January report alleged that Vinod Adani entities have collectively moved "billions of dollars" into Adani's publicly listed and private entities, often without required disclosure of the related party nature of the deals.

The Adani Group in a 413-page response to the allegations had said all transactions entered into by it with entities who qualify as 'related parties' under Indian laws and accounting standards have been duly disclosed.

The three offshore entities with links to Vinod Adani being probed for 'related party' transactions are Mauritius-based Krunal Trade and Investments Ltd and Gardenia Trade and Investments Ltd, and Electrogen Infra in Dubai.

There was no response from Krunal, Gardenia and Electrogen Infra to e-mails requesting comment.

While the sources said that other similar transactions are also under regulatory examination, Reuters could not ascertain the names of other entities and their possible violation of 'related party' transaction rules.

SEBI suspects there were "disclosure violations" on some of those transactions, said one of the two sources.

If proven, it could lead to monetary penalties and the matter may be referred to India's Ministry of Corporate Affairs (MCA) for transactions that are beyond SEBI jurisdiction, the source said.

BRIGHTCOM GROUP FACES SEBI WHIP FOR ACCOUNTING IRREGULARITIES, DISCLOSURE OMISSIONS



Once a darling of millions of retail investors, Brightcom saw its share price zoom up from barely Rs 4 in April 2021 to a high of Rs 118 in December 2021. On April 13, the scrip ended at Rs 15.45.

The Securities and Exchange Board of India (Sebi) has cracked down fiercely on ad-tech and new-media company Brightcom Group Limited (BGL) through an order.

Brightcom Group has been facing flak from the market regulator for many of its corporate governance failures, which include non-disclosure of financial information and business transactions, among other serious omissions. The company, once a darling of millions of retail investors, saw its share price zoom up from barely Rs 4 in April 2021 to a high of Rs 118 in December 2021. On Thursday, at the end of the trading day, the scrip was trading at Rs 15.45.

"It is apparent that from September 30, 2014, the share price of BGL had generally declined over a period of time. Had the Company not resorted to accounting irregularities, the company's actual profits would have been significantly lesser from the reported profits. Further, the assets and reserves would also be significantly different from what were disclosed in the balance sheet. The same would have led to a much steeper decline in the share prices," Sebi's Whole Time Member (WTM) Ashwani Bhatia said in the order.

The WTM added that the accounting irregularities, **due to which the company could paint a rosy picture of its financials**, "impacted the decision-making process for all stakeholders including public shareholders of BGL who were oblivious to such accounting irregularities."

CRISIL expects this year's export to grow at around 2-4% compared to its estimation of 5-7% growth last year.

“While the CRISIL Ratings’ credit quality outlook has a positive bias, the undertone is of caution because the full impact of the interest rate hikes on domestic demand is yet to be seen and a higher-than-expected global slowdown could further impact exports,” the agency said in a report.

Tightening of global monetary conditions and depreciation in Rupee could increase refinancing risk, particularly for companies with sizeable maturing overseas debt, which will also be close monitorable, it added.

The upgrade rate for export-oriented sectors halved to 12.2% in the second half of FY23 from 21.8% in the first half while the downgrade rate increased to 7.0% from 3.0%.

“However, some of the export-oriented sectors such as pharmaceuticals and electronic components continue to benefit from production-linked incentive schemes and increased global sourcing from India,” it said.

Furthermore, India Inc's key credit ratios moderated sharply in the second half of FY23 on expected lines and are likely to go down further, the agency said.

Going forward, the key risk factors to watch out for, which may have an impact on the credit ratings of local companies, will be the slowdown in global demand and monetary tightening in the global markets, Chhatwal said.

RBI ISSUES FRAMEWORK FOR ACCEPTANCE OF GREEN DEPOSITS BY BANKS, NBFCs



Reserve Bank of India on Tuesday issued detailed guidelines for acceptance of 'green deposits' by banks and NBFCs wherein the funds could be used for financing activities like renewable energy, green transport and green buildings.

Climate change has been recognised as one of the most critical challenges and globally, various efforts have been taken to reduce emissions as well as promote sustainability.

The financial sector can play a pivotal role in mobilising resources and their allocation thereof in green activities/projects. Green finance is also progressively gaining traction in India, RBI said as it issued the framework for acceptance of green deposits by regulated entities.

Some Regulated Entities (REs) are already offering green deposits for financing green activities and projects. The framework will come into effect from June 1, 2023.

The purpose and rationale for the framework, RBI said is to encourage REs to "offer green deposits to customers, protect interest of the depositors, aid customers to achieve their sustainability agenda, address greenwashing concerns and help augment the flow of credit to green activities/projects".

The projects must encourage energy efficiency in resource utilisation, reduce carbon emissions and greenhouse gases, promote climate resilience and/or adaptation and value and improve natural ecosystems and biodiversity.

Renewable energy, energy efficiency, clean transportation, climate change adaptation, sustainable water and waste management, and green buildings, are among the list of projects/activities where REs could allocate the proceeds raised through green deposits.

