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CORPORATE LAW BULLETIN

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CONTENT

A. RESERVE BANK OF INDIA - FEMA

Review of Foreign Direct Investment (FDI) policy on E-commerce Sector

The FDI Policy has been reviewed to facilitate greater exports by Indian sellers through easier access to global markets. Accordingly, restrictions on the inventory-based model of e-commerce shall not apply to exports of domestically manufactured and/or produced goods/products. A new provision, Para 5.2.15.2.5, has been introduced to permit e-commerce entities to undertake inventory-based e-commerce exclusively for exports. Such exports shall be subject to the applicable provisions of the Foreign Trade Policy, 2023, HBP and FEMA regulations.

For more details:
https://www.dpiit.gov.in/static/uploads/2026/07/ceb0cae74fd4e83094dc6b50c3d53f92.pdf

B. SECURITIES EXCHANGE BOARD OF INDIA - SEBI

SEBI (Buy-Back of Securities) (Amendment) Regulations, 2026

SEBI has notified the SEBI (Buy-back of Securities) (Amendment) Regulations, 2026, effective from August 1, 2026, reintroducing open market buy-back through stock exchanges. The buy-back through the open market shall be less than 15% of the paid-up capital and free reserves, based on both standalone and consolidated financial statements. Further, such buy-back shall not result in breach of the applicable minimum public shareholding requirements.

For more details: https://www.sebi.gov.in/legal/regulations/jul-2026/securities-and-exchange-board-of-india-buy-back-of-securities-amendment-regulations-2026_102624.html

SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2026

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2026, effective from the date of publication in the Official Gazette. The amendment requires listed entities to comply with procedural requirements relating to transfer and transmission of securities as specified by SEBI from time to time. Further, the reference to Schedule VII in Regulation 61(4) has been revised, and Clause C of Schedule VII has been omitted.

For more details: https://www.sebi.gov.in/legal/regulations/jul-2026/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-second-amendment-regulations-2026_102872.html

Streamlining of Mutual Fund Process for Ease of Transmission Claim

SEBI has advised the Association of Mutual Funds in India (AMFI) to simplify the standards for claiming units/proceeds upon the death of a mutual fund unit holder. Accordingly, AMFI has amended the standards to facilitate ease of transmission and address operational challenges faced by legal heirs. The updated standards provide for resolution of address mismatches and a harmonised framework for name/signature mismatches.

For more details: https://www.sebi.gov.in/media-and-notifications/press-releases/jul-2026/streamlining-of-mutual-fund-process-for-ease-of-transmission-claim_102932.html

Operationalisation of freezing of holdings of promoter and promoter group including their associates (promoter holdings) at the ISIN level under Regulation 24(i)(ea) of the SEBI (Buyback of Securities) Regulations, 2018

SEBI, vide notification dated July 1, 2026, has amended the SEBI (Buy-back of Securities) Regulations, 2018 by inserting Regulation 24(i)(ea). The amendment provides for freezing of shares/securities held by the promoter and promoter group, including their associates, at the ISIN level from the date of approval of the buy-back until closure of the offer. The Depositories have been directed to establish the necessary operational framework and system enhancements for implementation of the provision before August 1, 2026.

For more details: https://www.sebi.gov.in/legal/circulars/jul-2026/operationalisation-of-freezing-of-holdings-of-promoter-and-promoter-group-including-their-associates-promoter-holdings-at-the-isin-level-under-regulation-24-i-ea-of-the-sebi-buy-back-of-securitie-_102978.html

Ease of Doing Investment and Ease of Doing Business – Simplification and standardisation of the framework for transmission of securities

SEBI has reviewed and revised the transmission process for securities to make it more efficient, streamlined and investor-friendly. Pursuant to Regulation 40(7) of the SEBI (LODR) Regulations, 2015, SEBI has specified a revised transmission framework along with model forms. The revised framework shall be applicable to listed companies, RTAs, Depositories, DPs and AMCs. The provisions shall come into force 30 days from the date of issuance of the circular.

For more details: https://www.sebi.gov.in/legal/circulars/jul-2026/ease-of-doing-investment-and-ease-of-doing-business-simplification-and-standardisation-of-the-framework-for-transmission-of-securities_103030.html

C. INSOLVENCY AND BANKRUPTCY BOARD OF INDIA - IBBI

Extension of time for filing Forms to monitor insolvency resolution processes for Personal Guarantors to Corporate Debtors under the Insolvency and Bankruptcy Code, 2016, and the regulations made thereunder

IBBI has extended the deadline for filing electronic PGIRP forms (PGIRP-1 to PGIRP-6) relating to insolvency resolution processes of personal guarantors to corporate debtors. The last date for filing all applicable forms has been extended to 30th September 2026, considering the technical and transitional difficulties faced by Insolvency Professionals. Accordingly, penalties for delayed submission or modification of such forms shall be levied only after 30th September 2026. IPs are also required to ensure that the information submitted is accurate, truthful and consistent with the supporting documents.

For more details: https://ibbi.gov.in/whats-new

Invitation of Stakeholder Suggestions on the Integrated Platform for Insolvency Ecosystem (iPIE)

The Ministry of Corporate Affairs (MCA) is developing the Integrated Platform for Insolvency Ecosystem (iPIE) as a unified digital platform integrating stakeholders, processes and technology systems under the Insolvency and Bankruptcy Code, 2016. The platform aims to provide a seamless, secure and transparent user experience throughout the insolvency lifecycle. MCA has invited suggestions from professionals, institutions, industry and academia to support the design and functionality of the iPIE platform.

