

MONTHLY CORPORATE NEWSLETTER

DECEMBER 2024

Dear Readers,

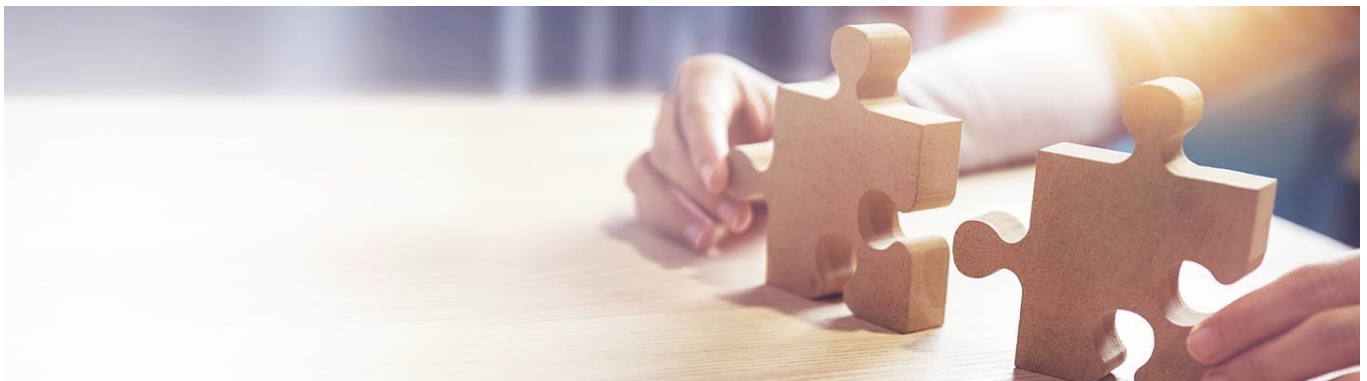
We bring you a concise analysis of important developments, recent publications and judgements and noteworthy regulatory amendments in the corporate and financial sectors on a monthly basis.

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.

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.

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PART A: LATEST CIRCULARS / NOTIFICATIONS

1. FSSAI Calls on E-Commerce Food Platforms to Strengthen Safety Measures

The Food Safety and Standards Authority of India (FSSAI) has urged e-commerce food businesses to elevate their compliance with food safety regulations. In an advisory issued on December 3, 2024, FSSAI emphasized stricter adherence to hygiene, labeling, and transparency to ensure consumer safety amidst the rising demand for online food delivery.

Key highlights include:

- Prioritize training for their delivery staff in food safety and hygiene practices.
- Ensuring that the product information displayed online is consistent with the physical product label.
- Verify that food products delivered to customers have a sufficient remaining shelf life.
- Prominently display the FSSAI license or registration numbers of sellers and their hygiene ratings.
- Ensuring that all listed sellers possess valid FSSAI licenses or registrations

This initiative aims to build a trustworthy and safe food delivery ecosystem.

2. FSSAI Reclassifies Packaged Drinking Water and Mineral Water as High-Risk Food Category

The Food Safety and Standards Authority of India (FSSAI) has reclassified packaged drinking water and mineral water as a high-risk food category as of November 29, 2024. This follows a recent amendment to the Food Safety and Standards (Prohibition and Restrictions on Sales) Regulations, 2011, which removed the mandatory BIS certification for some food products.

Key Implications of the Reclassification:

- Manufacturers of packaged drinking water and mineral water will now face more stringent regulatory oversight.
- FSSAI will conduct mandatory annual inspections of manufacturing facilities to ensure compliance with safety and quality standards.
- Central License holders for high-risk food categories must undergo annual third-party food safety audits.

This move reaffirms FSSAI's commitment to public health, ensuring the safety and quality of food products and protecting consumers from potential health risks.

3. Telecommunications (Regulatory Sandbox) Rules, 2024 Draft Issued

The Department of Telecommunications (DoT) has published the draft of the Telecommunications (Regulatory Sandbox) Rules, 2024, aimed at fostering innovation and technological development in the sector. The government seeks to create a live testing environment for new products, services, and business models, allowing them to be tested on a select group of users for a limited time.

Key Features of the Draft Rules:

- Regulatory sandboxes can be created either suo-moto or upon proposal, with a validity of up to two years, extendable by 12 months on request.
- The draft outlines the responsibilities of approved applicants, governance committee structure, reporting obligations, and the scaling up of tested services.
- It details the conditions for suspension or revocation of approvals to operate a regulatory sandbox without refunding fees.

