



Indian Institute of  
Corporate Affairs  
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# REPORT ON CHANGES AND CHALLENGES IN REGULATORY GOVERNANCE

December 13-15, 2022 | GOA



3-day capacity building program for Forum of Indian Regulators (FOIR) member organisations conducted by Indian Institute of Corporate Affairs (IICA) at Goa to provide the regulatory officials with an opportunity to build knowledge on the evolution and contemporary challenges in the domain of regulatory affairs.

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# Introduction

The scope of regulatory governance has changed considerably over the past decades. While government regulation of the economic sector was not very extensive in the past, it quickly expanded in the 1990s in response to liberalization, privatization and globalization. Moreover, regulation expanded at other levels, including the regulation of states and non-state actors by international organizations, regulation within the state, self-regulation by business and civil society regulation. Recently, Covid 19 has tested the regulatory framework and actors in a big manner.

This expansion of regulatory governance has posed a number of challenges. First, as the introduction and enforcement of rules is often the responsibility of actors who are not directly elected by the people, questions of democratic legitimacy and accountability have continuously been raised. Second, as regulatory responsibilities have dispersed because of multi-level regulatory governance and the rise of independent regulatory agencies; co-operation, co-ordination and control have become key issues. Third, the expansion of the scope of business regulation has attracted renewed interest in the relationship between regulators and regulatees, including questions of co-regulation, lobbying, revolving doors and capture. Fourth, technological change has triggered new regulatory questions, for example about the regulation of high-tech corporations, new technologies and the potential of technology to improve the regulatory process itself.

The 3-day capacity building program was conducted to provide the regulatory officials with an opportunity to build knowledge and discuss contemporary challenges faced by the regulatory member with the change of time and was aimed to decode modalities and best practices regarding designing of regulations in order to deal with contemporary regulatory challenges.



**Prof (Dr) Naveen Sirohi**  
Director, FOIR Centre and  
Founding Head, School of Finance  
Indian Institute of Corporate Affairs

# Session Plan

## Day 0 - December 12, 2022 (Monday)

13:00 onward    Arrival / Check-in of participants

## Day 1 - December 13, 2022 (Tuesday)

10:00 - 11:30    **Inaugural Ceremony**

11:30 - 12:00    Tea Break

12:00 - 13:00    **Regulatory Governance in India - Key Challenges**

by *Shri P K Pujari (Former Chairperson, CERC)*

13:00 - 14:00    Lunch Break

14:00 - 15:00    **Stakeholders Consultation/Engagement in Regulatory Decision Making**

by *Shri RK Nair (Independent Director ICICI Bank, Former Member IRDA & Former ED, SEBI)*

15:00 - 16:00    **Regulatory Convergence - How Interdependence shapes  
Regulatory Decision Making**

by *Mr Rahul Singh (Associate Professor, NLSIU Bangalore)*

16:00 - 16:30    Tea Break

16:30 - 17:30    **The Challenge of Subsidization**

by *Prof Sebastian Morris (Former Professor IIM-Ahmedabad)*

18:00 - - -        Networking Night & Gala Dinner

## Day 2 - December 14, 2022 (Wednesday)

10:00 - 10:30    Recap of Day 1

10:30 - 11:30    **Economics behind Market Regulation - Market Failure and  
Negative Externalities**

by *Dr Naveen Bali (Former Consultant, Ministry of Finance)*

11:30 - 12:00    Tea Break

12:00 - 13:00    **Framing Regulatory Policy during Uncertain Times**

by *Dr Naveen Bali (Former Consultant, Ministry of Finance)*

13:00 - 14:00    Lunch Break

14:00 - 15:00    **Developing Electricity Markets**

by *Prof Ajay Pandey (IIM-Ahmedabad)*

15:00 - 15:30    Tea Break

15:30 - 16:30    **Designing Regulations**

by *Shri P K Pujari (Former Chairperson, CERC)*

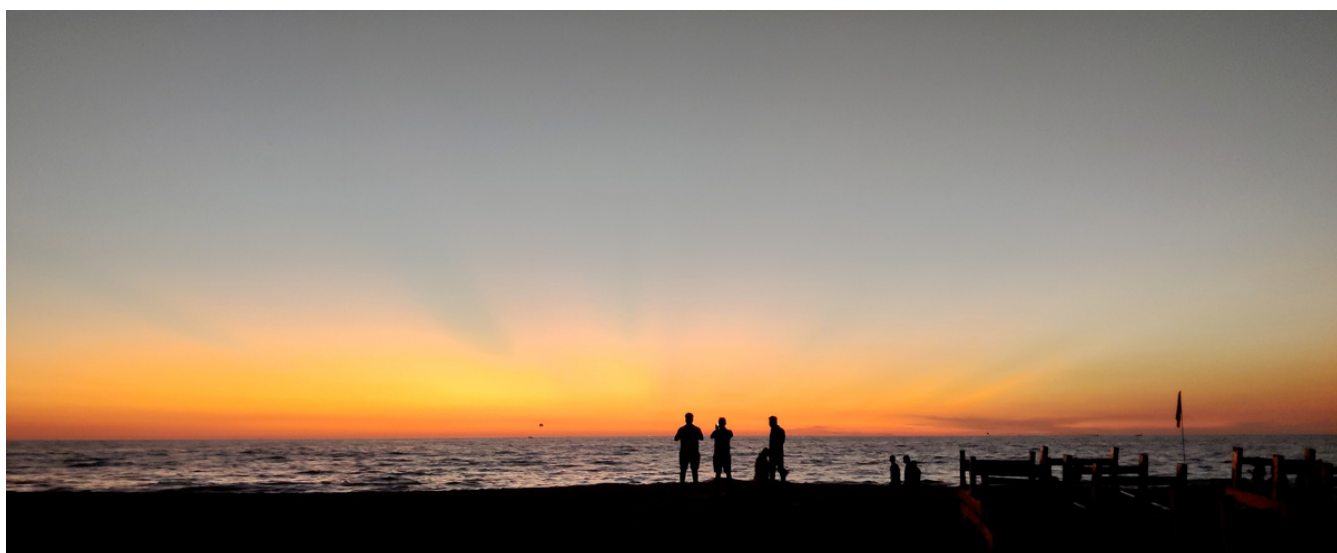
**Day 3 - December 15, 2022 (Thursday)**