Legal Pronouncements

Adjudication Order for violation of Section 178 of the Companies Act, 2013 in the matter of SHREEYAM POWER AND STEEL INDUSTRIES LIMITED

ROC Ahmedabad issued an adjudication order dated 07th July 2026 in the matter of Shreeyam Power & Steel Industries Limited for violation of Section 178(1) of the Companies Act, 2013 for failing to Constitute NRC. The Adjudicating Authority imposed a penalty of `5,00,000 upon the company and `1,00,000 on one of the directors.

Adjudication Order for violation of Section 12(3) of the Companies Act, 2013 in the matter of VAHH CHEMICALS LIMITED

ROC Ahmedabad issued an adjudication order dated 07th July 2026 in the matter of Vahh Chemicals Limited for violation of Section 12(3)(a) of the Companies Act, 2013 for failing to paint or affix its name and registered office address outside the warehouses during the FY 2025-26. The Adjudicating Authority imposed a penalty of `1,00,000 each upon the company and six of the directors.

Adjudication Order for violation of Section 454 of the Companies Act, 2013 in the matter of SEMPONNAR NIDHI LIMITED

ROC Chennai issued an adjudication order dated 24th July 2026 in the matter of Semponnar Nidhi Limited for violation of Section 454 of the Companies Act, 2013 read with Rule 14(8) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 for failing to provide complete occupation details of allottees in the list attached to Form PAS-3. The Adjudicating Authority imposed a penalty of `10,000 each upon the company and one of the directors.

Adjudication Order for violation of Section 4 (1) (c) of the Companies Act, 2013 in the matter of KWICK FORENSIC SOLUTIONS LIMITED

ROC Chennai issued an adjudication order dated 30th July 2026 in the matter of Kwick Forensic Solutions Limited for violation of Section 4(1) (c) of the Companies Act, 2013 for carrying on business other than specified in the objectives of Memorandum of Association (MOA) for FY 2017-18. The Adjudicating Authority imposed a penalty of 2,00,000 upon the company and `50,000 each upon the two of the directors.

Adjudication Order for violation of Section 10A of the Companies Act, 2013 in the matter of CHANDIGARH POWER DISTRIBUTION LIMITED

ROC Chandigarh issued an adjudication order dated 06th July 2026 in the matter of Chandigarh Power Distribution Limited for violation of Section 10A (1) of the Companies Act, 2013 for failing to submit Form INC-20A within the mandatory 180-day period. The Adjudicating Authority imposed a penalty of `50,000 upon the company and `1,00,000 each upon the four of the directors.

Adjudication Order for violation of Section 143 of the Companies Act, 2013 in the matter of CRYO SCIENTIFIC SYSTEMS PRIVATE LIMITED

ROC Chennai issued an adjudication order dated 24th July 2026 in the matter of Cryo Scientific Systems Private Limited for violation of Section 143(3)(e) of the Companies Act, 2013 as the statutory auditor failed to report related party transactions disclosures mandated under AS-18. The Adjudicating Authority imposed a penalty of `10,000 upon the auditor of the company.

Adjudication Order for violation of Section 118 of the Companies Act, 2013 in the matter of CHONGQING JIELI INDIA PRIVATE LIMITED

ROC Bangalore issued an adjudication order dated 8th July 2026 in the matter of Chongqing Jieli India Private Limited for violation of Section 118(10) of the Companies Act, 2013 for failing to disclose a statement confirming compliance with Secretarial Standard-1 (SS-1 for Board Meetings) and Secretarial Standard-2 (SS-2 for General Meetings) in its Board Report for FY 2017-18. The Adjudicating Authority imposed a penalty of `25,000 upon the company and `5,000 each upon the three of the directors.

Adjudication Order for violation of Section 12 of the Companies Act, 2013 in the matter of BECO CHEMICALS PVT. LTD.

ROC Chhattisgarh issued an adjudication order dated 25th July 2026 in the matter of Beco Chemicals Private Limited for violation of Section 12(1) of the Companies Act, 2013 for failing to maintain a registered office capable of receiving and acknowledging all official communications and notices. The Adjudicating Authority imposed a penalty of `50,000 each upon the company and the two of the directors.

Adjudication Order for violation of Section 135 of the Companies Act, 2013 in the matter of VARINDERA CONSTRUCTIONS LIMITED

ROC Delhi issued an adjudication order dated 17th July 2026 in the matter of Varindera Constructions Limited for violation of Section 135(7) of the Companies Act, 2013 for failing to transfer unspent amount to a fund specified under Schedule VII, within the prescribed timeline from the end of the financial year. The Adjudicating Authority imposed a penalty of `10,39,706 upon the company and `51,985.3 each upon the six of the directors.

Kreston SNR is a member of Kreston Global, a leading Global Network of Independent Accounting Firms. We are always on a quest to build our organisation on foundation of COMMITMENT, COMPETENCE and CONFIDENTIALITY. As a full-service advisory firm, we are a leading provider of end-to-end services for any organization looking to set up their business in India and overseas. Our team of world-class professionals and experts from diverse fields provides a complete range of services to every client. We customize our services according to the unique needs of our clients from diverse industries.

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