The draft follows the Telecom Regulatory Authority of India's (TRAI) 2024 recommendations on encouraging innovation through regulatory sandboxes and aligns with the provisions in the Telecommunication Act, 2023, and guidelines for operating 'Spectrum Regulatory Sandbox' and 'WiTe Zones'.

4. SEBI Implements Rules on Uniform Nomination Standards Across Securities Markets

The Securities and Exchange Board of India (SEBI) has notified new rules that establish uniform standards for nomination facilities across the securities markets. The rules enable investors to

nominate a person to act on their behalf in case of incapacitation and to ensure that their securities are transferred upon death. Every participant in the securities market must offer the beneficial owner the option to nominate a representative for these situations. Additionally, in the case of joint ownership, the owners can collectively nominate someone to receive the securities in the event of the death of all joint beneficial owners. Importantly, the depositories and participants will not be held liable for any actions based on the nomination made by the beneficial owner. These rules, which are part of amendments to the Depositories and Participants Regulations, became effective on November 28, 2024.

5. India Launches eMaap: A Unified Portal for Legal Metrology Compliance

The Department of Consumer Affairs, Government of India, has unveiled the development of the National Legal Metrology Portal (eMaap), a digital platform aimed at revolutionizing the legal metrology framework. Announced on December 4, 2024, eMaap will integrate various state-level legal metrology portals into a unified national system, simplifying processes such as license issuance, renewals, amendments, and the verification and stamping of weighing and measuring instruments. The portal will provide a centralized database of licenses, certificates, and enforcement actions, promoting transparency and enabling informed policy decisions. By digitizing processes and creating a seamless interface for businesses and consumers, eMaap is set to ensure fair trade practices, safeguard consumer interests, and drive economic growth in India

6. Government Proposes Bill to Ban Unregulated Lending

The Ministry of Finance has introduced the draft 'Banning of Unregulated Lending Activities (BULA)' Bill to curb unauthorized lending, including predatory digital practices. The bill, open for stakeholder feedback until February 13, 2025, seeks to outlaw lending by entities not authorized by the RBI or other regulators.

Violators face fines of ₹2 lakh to ₹1 crore and imprisonment of up to seven years, with stricter penalties for harassment or illegal recovery tactics. Competent Authorities will be empowered to investigate, attach accounts, and oversee compliance, while an online database will list authorized lenders and track illegal activities.

The move follows repeated reports of predatory lending and enforcement actions against illegal operators, including raids and app bans linked to fraudulent digital lenders. The BULA Bill aims to enhance borrower protection and bring transparency to India's lending ecosystem.

7. SEBI Introduces Data Sharing Policy for Research

On December 20, 2024, SEBI issued a circular establishing a uniform policy for data sharing by Stock Exchanges, Depositories, and Clearing Corporations. The policy aims to facilitate academic research while safeguarding data privacy.

Under the framework, anonymized data will be shared with accredited institutions, promoting data-driven research on market dynamics and financial modeling. This initiative enhances transparency and accountability in India's securities markets, allowing independent analysis while protecting sensitive information.

SEBI's move supports both academic excellence and informed regulatory decisions, marking a progressive step toward a transparent and research-focused financial ecosystem.

8. SEBI Approves Key Regulatory Amendments to Strengthen Market Oversight

The Securities and Exchange Board of India (SEBI) has approved critical regulatory changes aimed at enhancing transparency, investor protection, and corporate governance.

Key Highlights:

- **SME IPO Norms:** Companies must show operating profits of ₹1 crore in two of the last three years; IPO proceeds cannot be used to repay loans from promoters or related parties.
- **Merchant Banker Regulations:** New requirements include maintaining liquid net worth and limiting underwriting exposure.
- **ESG Reporting:** Compliance timelines extended; value chain data reporting deferred to FY26.
- **AI Usage Regulation:** SEBI mandates regulated entities to ensure data security and privacy when using AI tools.
- **Debt Securities:** Listing rules simplified; demat form required for issuance and transfer.
- **Corporate Governance:** Enhanced disclosure norms for related-party transactions and fund utilization.
- **Mutual Funds:** Timelines set for fund deployment in new fund offers; investors allowed exit without penalties for delays.
- **REITs and InvITs:** Stronger safeguards and disclosures introduced.
- **Startup Listings:** Relaxed norms for Innovators Growth Platform to ease funding access.
- **AIFs:** Quarterly disclosures mandated for investments, valuations, and performance.

These amendments align SEBI's framework with evolving market needs, ensuring robust regulatory oversight.

END OF THE NEWSLETTER
