

# MONTHLY CORPORATE NEWSLETTER

## NOVEMBER 2024

Dear Readers,

We bring you a concise analysis of important developments, recent publications and judgements and noteworthy regulatory amendments in the corporate and financial sectors on a monthly basis.

In this issue, we bring you the most recent updates and important notifications from key regulatory bodies including SEBI, RBI, and CCI. Stay informed with our comprehensive coverage on the latest circulars, notifications and orders that impact the corporate landscape.

Perceiving the significance of these updates and the need to keep track of the same, we have prepared this newsletter providing a concise overview of the various changes brought in by our proactive regulatory authorities and the Courts!

Feedback and suggestions from our readers would be appreciated. Please feel free to write to us at [mail@lexport.in](mailto:mail@lexport.in).

Regards,  
Team Lexport



### ABOUT US

Lexport is a full-service Indian law firm offering consulting, litigation and representation services to a range of clients.

The core competencies of our firm's practice *inter alia* are Trade Laws (Customs, GST & Foreign Trade Policy), Corporate and Commercial Laws and Intellectual Property Rights.

The firm also provides Transaction, Regulatory and Compliance Services. Our detailed profile can be seen at our website [www.lexport.in](http://www.lexport.in).

### OUR CORPORATE TEAM

Rajiv Sawhney  
Akshita Agarwal  
Fen Mathew

### DISCLAIMER

The information contained in this Newsletter is for general purposes only and Lexport is not, by means of this newsletter, rendering legal, tax, accounting, business, financial, investment or any other professional advice or services. This material is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Further, before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Lexport shall not be responsible for any loss sustained by any person who relies on this newsletter. Hyperlinks to third party websites provided herein are for *bona fide* information purposes only, and must not be construed to be indicative of any formal relationship between Lexport and such third parties.

**INDEX**

<b>FSSAI Makes PAN Mandatory for Food Business Licenses and Registrations</b>	<b>...2-3</b>
<b>FSSAI Issues Advisory to Food Businesses on Supreme Court Order to Curb Misleading Advertisements</b>	<b>...3-4</b>
<b>NCLAT Ruling on Property Recovery Under the Insolvency Code</b>	<b>...4</b>
<b>LG Approves Increased Fines for Wrong Weights in Delhi</b>	<b>...4-5</b>
<b>Telecommunications (Telecom Cyber Security) Rules, 2024 Notified</b>	<b>...5</b>
<b>IBBI Proposes Mandatory Monitoring Committee for CIRP Resolution Plans</b>	<b>...5-6</b>
<b>IFSCA Issues Principles to Mitigate Greenwashing Risk in ESG-labelled Debt Securities</b>	<b>...6</b>
<b>CCPA Slaps Rs 54.6 Lakh Fine on 48 Coaching Centres, Issues New Guidelines to Curb Misleading Ads</b>	<b>...7</b>

**PART A: LATEST CIRCULARS / NOTIFICATIONS**

**1. FSSAI Makes PAN Mandatory for Food Business Licenses and Registrations**

The Food Safety and Standards Authority of India (FSSAI) has mandated that food business operators (FBOs) link their Permanent Account Number (PAN) to their FSSAI licenses and registrations. The order, issued on November 13, 2024, stipulates that PAN details must be provided for all new applications, renewals, and modifications of FSSAI licenses, effective from October 22, 2024.

Existing FBOs whose renewals or modifications are not due must update their PAN details on the FoSCOS portal promptly. Those without a PAN must submit a declaration stating so. FBOs are also advised to ensure their contact information, including email ID and mobile number, is current on the portal to facilitate communication from FSSAI.

This move aims to streamline regulatory processes and improve data management by linking PAN numbers to FSSAI licenses and registrations.

**2. FSSAI Issues Advisory to Food Businesses on Supreme Court Order to Curb Misleading Advertisements**

The Food Safety and Standards Authority of India (FSSAI) has issued an advisory to food business operators (FBOs) following a Supreme Court order aimed at curbing misleading advertisements. Issued on November 11, 2024, the advisory outlines key compliance measures for advertisers. According to the Supreme Court's order, advertisers must submit a self-declaration on a designated portal before any advertisement is printed, aired, or displayed, certifying that it adheres to the

Advertising Code under the Cable Television Networks Rules, 1994. Advertisers must also provide proof of this declaration to the respective media outlets, such as broadcasters, printers, and publishers. FSSAI advises FBOs to strictly follow these guidelines to avoid legal consequences. The Ministry of Information & Broadcasting (MIB) and the Press Council of India have introduced online portals to facilitate the submission of these self-declarations, which have been active since June 4, 2024. FBOs are also reminded to ensure that their advertisements are truthful, accurate, and not misleading to consumers.

### **3. NCLAT Ruling on Property Recovery Under the Insolvency Code**

The **National Company Law Appellate Tribunal (NCLAT)** ruled that **owners or lessors** cannot recover property from a **Corporate Debtor** under **Section 14(1)(d)** of the **Insolvency and Bankruptcy Code (IBC)**. This decision followed the tribunal's finding that the **Resolution Professional's** move to release property was not confirmed by the **Committee of Creditors (CoC)**, despite claims of unanimous approval.

The NCLAT emphasized that the **Section 14(1)(d)** prohibition on property recovery remains absolute and non-negotiable when a property is in the possession of the Corporate Debtor. It also highlighted that any application for recovery is non-maintainable under this provision.

