

APRIL 2025

CORPORATE LAW BULLETIN



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A. MINISTRY OF CORPORATE AFFAIRS

Penalty under section 454 for the violation of provisions of Section 90 of the Companies Act, 2013, in the matter of M/s Genone Optech Private Limited v/s Registrar of Companies, Uttar Pradesh

Brief Facts: It was found that Genone Optech Private Limited failed to file Form BEN-2, which pertains to the beneficial owner holding 99.99% of the company's shares, effective from 04.09.2019. Although the company filed all other required e-forms on time, it did not submit Form BEN-2 within the prescribed period, citing several reasons. The form was eventually filed with late fees on 02.06.2022. Being a wholly owned subsidiary, the company had earlier received a BEN-1 declaration from the Significant Beneficial Owner on 05.01.2019, as required.

However, the company still failed to meet the requirement under Section 90 of the Companies Act, 2013, which mandates the timely filing of Form BEN-2 with the Registrar of Companies (ROC) to disclose the beneficial ownership.

Order: Having considered the facts and circumstances of the case and after taking into account the factors and submissions made in the application, the Adjudicating Officer imposed the penalty of Rs. 3,63,500 (Rupees Three Lakh Sixty-Three Thousand Five Hundred) on the company and a penalty of Rs. 1,00,000 (Rupees One Lakh) was imposed on each of the directors-in-default for failing to comply with the provisions of Section 90 of the Companies Act, 2013.

Penalty under section 454 for the violation of provisions of Section 158 of the Companies Act, 2013, in the matter of M/s Shubhmangal India Nidhi Limited v/s Registrar of Companies, Uttar Pradesh

Brief Facts: It was observed that Shubhmangal India Nidhi Limited failed to include the Director Identification Number (DIN) of its directors in the financial statements for the following financial years: 2016-17, 2017-18, 2018-19, 2019-20, and 2020-21. The DIN was not included under the directors' signatures in the company's financials.

Hence, the company did not comply with the requirements under Section 158 of the Companies Act, 2013, which mandates that companies include the Director Identification Number (DIN) in returns, reports, and other filings related to directors or make a reference to the director.

Order: Having considered the facts and circumstances of the case and after taking into account the factors and submissions made in the application, the Adjudicating Officer imposed penalties for non-compliance with the provisions of Section 158 on the company as well as directors-in-default.

Penalty under section 454 for the violation of provisions of Section 179(3) of the Companies Act, 2013, in the matter of M/s BCL Homes Limited v/s Registrar of Companies, Punjab and Chandigarh

Brief Facts: It was found that the Board of Directors of M/s BCL Homes Limited failed to approve the financial statements and the Board Report for the financial years ending on 31.03.2021 and 31.03.2022 through the passing of Board Resolutions, as these resolutions were not filed with the Registrar of Companies.

Consequently, the company violated the provisions of Section 179(3) of the Companies Act, 2013, which mandates that the approval of financial statements and the Board's report should be done by passing a formal Board Resolution.

Order: Having considered the facts and circumstances of the case and after taking into account the factors and submissions made in the application, the Adjudicating Officer imposed the penalty of Rs. 200,000 (Rupees Two Lakh) on the company for its failure to comply with Section 179(3) of the Companies Act, 2013 and Rs. 50,000 (Rupees Fifty Thousand) on each of the directors-in-default for their failure to ensure the approval of financial statements and the Board's report by means of Board Resolutions.

B. INSOLVENCY & BANKRUPTCY

Disclosure of information relating to carry forward of losses in Information Memorandum (IM)

The Insolvency and Bankruptcy Board of India (IBBI) had amended Regulation 36 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ('CIRP Regulations') to mandate the disclosure of carry forward of losses as per the Income Tax Act, 1961, in the Information Memorandum (IM).

This section shall prominently highlight, but is not limited to, the following aspects:

- The quantum of carry forward losses available to the corporate debtor ;
- A breakdown of these losses under specific heads as per the Income Tax Act,1961;
- The applicable time limits for utilizing these losses; and
- If there are no carry forward of losses available to the Corporate debtor, the Information Memorandum should explicitly specify the fact.