10:00 - 10:30	Recap of Day 2
10:30 - 11:30	<b>Game Theory and Incentive Regulation for Infrastructure Sector - I</b> by <i>Dr Sachin Warghade (TISS)</i>
11:30 - 12:00	Tea Break
12:00 - 13:00	<b>Game Theory and Incentive Regulation for Infrastructure Sector - II</b> by <i>Dr Sachin Warghade (TISS)</i>
13:00 - 14:00	Lunch Break
14:00 - 15:00	<b>Open House Discussion - Way Forward, Conclusion and Suggestions</b> by <i>Prof Naveen Sirohi, IICA</i>
15:00 - 15:30	Valedictory Session
15:30 - 16:00	Tea Break
16:00 onward	Industrial Visit / Sightseeing

**Day 4 - December 16, 2022 (Friday)**

By 12:00 hrs    Departure / Check-out of participants

Venue: The Bloomsuites, Calangute, Goa



# Speaker's Profile

## **Shri P K Pujari** (*Former Chairperson, CERC*)

A Post Graduate in Economics, P. K. Pujari joined the Indian Administrative Service borne on Gujarat Cadre in 1981. During his career, he handled assignments in various departments/ministries such as power, commercial taxes, finance and industries. He was Secretary to Government of India, Ministry of Power. After superannuating, he was appointed as the Chairman of the Central Electricity Regulatory Commission (CERC) for five years.

## **Shri RK Nair** (*Independent Director ICICI Bank, Former Member IRDAI*)

Shri Radhakrishnan Nair is currently Independent Director in board of ICICI Bank Limited. Mr. Nair holds degrees in Science, Securities Laws, Management and Law. He has around forty years of experience in the banking industry and in the field of securities and insurance regulation. He started his banking career with Corporation Bank in 1976 and in 2003 he became General Manager, in charge of Recovery Management Division, Legal Service Division and Credit Risk Management Division and development of priority sector lending and regional rural banks. Thereafter he moved to SEBI as Executive Director followed by IRDAI as Member.

## **Prof Rahul Singh** (*Associate Professor, NLSIU Bangalore*)

Mr. Rahul Singh is currently Associate Professor of Law at the National Law School of India University, Bangalore (NLSIU), and an independent legal consultant. A graduate of Harvard Law School and NLS Bangalore, he has expertise in the inter-disciplinary methodology of competition law and economics.

## **Prof Sebastian Morris** (*Former Professor IIM-Ahmedabad*)

He is currently employed as Professor at the Goa Institute of Management and Chair of the Centre for Public Policy and Governance. Earlier, he was Professor at the Indian Institute of Management, Ahmedabad for over 27 years. He was also recipient of the Ford Foundation Post-Doctoral Fellowship in International Economics; won the EXIM Banks International Trade Research Award and he was visiting faculty at the University of Pennsylvania, Philadelphia, and Essec Business School, Paris.

## **Prof Ajay Pandey** (*IIM-Ahmedabad*)

Prof. Ajay Pandey is currently Professor of Finance; Accounting area at the Indian Institute of Management, Ahmedabad and has over 25 years experience in teaching, training and consultancy. His professional interest related to research, teaching and training are mainly in corporate finance and capital markets. Outside financial economics and corporate finance, his interests include electricity tariff regulations, sectoral reforms, public procurement, land use and other public policy issues in the context of infrastructure sectors.

**Dr Naveen Bali** (*Former Consultant, Ministry of Finance*)

Dr Naveen Bali works as Program Lead Macro Economics at Council on Energy, Environment and Water (CEEW). His area of focus is developing carbon markets in India and providing an overall macro-economic perspective on sustainable policies. He has earlier worked in the team of the Principal Economic Adviser of India as a Consultant in the Department of Economic Affairs, Ministry of Finance, where his work focused on providing feedback on various aspects of the Indian Economy. He has contributed to three Economic Surveys from 2017-18, 2018-19 & 2020-21.

**Dr Sachin Warghade** (*Associate Professor, TISS*)

Prof Warghade has been involved in policy and regulatory analysis, advocacy, research, and teaching for over two decades now. He started his career with the leading policy analysis and advocacy group called Prayas in Pune (Prayas Energy Group). Later he joined a team of professionals and academic researchers to develop and implement a Master's program on regulatory policy and governance in the Tata Institute of Social Sciences. As a member of the Planning Commission's sub-group, under XIIth Plan working group, he contributed in development of a 'Model Bill for State Water Regulatory System'.