RBI has also mentioned about a list of 'exclusions' for REs. This includes projects involving new or existing extraction, production and distribution of fossil fuels; nuclear power generation; and direct waste incineration.

Banks and NBFCs will have to put in place a comprehensive board-approved policy on green deposits.



Case Laws

BOARD OF TRUSTEES, PORT OF MUMBAI v. INDIAN OIL CORPORATION & ANR [SC]

Statute : Companies Act, 1956

Precedence : Sujata V. Manohar & D.P. Wadhwa, JJ.

Decided on : 16/04/1998]

Brief Facts

Section 529 of the Companies Act, 1956 read with section 64 of the Major Port Trusts Act, 1963 – sale of arrested vessel by the Port trust – owner of the vessel under liquidation – High Court directed the Port Trust to deposit the sale proceeds with the liquidator – whether correct – Held, No.

Case

The moot issue involved in this case was whether the port trust's statutory lien has paramountcy even over the claims of secured creditors in a winding up. A vessel belonging to M/s Thakur Shipping Co. Ltd (owner) M.V. Varuna Kachhapi arrived at the Port of Mumbai and was arrested and later was sold at public auction by the Port Trust, as it could not pay the port charges. The owner was wound up under the orders of the Patna High Court and put under liquidation and a liquidator was appointed. The High Court directed that since the owner did not have any money which could be utilised to meet the cost of advertisement or sale, the appellant shall meet the costs of such advertisement and sale and all incidental charges thereto which amounts, the appellant would be entitled to recover as a first charge on the sale proceeds. This order is being challenged in the present appeal Under Section 529 of the Companies Act.

Decision : Allowed

GPSK CAPITAL PVT LTD v. SEBI [SC]

Statute : **Securities and Exchange Board of India, 1992**

Precedence : **Ajay Rastogi & Bela Trivedi, JJ.**

Decided on : **20/03/2023**

Brief Facts

Securities and Exchange Board of India (Stockbrokers and Sub Brokers) Regulations, 1992- individual stockbroker converted into company- he was not the whole time director of the company- the company claimed exemption from paying fees for the period for which the erstwhile individual stockbroker has paid to the Board- Board rejected the same- Tribunal upheld the rejection- whether correct-Held, Yes.

Case

The instant appeal has been filed under Section 15(Z) of the Securities and Exchange Board of India Act, 1992(hereinafter being referred to as the “Act 1992”) assailing the judgment and order dated 9th August, 2007 passed by the Securities Appellate Tribunal(hereinafter being referred to as the “Tribunal”) affirming the order of the Securities and Exchange Board of India, Mumbai(hereinafter being referred to as the “Board”) dated 7 th May, 2007 holding that the appellant did not satisfy the conditions of clause (4) of Schedule III of the Securities and Exchange Board of India(Stock Brokers and Sub Brokers) Regulations, 1992(hereinafter being referred to as the “Regulations”) hence the exemption from payment of fees for the period for which the erstwhile individual Srikant Mantri has paid to the Board cannot be converted to the corporate entity MFL. That one Srikant Mantri became a member of the Calcutta Stock Exchange(hereinafter being referred to as the “CSE”) and was granted registration as a stockbroker on 30 th November, 1992. Sometime in the year 1997, he decided to transfer his membership card of CSE in favour of Mantri Finance Ltd. The appellant herein(hereinafter being referred to as the “Company”). After obtaining the membership of CSE on transfer of the card from Srikant Mantri, the appellant Company claimed that it should be exempted from payment of registration fee for the period for which Srikant Mantri had already paid the fees. In other words, it claimed the benefit of exemption of the fee already paid by Srikant Mantri. At the same time, also claimed that all the conditions prescribed under para 4 of Schedule III to the Regulations were satisfied and, therefore, it was entitled to claim exemption.

Decision : Dismissed

Updates from the Regulator





Companies (Removal of Names of Companies from the Register of Companies).
Amendment Rules 2023

GSR.....(E).- In exercise of the powers conferred by sub-sections (1), (2) and (4) of section 248 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016, namely:-

1.Short title and commencement.- (1) These rules may be called the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2023.

(2) They shall come into force on 01. May, 2023.

2.In the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 (hereafter referred to as the said rules), in rule 4,-

(i) for sub-rule (1), following sub-rule shall be substituted, namely:-

"(1) An application for removal of name of a company under sub-section (2) of section 248 shall be made to the Registrar, Centre for Processing Accelerated Corporate Exit in Form No. STK-2 along with fee of ten thousand rupees.";

(ii) in sub-rule (3), clause(iv) shall be omitted;

(iii) after sub-rule(3) the following shall be inserted, namely :-

"(3A) The Registrar, Centre for Processing Accelerated Corporate Exit established under sub-section

(1) of section 396, shall be the Registrar of Companies for the purposes of exercising functional jurisdiction of processing and disposal of applications made in Form No. STK-2 and all matters related thereto under section 248 having territorial jurisdiction all over India."