This enhanced disclosure framework is intended to provide potential resolution applicants with a more comprehensive understanding of the corporate debtor's financial position, enabling them to develop more informed and viable resolution plans while considering the benefits of carry forward losses.

For more details: https://www.business-standard.com/economy/news/demands-to-strengthen-ibc-pre-pack-for-large-firms-124072501333_1.html

C. SECURITIES LAWS

Faster Rights Issue with a flexibility of allotment to specific investor(s)

The new framework for Rights Issue process has been introduced vide notification of SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025, with Official Gazette dated March 08, 2025. In terms of amended Regulation 85 of SEBI (ICDR) Regulations, it is being specified that Rights Issues shall be completed within 23 working days from the date of meeting of Board of Directors of the Issuer approving the Rights Issue.

Accordingly, the SEBI vide this circular came out with the revised timelines for completion of the various activities involved in Rights Issue process from the date of meeting of Board of Directors of the Issuer approving the Rights Issue till the date of closure of Rights Issue.

For more details: <https://www.sebi.gov.in/legal/circulars/mar-2025/faster-rights-issue-with-a-flexibility-of-allotment-to-specific-investor-s-92622.html>

D. MISCELLANEOUS

Notification revising Classification Limits of MSME

The Central Government has made the following amendments in the notification of Government of India, Ministry of Micro, Small and Medium Enterprises number S.O. 2119 (E), dated the 26th June, 2020, published in the Gazette of India, Extraordinary, Part-II, Section 3, sub-section (ii), dated the 26th June, 2020, pursuant to which there is a revision in Classification Limits of MSME.

Revised MSME Thresholds (Effective from April 1, 2025)

Enterprise Category	Investment Limit (₹)	Turnover Limit (₹)
Micro	Increased from 1 crore to 2.5 crore	Increased from 5 crore to 10 crore
Small	Increased from 10 crore to 25 crore	Increased from 50 crore to 100 crore
Medium	Increased from 50 crore to 125 crore	Increased from 250 crore to 500 crore

Companies to include delayed payments made to MSMEs in half yearly return

The Central Government has directed that all companies who get supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty five days from the date of acceptance or the date of deemed acceptance of the goods or services as per the provisions of the said Act, shall submit a half yearly return to the Ministry of Corporate Affairs stating the following:

- a. the amounts of payments due; and
- b. the reasons of the delay.

Legal Pronouncements

Punjab & Haryana High Court – RTI Act Cannot Be Used to Harass Employees

Case: Punjab State Federation of Co-operative Sugar Mills Ltd. vs. State Information Commission, Punjab & Anr.

Date: March 4, 2025

Citation: CWP-13910-2014 & connected case

Key Takeaway: The RTI Act, 2005 is intended to promote transparency and not to serve as a tool to harass public employees.

Summary:

The petitioner challenged the directive of the State Information Commission requiring disclosure of comprehensive records under an RTI application, which included sensitive tender and contract-related documents. The High Court observed that while transparency is vital, information requests must not be used with an intent to harass. Referring to SC precedent (CBSE vs. Aditya Bandopadhyay), the Court emphasized the balance between transparency and administrative efficiency, and ruled that the requested third-party tender details were exempt under Rule 8. The impugned orders were accordingly set aside.

Bombay High Court – LLP Is Not a “Third Party” to Its Own Agreement

Case: Kartik Radia vs. M/s. BDO India LLP & Anr.

Date: March 4, 2025

Citation: COMM. Arbitration Application No. 31 OF 2022

Key Takeaway: An LLP is not a third party to the LLP Agreement—it is central to its operation and governance.

Summary:

The applicant, expelled from the LLP, sought arbitration under the LLP Agreement. The respondents objected, arguing that the LLP itself was not a signatory and thus not bound. The Court rejected this contention, stating that the LLP Agreement is foundational to the functioning of the LLP. Referring to various sections of the LLP Act, the Court held that the LLP is inherently bound by the Agreement, even if not a direct signatory. It disposed of the application and appointed an arbitrator to resolve the dispute, stating that objections raised were devoid of merit and aimed at delaying the proceedings.

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