

SEBI AND CORPORATE LAWS

A Fortnightly on Securities Laws | Company Law | Insolvency Laws

HIGHLIGHTS

21 SEP 2026

- ▶ Where Chairman and Managing Director of TSL and his promoter daughters, as insiders in possession of UPSI regarding company losses, sold substantial shareholdings during UPSI period to avoid losses, such trades amounted to insider trading, accordingly, restraint from accessing securities market and disgorgement of loss avoided were justified (SC) **790**
- ▶ Where Rs. 5.05 crores from corporate debtor's account was deposited as bail condition in a criminal case during CIRP and moratorium, only that amount with accrued interest constituted corporate debtor's asset and was to be disbursed to IRP while complainant could withdraw remaining sums with interest upon furnishing bank guarantee (SC) **763**
- ▶ Where Provident Fund dues were excluded from liquidation estate, but claims for interest and damages under EPF Act were uncrystallized and no proceedings in respect thereof had been initiated before commencement of CIRP, such claims constituted contingent liabilities, and where Committee of Creditors did not provide for such contingent liabilities in resolution plan, its decision could not be faulted as resolution plan provided for actual Provident Fund dues, resulting in no violation of statutory mandate of IBC (SC) **745**
- ▶ Freezing of bank account under section 17(1A) of PMLA, 2002 requires strict compliance with section 17(1), including recorded 'reason to believe', a formal freezing order, and forwarding/retention application under section 17(4) within 30 days; mere post-facto forwarding to Adjudicating Authority does not cure a defective freezing order (Gauhati) **807**
- ▶ Where a dispute over Parallel Operation Charges between a distribution licensee and a steel/energy company was pending before APTEL and a resolution plan was approved under IBC during CIRP, section 238 of IBC was held to have overriding effect over Electricity Act provisions despite their non-obstante clauses, thereby extinguishing outstandings forming subject matter of appeal and upholding correctness of APTEL's order (Chhattisgarh) **781**
- ▶ Where respondent-award holder failed to lodge its claim during CIRP and approved resolution plan did not provide for arbitral award-based debt, claim stood extinguished, rendering challenge under section 34 of Arbitration and Conciliation Act, 1996 infructuous; amount deposited in Court as a condition for stay remained an asset of corporate debtor and was liable to be refunded (Delhi) **767**

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SEBI & Corporate Laws comes in Four Volumes, Annual subscription for the year 2026 is ₹ 17,500. Single copy ₹ 1000 only.

Back years' volume ₹ 3000 per volume for paper back and add ₹ 300 per volume for Hard case binding.

SEBI & Corporate Laws fortnightly is published on 1st & 16th every month. Non-receipt of part must be notified within 60 days of the due date.

Address your editorial and subscription correspondence to: **Taxmann Allied Services (P.) Ltd.**, 59/32, New Rohtak Road, New Delhi-110 005. Phone : 91-11-45562222.

Printed and Published by Ansh Bhargava on behalf of Taxmann Allied Services (P.) Ltd. and Printed at Tan Prints (India) Pvt. Ltd., 44 Km. Mile Stone, National Highway, Rohtak Road, Village Rohad, Distt. Jhajjar (Haryana) and Published at 59/32, New Rohtak Road, New Delhi-110 005 - Editor: **Rakesh Bhargava**

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Website : www.taxmann.com

ISSN : 0972-818X

MODE OF CITATION [2026] 193 SCL... (...)
TOTAL PAGES [148]

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■ Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control

- Where Chairman and Managing Director of TJL and his promoter daughters, as insiders in possession of UPSI regarding company losses, sold substantial shareholdings during UPSI period to avoid losses, such trades amounted to insider trading, accordingly, restraint from accessing securities market and disgorgement of loss avoided were justified, along with monetary penalties, though penalty imposed on Respondent No.1 was reduced from Rs.25 lakhs to Rs.10 lakhs as excessive - *SEBI v. Rajeev Vasant Sheth (SC)* 790

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