

**JUNE 2025**

# CORPORATE LAW BULLETIN



# Content

<b>A. CORPORATE LAW</b>	
BPSL liquidation: MCA, IBBI study SC order to assess IBC implications	1
<b>B. SECURITIES LAWS</b>	
Publishing Investor Charter for KYC (Know Your Client) Registration Agencies (KRAs) on their Websites	1
<b>C. FOREIGN EXCHANGE MANAGEMENT ACT - FEMA</b>	
India plans stricter rules for companies with foreign ownership	1
<b>D. INSOLVENCY AND BANKRUPTCY</b>	
Research study on 'Behavioural impact of Insolvency and Bankruptcy Code' conducted by IIM Bangalore	2
Insolvency Resolution Process for Corporate Persons (Third Amendment) Regulations, 2025	2
Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2025.	2
<b><u>Other Judicial Pronouncements</u></b>	3

## **A. MINISTRY OF CORPORATE AFFAIRS**

### **BPSL liquidation: MCA, IBBI study SC order to assess IBC implications**

The Ministry of Corporate Affairs (MCA) and the Insolvency and Bankruptcy Board of India (IBBI) are studying the Supreme Court order in the Bhushan Power and Steel (BPSL) matter to assess its implications for the Insolvency and Bankruptcy Code (IBC), a top government official told Business Standard. "We are examining the order and seeing what learnings can be taken from there in terms of IBC regulations and processes," the government official said.

**For more details:** [https://www.business-standard.com/economy/news/bpsl-liquidation-mca-ibbi-study-sc-order-toassess-ibc-implications-125050400827\\_1.html](https://www.business-standard.com/economy/news/bpsl-liquidation-mca-ibbi-study-sc-order-toassess-ibc-implications-125050400827_1.html)

## **B. SECURITIES LAWS – SEBI**

### **SEBI: Publishing Investor Charter for KYC (Know Your Client) Registration Agencies (KRAs) on their Websites**

In order to facilitate investor awareness about various activities where an investor/client has to deal with KRAs for availing Investor Service Requests, SEBI has developed an Investor Charter for KRAs, inter-alia, detailing the services provided to Investors, Rights of Investors, various activities of KRAs,

**For more details:** <https://www.sebi.gov.in/legal/circulars/may-2025/publishing-investor-charter-for-kyc-know-your-client-registration-agencies-kras-on-their-websites-93811.html>

## **C. FOREIGN EXCHANGE MANAGEMENT ACT-FEMA**

### **India plans stricter rules for companies with foreign ownership**

India is planning to tighten foreign ownership rules in a move that may have significant implications for businesses ranging from e-commerce to pharmaceuticals. The changes would redefine how India views foreign owned companies, whether directly or indirectly, making them subject to foreign direct investment (FDI) regulations when it comes to share transfers or restructurings. India is reviewing its foreign investment laws to simplify them and plug any loopholes. New Delhi plans to create a new category of foreign-owned and controlled entities" (FOCE), which will also include Indian firms with indirect foreign investment.

**For more details:** <https://economictimes.indiatimes.com/news/economy/policy/india-plans-stricter-rules-for-companies-with-foreign-ownership-sources-say/articleshow/121267494.cms>

## **D. INSOLVENCY AND BANKRUPTCY**

### **Research study on 'Behavioural impact of Insolvency and Bankruptcy Code' conducted by IIM Bangalore**

The IIM, Bangalore conducted a research study on 'Behavioural impact of the Insolvency and Bankruptcy Code (IBC)'. The key findings of the research study include:

- Behavioural Change and Credit Discipline
- Impact on Cost of Debt
- Strengthening Governance
- Increase in Innovation

This study reaffirms that the Insolvency and Bankruptcy Code (IBC) has not only strengthened the legal framework for debt resolution in India but also catalyzed meaningful behavioral changes among both borrowers and lenders, thereby fostering a more resilient, responsive, and accountable financial ecosystem.

**For more details:** <https://ibbi.gov.in/uploads/press/280ea052e2f1a6f84291d800dab8ebcd.pdf>

### **Insolvency Resolution Process for Corporate Persons (Third Amendment) Regulations, 2025**

The Insolvency and Bankruptcy Board of India have notified The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2025.

As per the amendment, regulation 40B relating to Filing of Forms of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 is being substituted wherein the form names and timeline of filing the same has been changed. The regulations shall come into force on 1st June, 2025.

### **Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2025.**

The Insolvency and Bankruptcy Board of India have notified Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2025. As per the amendment after regulation 17A, the regulation 17B is being inserted which is read as 17B. Non-submission of repayment plan Where no repayment plan has been prepared by the debtor under section 105 of the Code, the resolution professional shall file an application, with the approval of creditors, before the Adjudicating Authority intimating the non-submission of a repayment plan and seek appropriate directions.

## **Legal Pronouncements**

### **No undue leeway allowed – Kalyani Transco v. M/S. Bhushan Power and Steel Ltd. & Ors**

In the above case, Supreme Court rejected the Resolution Plan submitted by JSW Steel as approved by the CoC for Bhushan Steel and Power Ltd and held that that the Resolution Plan of JSW was illegal and not in conformity with the provisions contained in Section 30(2), read with Section 31(2) of IBC and also passed an order requiring the Corporate Debtor to be liquidated.

**For more details:** [https://www.sci.gov.in/view-pdf/?diary\\_no=73582020&type=j&order\\_date=2025-05-02&from=latest\\_judgements\\_order](https://www.sci.gov.in/view-pdf/?diary_no=73582020&type=j&order_date=2025-05-02&from=latest_judgements_order)

### **NCLAT has no power to Condone Delays in filing appeals beyond the Prescribed Limit – Tata Steel Ltd v. Raj Kumar Banerjee & Ors**

In Civil Appeal No. 408 of 2023 2025 INSC 639, the Supreme Court observed that IBC prescribes strict timelines for filing appeals and taking legal action so as to ensure that insolvency proceedings are not misused to recover time-barred debts. The proviso to Section 61(2) clearly limits the NCLAT's jurisdiction to condone delay only up to 15 days beyond the initial 30-day period. Where a statute expressly limits the period within which delay may be condoned, an Appellate Tribunal cannot exceed that limit.

**For more details:** [https://www.sci.gov.in/view-pdf/?diary\\_no=24442023&type=j&order\\_date=2025-05-07&from=latest\\_judgements\\_order](https://www.sci.gov.in/view-pdf/?diary_no=24442023&type=j&order_date=2025-05-07&from=latest_judgements_order)

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