**Prof (Dr) Naveen Sirohi** (*Director, FOIR Centre, IICA*)

Dr Sirohi is the Director of Forum of Indian Regulators (FOIR) Centre at Indian Institute of Corporate Affairs (IICA), which is the knowledge, research and capacity building hub for the Central and State Government regulators in India. He is also the Founding Head of School of Finance at IICA. Possessing a unique blend of 20+ years of experience across corporate, academia and government, he is contributing to the success of the corporate sector in India through the mandate of capacity building, education, research and consultancy. He has conducted 100+ Executive Education Programmes catering to more than 5000 corporate executives and government officials on contemporary financial and leadership themes across levels (*induction, middle and top management*) and across geographies (*India and abroad*). Academically, Dr Sirohi holds post-graduate and PhD degrees in commerce with a first-class academic record.

# Participant's List

S. No.	Name	Designation	Organization
1	Ambati Ramesh	Deputy Director	TAMP Mumbai
2	Arnab Dey	Deputy Director	WBERC-West Bengal
3	Avinash Kumar	Deputy Director	BERC-Bihar
4	Bhaves J. Shah	Staff Officer	GERC- Gujarat ERC
5	Charandev Singh Maan	Secretary	RERA Punjab-Real Estate
6	E. Pugazhenth	Asst Director	TNERC-Tamil Nadu
7	Gaurav Sabharwal	Deputy Director	UERC- Uttarakhand
8	Gurpreet Singh	Deputy Director	PSERC-Punjab State
9	H.S. Sheshadri	Deputy Director	KERC-Karnataka
10	Hage Mima	Secretary	APSERC-Arunachal Pradesh
11	Harpreet Singh Walia	Deputy Director	PSERC-Punjab State
12	J. Prabhakaran	Deputy Director	TNERC-Tamil Nadu
13	Jageer Laxman	Joint Director	TSERC-Telangana State
14	Madhur Kumar Choudhari	Joint Director	MPERC-Madhya Pradesh
15	Md. Tanweer Akhter	Joint Adviser	PNGRB-Petroleum
16	Pawan Sut Sharma	Joint Director	RERC-Rajsthan
17	Punam Rabha	Assistant Director	AERC-Assam
18	Raamish Tauseef	Secretary	BERC-Bihar
19	Rahul Kumar	Research Associate	JERC (Goa & UTs)
20	Rajendra Prasad Nayak	Secretary	JSERC-Jharkhand
21	Reshma Setpal	Deputy Director	CSERC- Chhattisgarh
22	Ronkita Boruah	Deputy Director	AERC -Assam
23	Sanjeev Kumar Mahato	Deputy Director	DERC-Delhi
24	Saswat Tripathy	Deputy Director	OERC-Orissa
25	Satish Kumar Verma	Private Secretary	UPERC-Uttar Pradesh
26	Shama Nargis	Deputy Director	CCI-Competition Commission
27	Shiva Suman	Deputy Chief	CERC-Central Electricity
28	Shreya Pandit	Research Associate	JERC (Goa & UTs)
29	Sonam Gyamtso Bhutia	Assistant Director	SSERC-Sikkim
30	Srikant Sharma	Deputy Director	OERC-Orissa
31	Sujata Das Chakrabarti	Secretary	TERC- Tripura Electricity
32	Sumit Chauhan	Joint Director	HPERC-Himachal Pradesh
33	V Karthik	Assistant Chief	CERC-Central Electricity
34	Vikas Nigam	SRO	TRAI-Telecom Regulatory

# Inaugural Session

The program formally started with the opening remark by Prof (Dr) Naveen Sirohi (*Director, FOIR centre IICA*). He welcomed Shri Harpreet Singh Pruthi (*Secretary, CERC and Executive Secretary, FOIR*), Shri Radha Krishnan Nair (*Independent Director ICICI Bank, Former Member IRDA & Former ED, SEBI*) and all the participants.

It was followed by a brief introduction of all the participants. Prof Sirohi shared the background and mandate of Indian Institute of corporate affairs (IICA) and FOIR Centre at IICA towards capacity building, research and advocacy on contemporary regulatory and business issues.

Shri Harpreet Singh Pruthi (*Secretary CERC and Executive Secretary, FOIR*) shared the objective of the program to the participating regulatory members by throwing light on different regulatory aspects. Addressing the needs of regulatory governance after its expansion since 1990, he pointed out the need for better regulatory framework to overcome the forthcoming challenges in the regulatory sector. Focusing on the vision of FOIR, he insisted the regulatory members to find the area of collaboration among each other in order to achieve more. Highlighting the efforts of FOIR Centre at IICA, Shri Pruthi acknowledged that the program will provide participating officials with an opportunity to build knowledge and discuss contemporary challenges.

Shri R K Nair also addressed the participants about his experience in regulatory sectors and appreciated the objectives and efforts made in conducting the program.

Before concluding the inaugural session, Prof Sirohi initiated general discussion with the participating members to understand their expectation from the program.



