

DECEMBER 2025

CORPORATE LAW BULLETIN



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A. MINISTRY OF CORPORATE AFFAIRS

Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman chairs review meeting with Regional Directorates and Registrar of Companies

Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman chaired a review meeting of the Regional Directorates and Registrar of Companies in New Delhi. The meeting was attended by the Minister of State for Corporate Affairs, the Secretary of MCA, senior MCA officials, and all subordinate offices. Detailed discussions were held with the ROCs and RDs on processing of forms, fast-track mergers, and service delivery relating to incorporation and voluntary exit of companies/LLPs through Central Facilities. The meeting also covered e-governance, harmonization of forms, adjudication matters, inquiries, inspections, investigations, prosecutions, appeals, and compounding of violations.

For more details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2194348®=3&lang=2>

The Companies (Meetings of Board and its Powers) Amendment Rules, 2025

The Ministry of Corporate Affairs (MCA), vide Notification dated November 03, 2025, has issued the Companies (Meetings of Board and its Powers) Amendment Rules, 2025, The amendment substitutes Rule 11(2) with the following:

“(2) For the purposes of clause (a) of sub-section (11) of section 186 of the Act, the expression business of financing industrial enterprises shall include:

- in the case of a Non-Banking Financial Company registered with the Reserve Bank of India, the business of granting any loan or providing any guarantee or security for the due repayment of any loan availed by any person in the ordinary course of its business; and
- in the case of a Finance Company registered with the International Financial Services Centres Authority, the activities specified in sub-clause (a) or sub-clause (e) of clause (ii) of sub-regulation (1) of regulation 5 of the International Financial Services Centres Authority (Finance Company) Regulations, 2021, undertaken in the ordinary course of its business.”

For more details: <https://www.mca.gov.in/bin/dms/getdocument?mids=zj7qaaq1Fnye3cB5LBw5mFw%253D%253D&type=open>

SFIO institutes safeguards to prevent misuse of summons and notices

The Serious Fraud Investigation Office (SFIO), established under the Companies Act, 2013, investigates complex corporate frauds under Section 212. During investigations, Summons/Notices are issued under Section 217, and SFIO has introduced several safeguards to prevent impersonation or misuse. All Summons/Notices are digitally generated with a QR code and unique DIN, and officers are required to use only these digital formats except in rare cases. An online verification system enables recipients to instantly confirm authenticity. Additionally, a multi-layer review mechanism ensures greater oversight and transparency in the issuance of Summons/Notices.

For more details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2192445®=3&lang=2>

B. Reserve Bank of India - FEMA

Amendments to Directions - Compounding of Contraventions under FEMA, 1999

The Reserve Bank has revised the account details for receipt of compounding application fees and compounding amounts under the Master Directions on compounding of contraventions under FEMA, 1999, dated April 22, 2025. The updated details have been incorporated in the modified Annexure I, and payments will now be received through NEFT/RTGS in the revised account.

For more details: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12924&Mode=0>

Foreign Exchange Management (Export of Goods and Services) (Second Amendment) Regulations, 2025

The Reserve Bank of India through the captioned regulations, has modified Regulations 9 and 15, requiring realisation and repatriation of full export value of goods, software, or services within fifteen months or within a period specified by the Reserve Bank in consultation with the Government. The regulations also provide that where an exporter receives advance payment from a buyer or third party abroad, the exporter must ensure shipment of goods within three years from the date of receipt of such advance.

C. SECURITIES LAWS - SEBI

Specification of the terms and conditions for Debenture Trustees for carrying out activities outside the purview of SEBI

Amendments to the SEBI (Debenture Trustees) Regulations, 1993 were notified, whereby regulation 9C was incorporated, to bring clarity on the permitted activities for a Debenture Trustees (DTs). Vide this circular, the conditions for Debenture Trustees to undertake activities that are not regulated by SEBI are prescribed. Further provided that a DT which is also regulated by the Reserve Bank of India, shall carry out the activity of DT through Separate Business Unit of such DT. Therefore, the terms and conditions as specified shall be complied with by such SBU.

For more details: https://www.sebi.gov.in/legal/circulars/nov-2025/specification-of-the-terms-and-conditions-for-debenture-trustees-for-carrying-out-activities-outside-the-purview-of-sebi_97944.html

Ease of doing investment - Review of simplification of procedure and standardization of formats of documents for issuance of duplicate securities certificates

In order to ensure ease of investment for investors by way of further simplification of the process of issuance of duplicate securities, the following is proposed by SEBI:

- To increase the limits for simplified documentation for issuance of duplicate securities from Rs. 5 Lakhs to Rs. 10 Lakhs.
- To simplify documentation and to reduce cost of obtaining duplicate securities, a common affidavit cum-indemnity form is being proposed.
- To clarify that the stamp duty shall be applicable as per the state of residence of the investor.
- To clarify in the circular that the advertisement shall be issued by the listed company.

In order to take into consideration, the views of various stakeholders, public comments are invited on the above proposals.