The appellant argued that the decision lacked reasoning, while the respondents contended that the CoC had made a unanimous decision to retain the property as a going concern. However, the NCLAT noted that the CoC had not made a decision on vacating the registered office and was still seeking legal advice. Thus, the **Resolution Professional's** unilateral action to release the property was found to be inconsistent with the CoC's position.

The judgment, delivered by a bench of **Justice Rakesh Kumar Jain, Naresh Salecha, and Indevar Pandey**, reinforces that the **CoC's** decisions on property recovery must align with **IBC** provisions.

### **4. LG Approves Increased Fines for Wrong Weights in Delhi**

Lieutenant Governor VK Saxena has approved key amendments to the Delhi Legal Metrology (Enforcement) Rules, 2011, to align with recent changes under the Jan Vishwas Act, 2023. These amendments aim to protect consumers from fraud and ensure fair market practices. Notably, penalties for the use and manufacture of non-standard weights or measures have been significantly increased. Retailers will face fines of Rs 5,000 (up from Rs 2,500), wholesalers Rs 10,000, and petrol pumps Rs 50,000. The penalty for manufacturing non-standard weights will rise from Rs 2,000 to Rs 1 lakh, while fines for selling non-standard packages will increase to Rs 5,000 for retailers and Rs 25,000 for manufacturers.

The Union Ministry of Consumer Affairs had advised state governments to prescribe compounding fees as per legal requirements. The amendments also aim to ensure uniformity in regulatory standards by integrating provisions from the Legal Metrology (Packaged Commodity) Rules, 2011. LG's approval emphasizes his commitment to safeguarding consumer interests and promoting transparency in the marketplace.

## **5. Telecommunications (Telecom Cyber Security) Rules, 2024 Notified**

The Department of Telecommunications notified the Telecommunications (Telecom Cyber Security) Rules, 2024, on November 22, 2024. These rules mandate telecom companies to report cybersecurity incidents within six hours and provide further details within 24 hours. The central government and authorized agencies are empowered to collect and analyze data, excluding message contents, to enhance telecom cybersecurity.

Telecom entities must implement cybersecurity measures, appoint a Chief Telecommunication Security Officer for coordination, and establish Security Operations Centres (SOCs). The government can suspend or disconnect telecom identifiers that pose a security threat and restrict access for up to three years.

Manufacturers and importers of devices must register their IMEI numbers with the government before sale or import. Experts have raised concerns about the rules' compliance burden and privacy implications.

## **6. IBBI Proposes Mandatory Monitoring Committee for CIRP Resolution Plans**

The Insolvency and Bankruptcy Board of India (IBBI) has proposed that all Corporate Insolvency Resolution Process (CIRP) resolution plans include a mandatory monitoring committee. Public comments are open until December 9.

The proposal follows a Supreme Court ruling calling for statutory recognition of such committees. Under the new framework, the Committee of Creditors (CoC) will determine the committee's composition, constitution, and tenure, with flexibility for short-term implementations.

The monitoring committee will consist of CoC and successful resolution applicant representatives and will be chaired by the resolution professional or another CoC-chosen insolvency expert. The resolution applicant will cover committee expenses, with insolvency professional fees capped at the CIRP period amount.

The committee will oversee implementation, ensure compliance, and facilitate asset transfers, providing quarterly progress reports to the Adjudicating Authority and IBBI. This initiative aims to improve transparency, accountability, and the success of resolution plans.

## **7. IFSCA Issues Principles to Mitigate Greenwashing Risk in ESG-labelled Debt Securities**

The International Financial Services Centres Authority (IFSCA) has issued a circular on November 21, 2024, outlining principles to reduce the risk of greenwashing in Environmental, Social, and Governance (ESG)-labelled debt securities within the International Financial Services Centres (IFSC). Greenwashing involves misleading or exaggerated claims about sustainability, often obscuring negative aspects of a product or service.

To combat this, IFSCA mandates that issuers disclose detailed information in their offer documents, including ESG objectives, project selection processes, use of proceeds, and tracking systems for fund deployment. Vague statements regarding investment criteria are prohibited, and clear, transparent

sustainability-related disclosures are required to help investors fully understand the product's sustainability goals.

Further guidance emphasizes the need for clear communication on sustainability targets, methodologies, and processes for managing environmental and social risks. If the security is tied to specific sustainability targets, the issuer must outline the target, the steps to achieve it, and any assumptions involved.

#### **8. CCPA Slaps Rs 54.6 Lakh Fine on 48 Coaching Centres, Issues New Guidelines to Curb Misleading Ads**

The Central Consumer Protection Authority (CCPA) has imposed a penalty of Rs 54.6 lakh on 18 coaching institutes for misleading advertisements and has introduced new guidelines aimed at curbing deceptive practices in the sector. The “Guidelines for Prevention of Misleading Advertisements in the Coaching Sector, 2024” require coaching centres to provide accurate information about course offerings, faculty qualifications, success rates, and refund policies.

The new norms also prohibit using students' names, photos, or testimonials in ads without written consent obtained post-success, and mandate clear disclosures about course details, fees, and any associated disclaimers. Coaching centres are also barred from creating a false sense of urgency or scarcity. The guidelines aim to protect students from misleading marketing and ensure transparency in the industry.

Any violations will lead to penalties under the Consumer Protection Act, 2019, with the CCPA pledging to enforce strict action against erring institutions.

**END OF THE NEWSLETTER**

\*\*\*\*\*