Shri Harpreet Singh Pruthi, Prof (Dr) Naveen Sirohi & Shri R K Nair during inaugural session

# Regulatory Governance in India - Key Challenges

The first session by Shri P K Pujari (*Former Chairperson, CERC*) started with the historical development of the regulatory regime in India. Focusing on the theme of the program he categorized the challenges in regulatory governance in two types:

1. **Structural challenges** which generally arises from governments authority in appointment of regulators
2. **Functional challenges** relating to lack of financial independence.

Addressing the same, he discussed the following key challenges in regulatory governance:

1. Inefficiency in regulatory compliance due to lack of functional independence
2. There is no fixed and effective mechanism to measure regulatory performance
3. Interface between sectoral and cross-sectoral regulators like differences between Competition Commission of India (CCI) and Telecom and Regulatory Authority of India (TRAI) over allegations of predatory pricing by Jio and
4. Differences among sectoral regulators.

Concluding, the speaker suggested the following ways to deal with the challenges:

1. Implementing the elements of regulatory oversight to give consistency to regulatory procedure
2. Stakeholder engagement in formation of regulatory policy
3. Regulation to be framed by following due process and
4. Adoption of regulatory impact assessment to check the effectiveness of regulation.



Shri P K Pujari, Former Chairperson, CERC addressing the participants during the session

# Stakeholders Consultation in Regulatory Decision Making

Shri R K Nair (*Independent Director ICICI Bank, Former Member IRDAI*) started the second session with an introduction of regulators in the financial sector. He defined regulation and discussed the two theories of regulations - [1] Public interest theory and [2] Private sector theory. For the better understanding of the participating members, Shri Nair discussed the of Unit Linked Insurance Plan (ULIP) case.

The speaker further mentioned the five actors in the formation and implementation of regulation, namely [1] rule makers [2] intermediaries [3] rule takers [4] rule beneficiaries and [5] citizens. Moving towards the strategy of rule-making, he discussed five strategies, [1] Perspective based [2] Rule based strategy [3] Principle based strategy [4] Performance based strategy and [5] Process based strategy. On the point of regulatory governance standards, he asserted that standards should be set in such a way that regulatory compliance matches the international standards settings and for the same proper supervision and monitoring with effective enforcement actions should be taken in consideration.

According to the speaker, challenges in regulatory compliance are as follow:

1. Existence of informal players in the market
2. Issues relating to unregulated products
3. Low level financial literacy
4. Advancement in information and communication sector
5. Lack of regulatory capacity & non-compliance and
6. Harmony among regulators.

Towards the end of session, Shri Nair discussed the stakeholders engagement in the regulatory decision making and further explained that the participation in the regulation making process is done through various committees from all the intermediaries and self-regulatory bodies.



Shri R K Nair (Independent Director ICICI Bank, Former Member IRDAI) addressing the participants during the session

# Regulatory Convergence- How Interdependence shapes Regulatory Decision Making

The third session by Prof Rahul Singh (*Associate Professor, NLSIU Bangalore*) started with evolution of different regulators since 1991, giving an explanation to the concept of 'आत्मनिर्भरता'. He argued that the regulatory bodies should adopt the concept of 'परस्परनिर्भरता' i.e. interdependence, which demands the need to think about others as well. Going on to the technicalities of legislation, he interpreted Section 60 (Market Domination) Electricity Act, 2003 for better understanding of the legislative intent behind the power given to the regulators.

Pointing on to the need of expertise in different regulatory sectors, he mentioned Section 21 (Reference by statutory authority), Section 21 A (Reference by Commission), Section 60 (Act to have overriding effect), Section 62 (Exclusion of jurisdiction of civil courts) of the Competition Act, 2002 as these sections covers area of convergence and despite these provisions there is a gap in communication between regulators.

Prof Singh discussed the case between TRAI and Reliance Jio on point of access on which Hon'ble Supreme Court gave authority firstly to TRAI and then to CCI to decide the issue. This case was discussed to show that there is a communication gap among regulators when the question of supremacy comes into play which should be resolved through proactive communication among them.

Towards the end, Prof Singh concluded with the remark that regulatory convergence and interdependence can only be achieved through the close observation of regulatory provisions of different regulators to find out the area of cooperation among them. He also pleaded that there is a need for convergence between regulators for solving the issues to ensure public interest at large. Lastly, highlighting the concept of 'वसुधैव कुटुम्बकम्' he insisted on the requirement for cooperation among regulators for regulatory compliance.



Prof Rahul Singh (Associate Professor, NLSIU Bangalore) addressing the participants during the session

# The Challenges of Subsidization

The final session on day 1 by Prof Sebastian Morris (*Former Professor IIM-Ahmedabad*) started with the issue of subsidy distortion. He mentioned that the subsidy culture emerged in India because the performance of the Indian economy was not good enough to create mass employment. As an alternative, government started different programs to help the poor but programs were not leak proof.

The speaker then discussed the example of a study on kerosene subsidy where the benefit was not reaching to the poor. Here, he pointed out that subsidies are majorly distorting not for the reason that end-user do not deserve them but because the policy is not implemented as it was planned by the policy makers.

He observed that there are no physical challenges, but only administrative and intellectual issues.

Prof Morris, gave emphasis on following ideas in order to deal with the challenges of subsidization:

1. The concept of multimodality should be adopted requiring people to coordinate while dealing with subsidy distortion
2. Access subsidization should be preferred rather than use subsidization
3. Subsidization of the right product is an important aspect and
4. Direct benefit transfer with traceability may also be considered as an alternative.