For more details: <https://www.sebi.gov.in/reports-and-statistics/reports/nov-2025/ease-of-doing-investment-review-of-simplification-of-procedure-and-standardization-of-formats-of-documents-for-issuance-of-duplicate-securities-certificates-97931.html>

Ease of investments and ease of doing business measures – Review of the ‘Facility for Basic Services Demat Account (BSDA) for Financial Inclusion’

Based on representation received from the depositories and with an aim to achieve the twin objectives of ease of investments and ease of doing business, SEBI has proposed certain modifications in the circular no. SEBI/HO/MIRSD/MIRSD-PoDI/P/CIR/2024/91 dated June 28, 2024, on “Facility for Basic Services Demat Account (‘BSDA’) for Financial Inclusion and Ease of Investing”. The following is proposed:

- Exclusion of Zero Coupon Zero Principal (ZCZP) bonds for determining eligibility of demat accounts as BSDA.
- Valuation of delisted and illiquid securities for the purpose of determining eligibility of demat accounts as BSDA.
- Reassessment of eligibility of all the existing Beneficial Owners (‘BOs’) with respect to BSDA.
- Submission of consent for opting out of BSDA.

For more details: <https://www.sebi.gov.in/reports-and-statistics/reports/nov-2025/ease-of-investments-and-ease-of-doing-business-measures-review-of-the-facility-for-basic-services-demat-account-bsda-for-financial-inclusion-97901.html>

SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025, introducing scale-based thresholds based on annual consolidated turnover for determining material related party transactions. The amendment also clarifies the validity period of shareholders' omnibus approvals and specifies that the term "holding company" refers to the listed holding company. These changes aim to address practical challenges, remove ambiguities, and enhance balance between investor protection and ease of doing business within the RPT framework.

D. INSOLVENCY AND BANKRUPTCY

Strengthening due diligence under Section 29A- reg. [Circular No. IBBI/CIRP/88/2025]

Section 29A of the Code lays down the ineligibility criteria for resolution applicants i.e. persons who are not eligible to submit a resolution plan for a corporate debtor (CD) undergoing CIRP. Accordingly, various duties have been cast on the RPs and the PRAs under the Code and IBBI (Insolvency Resolution Process for Corporate Persons) Regulations. Due diligence with respect to section 29A compliance is paramount as it safeguards the integrity of the process by ensuring that only credible resolution applicants participate in the process. It also reduces the risk of legal challenges post-approval of resolution plan. Thus, RPs are hereby directed to place a detailed note on section 29A compliance before the CoC when resolution plans are considered and ensure that deliberations and observations of the CoC are properly recorded in the minutes.

Legal Pronouncements

Financial Creditor Can Cure the Procedural Defect under Section 7 of the IBC- Livein Aqua Solutions Private Limited (Appellant) Versus HDFC Bank Limited (Respondent)

The Appellant company had taken a loan from the Respondent-bank, which later became a non-performing asset. The bank's Section 7 IBC application was dismissed by NCLT, but NCLAT reinstated it and remanded the matter for a decision on merits. The Appellant challenged this before the Supreme Court under Section 62 of the IBC. The Court, relying on earlier judgments, held that defects in a Section 7 application must be cured pursuant to a proper notice under the proviso to Section 7(5)(b), and procedural rules cannot override substantive requirements. As no such statutory notice was issued, NCLAT was right in its finding, though it should have directed the bank to cure the defective affidavit.

For more details: https://www.sci.gov.in/view-pdf/?diary_no=510182025&type=j&order_date=2025-11-24&from=latest_judgements_order

Delay in transfer of shares can be deemed a refusal to transfer the shares - Isabelle Fabienne Perret – Gentil (Appellants) Vs. Whispering Kera Ecological Homestay Private Limited & Others (Respondents) - National Company Law Tribunal Kochi Bench Company Appeal

The appellant sought transmission of 6,000 shares held by her deceased sister and rectification of the company's register under Sections 58(3) and 59 of the Companies Act, 2013. She and her mother were confirmed as the only legal heirs through a Swiss Certificate of Inheritance, with the mother giving full consent for transfer of all shares to the appellant. Despite submission of the death certificate, heirship certificate, passport copies, and other supporting documents, the respondents neither transmitted the shares nor rejected the request, instead raising technical objections relating to stamping of the Power of Attorney, apostille requirements, and procedural issues. The company had also failed to conduct AGMs and maintain statutory compliances. The Tribunal held that such delay and objections amounted to refusal under Section 58 and that the appellant's title was clear and undisputed. It ruled that apostilled foreign documents were valid, no succession certificate was required, and the technical defects were curable. The appeal was allowed, with directions to execute an indemnity bond and complete transmission of 6,000 shares within 10 days.

For more details: https://nclt.gov.in/gen_pdf.php?filepath=/Efile_Document/ncltdoc/casedoc/3214117005532024/04/Order-Challenge/04_order-Challenge_004_1763988905255438526692455a90bf88.pdf



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