3.In the said rules, for Form No. STK-2, Form No. STK-6 and Form No. STK-7 the following Forms shall be substituted, namely:-

For More details check:

<https://www.mca.gov.in/bin/dms/getdocumentmds=ab6Q0qvTuxNB7D4lj6zO7Q%253D%253D&type=open>



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

Issue of Master Circular by Stock Exchanges, Clearing Corporations and
Depositories
issued on April 20, 2023

1. Stock Exchanges, Clearing Corporations and Depositories (hereinafter collectively referred to as 'Market Infrastructure Institutions (MIIs)') communicate with market participants including investors on a regular basis by way of circulars, directions, operating instructions, communiques or any other mode of communication (hereinafter collectively referred to as 'guidelines') for necessary compliance. This has led to a plethora of guidelines by the MIIs on various subjects.
2. Due to the issuance of such guidelines of varied nature and based on the feedback received from the market participants, to ensure that all market participants, including investors, find all applicable provisions on a specific subject at a place, the MIIs shall ensure the following:
 - a. Issue the respective Master Circulars consolidating all guidelines issued and applicable as on March 31 of every year, segregated subject-wise.
 - b. Take due care to include only the relevant guidelines into the respective Master Circular while reviewing all the existing guidelines on a particular subject.
 - c. Such Master Circular shall not include the following: i. Bye-laws, Rules and Regulations issued by MIIs. ii. Status of any compliance by the market participant. iii. Actions taken against any entity.
 - d. Each Master Circular shall contain a list of all guidelines incorporated therein as well as a provision rescinding all such guidelines with effect from the date of implementation of the Master Circular. All such rescinded guidelines shall be archived on the respective websites of the MIIs
 - e. The Master Circulars shall contain a savings clause as under: "Notwithstanding such rescission,
 - a. Anything done or any action taken or purported to have been done or contemplated under the rescinded guidelines before the commencement of this Master Circular shall be deemed to have been done or taken or commenced or contemplated under the corresponding provisions of the Master Circular or rescinded guidelines whichever is applicable.
 - b. The previous operation of the rescinded guidelines or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the rescinded guidelines, any penalty, incurred in respect of any violation committed against the rescinded guidelines, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the rescinded guidelines have never been rescinded."

For More details check:

https://www.sebi.gov.in/legal/circulars/apr-2023/issue-of-master-circular-by-stock-exchanges-clearing-corporations-and-depositories_70375.html

Our Earth: ESG : The Future is Now



Extended producer Responsibility



The Beat of Better Waste Management

- **Shashank, Trainee at J Sundharesan and Associates**

The first EPR law was introduced in Germany in 1991, requiring producers to take back and recycle their packaging waste. EPR policies have been implemented in various countries around the world, including Canada, Japan, and the United States, for different products, including electronics, batteries, and packaging materials.

According to the OECD, EPR programs have led to increased recycling rates and reduced landfilling of waste in many countries. For example, the recycling rate for packaging waste in Germany increased from 22% in 1991 to 70% in 2018 due to EPR policies.

The United Nations Environment Programme (UNEP) has identified EPR as a key strategy for achieving sustainable consumption and production patterns and meeting the Sustainable Development Goals (SDGs). EPR has been implemented in various forms and under different names in many countries, such as "product stewardship" in Canada, "producer responsibility" in Europe, and "take-back" programs in the United States. These programs have influenced the development and implementation of EPR policies in other countries, and international organizations such as the United Nations have also promoted the adoption of EPR as a way to achieve sustainable development goals.

The EPR concept draws on the principles of the polluter-pays principle, which holds that those who cause pollution or environmental damage should bear the costs of managing and mitigating the impacts. EPR builds on this principle by making producers responsible for the environmental impacts of their products throughout their entire life cycle, including the post-consumer stage.

The Global E-waste Monitor 2020 report estimates that the world generated 53.6 million metric tons of e-waste in 2019, with only 17.4% being collected and recycled through formal channels. EPR policies are seen as a key strategy for improving e-waste management and promoting circular economy principles. The concept of Extended Producer Responsibility (EPR) is not a borrowed concept per se, but it has been influenced by the ideas and practices of various international organizations and countries over time. EPR emerged in the 1990s as a policy approach to address the growing concerns around waste management and resource depletion, and it has been adopted by many countries since then.

Under EPR, producers may be required to take back and manage their products at the end of their useful life or pay a fee to support recycling or waste management programs. This policy approach is intended to shift the burden of managing waste from taxpayers and local governments to producers, who are in a better position to prevent waste and improve the environmental performance of their products.

The Indian government has set ambitious targets for waste management, including achieving 100% collection and processing of plastic waste by 2025 and eliminating single-use plastic by 2022. EPR policies are expected to play a significant role in achieving these targets by incentivizing producers to design more sustainable products and packaging and by creating a more circular economy. The future of EPR laws in India looks promising, as the country has taken significant steps in recent years to address its growing waste management challenges. India being one of the fastest-growing economies in the world has been experiencing a rapid increase in waste generation due to its growing population, urbanization, and changing consumption patterns.

Moreover, under the BRSR framework, companies are required to report on their waste management practices and disclose their efforts to reduce waste and promote recycling. By implementing EPR policies, companies can demonstrate their compliance with these reporting requirements and showcase their efforts to manage their waste responsibly.



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