Prof Sebastian Morris (Former Professor IIM-Ahmedabad) addressing the participants during the session

# Economics behind Market Regulation - Market Failure & Negative Externalities

Day 2 began with session by Dr Naveen Bali (*Former Consultant, Ministry of Finance*) on Economics behind Market Regulation - Market Failure and Negative Externalities. He pointed out the following cases of externalities; [1] thin markets, [2] absence of markets due to high uncertainty and cost which he calls as markets for organs and [3] case where one party bears cost for another. He offered Mediation as a solution, as can be done when there is zero transaction cost.

Then, in order to check how well the regulators performs their task, he discussed virtuous cycle vs vicious cycle, which shows that developed countries are wealthy because of 'inclusive economic institutions' and countries that adopt 'extractive economic institutions' benefits few people with short term gain.

For better understanding, he discussed the case of the rise of Botswana on account of proper rules and regulatory implementation, and fall of Nauru Island due to a gap in regulatory process. He called Non Performing Assets (NPA) as a negative externality, since it raises cost of borrowing and suppresses entrepreneurship. An example can be of carbon price in India having impact on economic growth for which Bureau of Energy Efficiency (BEE) is tasked with developing a carbon market. Also, The Energy Conservation (Amendment) Bill, 2022 is passed to provide a regulatory framework for carbon trading in India. Concluding the session, he suggested that Green Gross Domestic Product (GDP) should be adopted based on Natural Capital Accounting and Valuation of Ecosystem Services as it indicates sustainable growth.



Dr Naveen Bali (Former Consultant, Ministry of Finance) addressing the participants during the session

## Framing Regulatory Policy during Uncertain Times

Dr Naveen Bali (*Former Consultant, Ministry of Finance*) continued with the second session on Day 2 with the view that the foundation of regulation should not be biased. As proposed by Arrow-Debreu model (1954), a regulation should ensure equality for all and designed in a way that discretionary power is not given to any regulator.

In 1932, Knightian propounded that there is a difference in risk and uncertainty where the whole idea of risk is that one knows about something that can happen i.e. something predictable, whereas uncertainty is when a person has no clue i.e. something unpredictable. Prof Bali discussed the history of the Indian economy and elaborated changes that emerged in uncertain times. For example, in the recent covid times, the system of work from home became a new norm.

Giving reference to the World Justice Project, he said the effectiveness of regulation in India is not at the expected levels primarily on account of over regulation. The discretion given by the multiple regulations, give rise to the biased behaviour among the regulators in the decision making process. The speaker further pointed that the regulatory quality of Indian regulations is not that effective as compared to other countries. Lastly, he suggested three methods to deal with issue of over-regulation: [1] **third party involvement**: supervision of regulation cannot be given to credit rating agencies because they will see only risk not uncertainty [2] **self-regulation**: lead to free rider problem, does not work in all cases, for example online privacy issues etc. and [3] **fixing benchmarks**: Good Hart's Law which provides that when the measure becomes target, then it ceases to be a good measure.

Focusing on the solution, the speaker offered following ideas for better regulation in uncertain times:

1. Let the regulation be simple, for better understanding of the general public and
2. If there is any uncertainty which leads to some wrong outcome, then a resilient ex-post resolution mechanism should be adopted to deal with such situation i.e. effective judiciary and legal system.



Dr Naveen Bali (Former Consultant, Ministry of Finance) addressing the participants during the session

# Developing Electricity Market

Prof Ajay Pandey (*IIM-Ahmedabad*) took the third session of day 2. He started the session by discussing Section 63 (Determination of tariff by bidding process) and Section 66 (Development of market). He added that since 1990s there were reforms in the sectors in order to bring competition and effective regulatory compliance.

Prof Pandey mentioned that the electricity market works generally through voluntary contracts and the necessary condition in designing the electricity market is that wires business should not have commercial interest and it should be controlled by the technical considerations alone, ensuring that competing players do not violate security.

He further mentioned the following elements of electricity markets:

1. Long-term competitive procurement market
2. Bilateral / Financial (cash settled futures/options) medium term market
3. Spot (day ahead physical) market
4. Intraday (physical) market
5. Balancing (physical) market and
6. Ancillary services.



Dr Ajay Pandey (Professor, IIM-Ahmedabad) addressing the participants during the session

# Designing Regulation

On the last session of day 2, Shri P K Pujari (*Former Chairperson, CERC*) started with defining regulation as a '*rule or set of rules prescribed by a regulatory body with penalties to take or refrain certain action or attain certain outcomes*'. Referring to the definition, he highlighted the components in designing regulation under two heads:

1. **Means-based regulations** which focuses on action, and
2. **Ends-based regulations** which focuses on outcome.

Further, he discussed about operative components of designing: [1] **Micro-level regulations** which focuses on a specific causal pathway leading to the problem and [2] **Macro-level regulations** which focuses specifically on the problem.

Discussing the above categories, Shri Pujari mentioned that the regulator need to observe the following factors in designing regulations:

1. Nature of the problem
2. Characteristics of the industry and
3. Regulators resources and capacity.

Citing the example of a gas pipeline, he pointed out that for designing any regulation there is need to understand the problem clearly and to ensure compliance, the regulators should have resources, capacity and expertise.

Lastly, the speaker placed certain questions before the participating regulatory members for practical implementation of the session.



