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CORPORATE LAW BULLETIN



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A. MINISTRY OF CORPORATE AFFAIRS

The Companies (Listing of equity shares in permissible jurisdictions) Amendment Rules, 2025

The Ministry of Corporate Affairs (MCA) has notified "the Companies (Listing of equity shares in permissible jurisdictions) Amendment Rules, 2025". According to the amendment Form LEAP-1 (Form for submission of Prospectus with the Registrar) has been substituted.

MCA releases FAQs on Lot 3 Forms

The Ministry of Corporate Affairs has issued FAQs pertaining to the rollout of E-forms from V2 to V3 portal. These FAQs inter alia covers information related to the filling and processing of e-forms. Stakeholders may refer to the link below for more information:

For more details: <https://www.mca.gov.in/bin/dms/getdocument?mds=obd2Sfxdh0Lui3yMybiT7A%253D%253D&type=open>

B. SECURITIES LAWS – SEBI

Extension towards Adoption and Implementation of Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)

Recognising the need for robust cybersecurity measures and protection of data and IT infrastructure, SEBI has issued 'Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)' vide circular SEBI/HO/ ITD-1/ITD_CSC_EXT/P/CIR/2024/113 dated August 20, 2024. SEBI has received multiple requests for CSCRF compliance timelines extension to ensure ease of compliance for them. Therefore, SEBI has extended the compliance timelines by two (2) months, i.e., till August 31, 2025 to all REs, except Market Infrastructure Institutions (MIs), KYC Registration Agencies (KRAs), and Qualified Registrars to an Issue and Share Transfer Agents (QRTAs).

For more details: https://www.sebi.gov.in/legal/circulars/jun-2025/extension-towards-adoption-and-implementation-of-cybersecurity-and-cyber-resilience-framework-cscrf-for-sebi-regulated-entities-res-_94902.html

C. INSOLVENCY AND BANKRUPTCY

Insolvency proceedings cannot sidestep PMLA process

NCLT held that insolvency proceedings under the IBC cannot be used to bypass actions under the Prevention of Money Laundering Act (PMLA). Dismissing the plea for dissolution of Shakti Bhog Snacks, the Tribunal noted that such interference would impair ED's investigation and recovery process. It further emphasized that, as per Supreme Court rulings, NCLT/NCLAT have no jurisdiction over PMLA proceedings, including attachment orders or prosecution.

For more details: <https://economictimes.indiatimes.com/news/economy/policy/insolvency-proceedings-can-not-sidestep-pmla-process-nclt/articleshow/122231829.cms>

Legal Pronouncements

Fraudulent Diversion of Funds and Corporate Governance Violations by Gensol Engineering, Interim Reliefs - Union of India, Ministry of Corporate Affairs V. Gensol Engineering Limited & Ors, NCLT

The Applicant filed a petition under Sections 241–242, 246 read with Section 339 of the Companies Act, 2013, alleging diversion of funds, fraudulent rerouting of borrowings, and violations of corporate governance by Gensol Engineering Limited and related entities. Investigations under Sections 210 and 219 of the Act were already underway by MCA Inspectors. NCLT, upon review, noted serious allegations of fraud, including manipulation of accounts, loan defaults, and illegal alienation of assets. Reports from MCA, SEBI, and SFIO prima facie corroborated these claims, reflecting systemic fraud with public interest implications. Considering the urgency, NCLT froze bank/demat accounts, restrained trading of securities, and directed asset disclosures. The Tribunal also exempted the applicant from advance service of the petition and allowed the application under Rule 14 read with Rule 23(5) of NCLT Rules, 2016.

For more details: <https://www.mca.gov.in/bin/dms/getdocument?mds=BQn4vKevyx%252B%252BNF96EhYAUQ%253D%253D&type=open>

Imposition of penalty on failure to obtain shareholders' approval before entering into material RPT and failure to update RPT policy as mandated under LODR Regulations. Karma Energy Limited v. SEBI

Karma Energy Limited ("Noticee"), a company listed on NSE and BSE, entered into material related party transactions ("RPT") with TEPL, a promoter group entity, without obtaining prior shareholders' approval. SEBI, based on an exception report from NSE, observed that the Noticee failed to comply with Regulation 23(4) of the SEBI (LODR) Regulations, 2015, which mandates prior shareholder approval for material RPTs. It was further noted that the Noticee did not update its RPT policy as required under Regulation 23(1), which requires periodic review and updation by the Board at least once every three years. The subsequent updation of the policy did not cure the earlier period of non-compliance. After examining the matter, SEBI held that the Noticee had violated Regulations 23(1) and 23(4) of the LODR Regulations and, exercising its powers under Section 15-I of the SEBI Act, imposed a monetary penalty of Rs. 2,00,000 (Rupees Two Lakh only) under Section 15HB of the SEBI Act.

For more details: https://www.sebi.gov.in/enforcement/orders/jul-2025/adjudication-order-in-the-matter-of-karma-energy-limited_95187.html

Section 252(1) shall apply only in cases where the name of the company is struck off by ROC and Section 252(3) would apply only where the name of the company is voluntarily got struck off by the company itself - Daksha Atul Desai V. Registrar of Companies, Mumbai, NCLAT

The appeal was filed against an NCLT order dismissing an application under Section 252(3) of the Companies Act, 2013 for restoration of the company's name. NCLT held that since the name was struck off by the Registrar of Companies under Section 248, only Section 252(1) would apply, not Section 252(3). However, on appeal, NCLAT observed that Section 252 provides for appeals by different categories of persons – any person, the company itself, a member, a creditor, or a workman. While Section 252(1) prescribes a limitation of three years for "any person aggrieved," Section 252(3) allows a company, member, creditor, or workman to apply within twenty years. NCLAT clarified that Section 252 does not distinguish between cases of suo moto strike off by RoC and voluntary strike off. Since the present appeal was filed by a shareholder (member), Section 252(3) applied. Accordingly, NCLAT set aside the NCLT's order and directed it to hear the appeal on merits.



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OUR LOCATION

DELHI

DGL-220 2nd Floor, DLF The Galleria,
Mayur Vihar Ph-I, Delhi - 110091.

Tel: +91-11 41655801, 41655802

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