Shri P K Pujari, Former Chairperson, CERC addressing the participants during the 2nd session

# Game Theory & Incentive Regulation for Infrastructure Sector

On the final day, two sessions were taken by Dr Sachin Warghade (*Associate Professor, Tata Institute of Social Sciences*) on Game Theory & Incentive Regulation for Infrastructure Sector.

In the first session, he discussed basic concepts of Game Theory and pointed out that hidden information and hidden action are important factors, which results as a constraint in regulatory compliance. The Game Theory denotes certain people as economic person (self-interested entities) who are playing games leading to constraint in the regulatory process.

The speaker argues that if the regulator is pressurized or too much regulated, there is a chance of false compliance which affects the innovativeness. Therefore, he pleads for incentive structuring that allows the actors to behave in accordance to the regulatory objective.

He further highlighted the concept of mechanism designing known as incentive structuring which helps to set a game where regulator devise rules so that regulatory entity incentives are aligned with regulatory objectives. He also explained the regulatory applications of Game Theory under two heads:

1. Utility price regulation and
2. Contract regulation

For better understanding of this new concept, the speaker explained the working of game tree through different exercises with the participants.



Dr Sachin Warghade (Associate Professor, TISS) addressing the participants during the session

## Peer Learning Session

A real-time based interaction and adjustment was done by giving an opportunity to experts from various sectors to bring the regulatory landscape of their respective sectors. In this session, two speakers were allotted 15 minutes each.

On day two, Shri Charandev Singh Maan (*Secretary, RERA Punjab Real estate*) discussed the Real Estate (Regulation and Development) Act 2016 and Rules 2017 in brief highlighting the importance of registration procedure of projects, the process of adjudication and penal provision in the said enactment.

The next session on peer learning was taken by Ms Shama Nargis (*Deputy Director - Law, Competition Commission of India*). She discussed the establishment and appointment of authorities under the Competition Act 2002 and pointed out the function of the commission under Section 14 of the act to give a macro level view of the regulator.

On the third day, Md. Tanweer Akhter (*Joint Advisor, PNGRB*) discussed the Petroleum and Natural Gas Regulatory Board Act, 2006. He covered Section 16 (Authorization) and Section 20 (Declaring, laying, building, etc. of a common carrier or contract carrier and city or local natural gas distribution network). He also highlighted the functions under Section 11 of the board with the methods of its implementation.

Last session on peer learning was taken by Shri Ambati Ramesh (*Deputy Director, TAMP Mumbai*). He mentioned that there are 12 major ports of the Government of India and 200 minor ports of State Government regulated by Tariff Authority for Major Ports (TAMP). He also touched upon the various tariff guidelines.



# Open House Discussion - Way Forward, Conclusion & Suggestions

This session was specially planned by Dr Naveen Sirohi in order to achieve the targeted objective of the capacity building program. Prof Sirohi divided the participating members in 5 groups with allocation of two themes/topics for each group.

First group, was allotted with the theme of Regulatory Governance in India- Key challenges and Stakeholder Consultation / Engagement. The participating members pointed out that regulatory structure should be designed in such a way that rule of law should be followed, benefit of regulation must justify the cost and adoption of regulatory impact assessment should be there by building regulatory management system, improving quality of new and existing regulation.

Second group was allotted with the theme of Regulatory Convergence and The Challenges of Subsidization, the group members pointed out the following key learnings:

1. For the holistic development of the country and to make India a superpower all the regulators have to converge and coordinate in the best possible manner
2. The regulators with similarity in their dealings like water, electricity, gas etc. should apply the integrated approach in departmental work
3. Debit schemes for subsidies should be implemented in the agriculture sector and
4. A regular review is required on the issue of subsidization.

Third group, with the theme of Economics behind Market Regulation and Framing Regulatory Policy during Uncertain Times, gave the following key points:

1. Three causes of market failure - Externalities, market control and lack of information and
2. Goodhart's theory is important for regulation in uncertain times.



# Open House Discussion - Way Forward, Conclusion & Suggestions

Fourth group, covering the theme of Developing Electricity Market and Designing Regulation highlighted the following learnings:

- Electricity contracts are the best effort contract, where both entities try to do their best for compliance
- There is huge scope for developing spot market in the sector and
- The regulators need to understand whether to go for means-based or end based regulations or micro or macro level regulations.

Fifth group, presented their views on the allotted theme on Game Theory and Incentive Regulation, appreciating the idea of including this theme, the group members were of the view that game theory can help a decision maker in deciding future action. The group felt that with the introduction of game theory existing problems can be better analyzed, through the resource allocation and strategy making tool.



## Valedictory Session

The closing ceremony started with concluding remarks by Ms. Rashmi Somasekharan Nair (*Deputy Chief, Regulatory affairs CERC*).

The contact details of all participants were shared to enable future interaction and ongoing group learning among participants.

Program feedback was collected and noted for incorporation in future programs by Mr Avanish Ranjan, Consultant.

The program concluded with a formal vote of thanks by Prof (Dr) Naveen Sirohi (*Director, FOIR Centre IICA*). Dr Sirohi expressed his happiness on the positive feedback given by participants and thanked them for their contributions in making the workshop successful.



Ms. Rashmi Nair (Deputy Chief, CERC) & Dr Naveen Sirohi (Director FOIR Centre, IICA) during valedictory session

# Suggestions

The following suggestions were received from participants:

- Case studies should also be included for better understanding of the facts
- Video clippings must be added for practical experience
- Introductory sessions of each participating sector should be included
- Duration of the program must be extended to 5 days
- Daily group activities should be included for better interaction and participation and
- More such programs are required for all levels of officers among different regulators.

# Participant Feedback/Testimonials

The program received excellent feedback from the participants.

The program content and coordination were greatly appreciated by all the participants.

*“The overall program was excellent as it contains some of the emerging topic of the sector.”*

~ Punam Rabha (Dy. Director AERC)

*“All the speakers have given excellent insight on their respective subjects. Also discussing problem and suggestions with other officers of different state ERC's is another plus point of this program.”*

~ Arnab Dey (Dy. Director WBERC)

*“It was a very nice and enlightening experience.”*

~ Gurpreet Singh (Dy. Director, PSERC)

*“One session on proposal amendments to the Electricity Act would have been app keeping the view changes.”*

~ Sheshadri H S (Dy. Director, KERC)

*“70% achieved. It can be composed by keeping session timing from 9 a.m. to 1:30 p.m. With the break at 11:00 a.m. And living the afternoon time is free for participants because most participants attending this CBP in tourist places like Goa not only for learning but also for engagement enjoyment and also learning capacity energy is more in the morning than afternoon so only good morning not good afternoon.”*

~ Hage Mima (Secretary, APSEEC)

*“Learning a lot from this program it's very good and I will keep it up in the future.”*

~Avinash Kumar (Dy. Director, BERC)

*“The program was excellent. Convergence and the challenges of subsidization were excellent.”*

-Md. Tanveer Akhter (Dy. Director, PNGRB)

*“The program is covering good learning objectives on the regulatory mechanism. Various topics related to the subject are briefly covered”.*

~Bhavesh Shah (Staff Officer, GERC)

*“The program served a lot of learning objectives can be made specific topic-based like open access, banking, wheeling, integration, GNA, RTM, roles of regulation in monitoring mechanism of regulation etc. Instead of common topics like Game Theory. I particularly like the following topics which are practically useful; designing the regulation, electricity market, regulatory convergence, and key challenges.”*

~ J Prabhakaran (Dy. Director, TNERC)

*"Through this program, participants have not only learnt about the regulatory framework of the electricity sector but also other sectors also."*

~ Gaurav Sabharwal (Dy. Director, UERC)

*"On the scale of hundred percent the program achieved its 70-80 % of desired learning objective. The program should be more interactive as it was in the last session, everyone got the chance to participate. I am looking forward to attending more such programs as it was a very great experience and learning which I could take with me."*

~Shreya Pandit (RA, JERC Goa)

*"A very informative and a good learning experience."*

~Sonam G Bhutia (Assistant Director, SSERC)

*"The training program was well designed. Uncertainty and risk are the major issues which are facing while framing regulations. These aspects have been duly covered during the sessions and other important factors like convergence for effectiveness, economics behind market regulations and Game Theory etc. have been covered and key attributes were discussed. Examples related to the topics of the session white also duly provided by the expert. The Game Theory session was very informative. It is suggested that some case studies may also be covered in these sessions for better understanding the facts."*

~Harpreet S Walia (Dy. Director, PSERC)

*"The program has surpassed my objective of attending this program. All the lectures were delivered by the eminent speakers and they also provided daily life examples. This learning will remain with me forever. It also provided a gold in opportunity of interacting with various sector experts which was beyond imagination for me. This program will surely be a catalyst and will give motivation for me to keep learning and growing."*

~Rahul Kumar (RA, JERC Goa)

*'More than its threshold needs a bit of elaboration by the resource persons.'*

~ Raamish Tauseef (Secretary, BERC)

*"Excellent learning program. Very well managed and curated by Prof Naveen Sirohi and priority assistance by the Avani Ranjan."*

~ Charan Dev Singh Mann (Secretary, RERA Punjab)

*"In my view the program achieved the goal. This program was able to know no about other regulators like RERA, Tamp, and CCI etc."*

~ Lakshman Jageer (Joint Director, TSERC)

*“The program is very excellent. It is more of an interactive session. The program covers most of the issues on regulatory governance. It has helped me a lot to understand the other regulatory body. I have met such wonderful people from other regulatory bodies. The arrangement is very good to a great extent, the program has achieved the desired learning objective.”*

**~Ambati Ramesh** (Dy. Director, TAMP)

*“It was excellent. I belong to the energy sector and have been expecting to learn a certain regulatory perspective that could be implemented in any sector. The sessions specifically 'challenge of subsidization and game Theory were really an eye opener. Ideas provided by the experts in the sessions can be very well implemented in day to day regulatory activities.”*

**~ Srikant Sharma** (Dy. Director, OERC)

*“The program has achieved its desired learning objective. As per ITU, this decade is of collaborative regulation and cross-sectoral understanding. We as a regulator have to think beyond our boundary and come up with a system where every sector ages open for collaborative regulations. More such programs are required for all levels of officers in different regulators.”*

**~ Vikas Nigam** (SRO, TRAI)

*“Excellent, Topics were planted by Knightley in view of desired learning objectives. Faculty was excellent. IICA team did a well-planned program, learning, discussions, experience, is very helpful and improves working efficiency and effectiveness.”*

**~ Madhur Kumar Chaudhari** (Joint Director, MPERC)

*“I thought it was only for the electricity regulator but the way IICA and FOIR organized the training covering all sector regulators is really excellent. In future also expect such type of training for senior and junior level officials. The training can be more attractive if some person is covered by the video clippings like some speakers are mostly academicians so theory based learning mostly, however organizers can arrange more case study related topics.”*

**~ Sujata Das Chakraborty** (Secretary, TERC)

*“The program achieved its desired learning objective. As far as it is concerned with the academic side, the lectures should be organized in such a way that one lecture of a subject which is dull and other is an interesting topic or with some activity which provides enthusiasm to the participants.”*

**~ Shama Nargis** (Dy. Director, CCI)

*“Yes, it has achieved almost 90% of desired learning objectives. Most lectures were very good and non-technical but very relevant and applicable to all sectors. The course added good value to the undersigned and may help in improving in this charging his duties/assigned tasks.”*

**~ Shiva Suman** (Dy. Chief, CERC)

*“The program has achieved its desired learning objective fully up to the mark. Lectures full of knowledge on various topics consist of practical examples. We have learnt a lot of things in this program which are very useful for future aspects in day to day working in the office.”*

~ **Sumit Chauhan** (Joint Director, HPERC)

*“I think the program has achieved its desired learning objectives. Apart from this, as improvement more case studies may be included in future programs.”*

~ **Pawan Sut Sharma** (Joint Director, RERC)

*“This program is certainly helping us to learn the regulation Strategies and our decision making aspects etc. Also we learnt other regulator views.”*

~ **E Pugazhenth**i (Asst. Director, TNERC)

*“The program was up to the mark, covered a wide area, was interactive, perfectly timed, and the faculties were very nice. Video recordings of the session would be very helpful.”*

~ **Reshma Setpal** (Dy. Director, CSERC)

*According to me, “the learning program which is organized by FOIR IICA fully reached his objectives. In this learning program I learnt different important subjects by different speakers. It is more important for us in light of knowledge and career. I am very thankful to all respected sir.”*

~ **Satish Verma** (PA, UPERC)

*“The program achieved its objective fairly; however some more patients may be included and the duration of the capacity building program be extended for 5 days”.*

~ **Rajendra Prasad Nayak** (Secretary, JSERC)

*“The program fairly met my expectations. Though the exposure of other sectors except Electricity was limited, it could be increased. Other sector exposure may be increased in sector exposure may be increased in the future of the program. All together it was a good initiative.”*

~ **Sanjiv Kumar Mahato** (Dy. Director, DERC)

*“Good exposure to regulatory areas. Nice plan of sessions covering the framework. Qualitative and interactive sessions.”*

~ **V Karthik** (Asst. Chief, CERC)

*“The program achieved the desired learning objective. A common forum for officers of regulatory bodies was a need of time. There are many good takeaways from the program. Daily group activities will give more chances of participation and interaction.”*

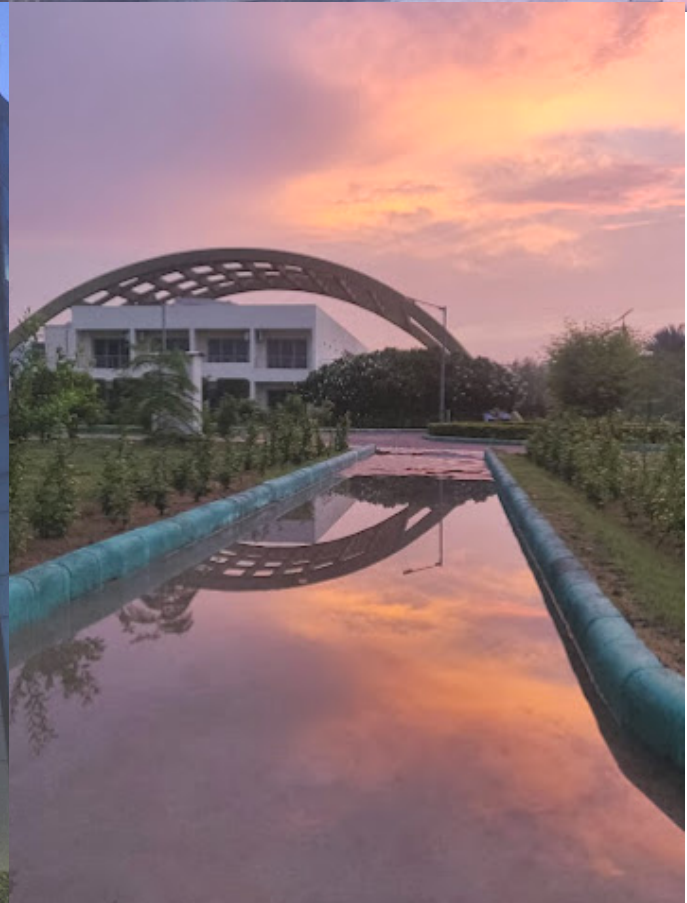
~ **Ronkita Boruah** (Dy. Director, AERC)

*“The sessions are well designed keeping in view the variety of participants of different regulators. Better time management could have been done on day one (as the first session started late on first day).”*

~ **Saswat Tripathy** (Dy. Director, OERC)

# Photo Gallery





**Contact us**

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