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SEBI AND CORPORATE LAWS

A Fortnightly on Securities Laws I Company Law I Insolvency Laws

26 OCT 2026

HIGHLIGHTS

- Where RBI superseded Board of Directors of a multi-State co-operative bank due to severe financial deterioration and to protect depositors, it could exercise such power under section 36AAA(1) of Banking Regulation Act without being subject to six-month limit under Article 243ZL(1) of Constitution, such supersession could extend beyond original term of Board, and requirement of consultation did not apply as bank was not registered with State Registrar (**SC**) **157**
- Where a bank acquires a loan or debt originally created with and secured in favour of an NBFC not notified as a 'financial institution', such bank can immediately invoke SARFAESI Act provisions to enforce security interest and recover dues under sections 13(2), 13(4), and 14, regardless of whether loan or institution itself initially came under SARFAESI Act purview, as applicability attaches on acquisition by the bank (**SC**) **177**
- Where respondent-company complied with escrow-release conditions under Buyback Regulations but was also alleged to have committed fraud by making a misleading public announcement and lacking genuine intent to complete buyback, inquiry for escrow release did not preclude an independent inquiry or finding of fraud under PFUTP Regulations, and SAT erred in treating two inquiries as equivalent, requiring fresh adjudication solely on fraud allegation (**SC**) **218**
- Section 35 of SARFAESI Act overrides inconsistent laws or instruments (**SC**) **253**
- Where parties had already appointed an arbitrator in 2010 pursuant to an arbitration clause and no steps were subsequently taken, respondent's 2020 application under section 11 of Arbitration and Conciliation Act, 1996 for appointment of a new arbitrator was barred by limitation and High Court erred in conflating substitution with appointment of a new arbitrator, leading to setting aside of impugned order (**SC**) **257**
- Where a petitioner-company had completed resolution process and a tax demand order for period prior to plan approval was challenged, such demand could not survive post-approval of resolution plan and was to be set aside, but respondent was granted liberty to proceed against erstwhile directors, staff, or management for any alleged fraudulent availment of input tax credit under section 32A of IBC (Punjab & Haryana) **174**
- Where personal guarantor of corporate debtor filed applications under section 94 of IBC immediately after receiving a possession notice from financial creditor and had not made any sincere attempt at repayment over two years, applications were deemed a misuse of interim moratorium provision to stall SARFAESI proceedings and shield secured asset, justifying dismissal of appeal against rejection of his application (NCLAT - New Delhi) **207**

PLUS Fortnightly Browser | STATUTES [65-120] | REPORTS [157-262] | MAGAZINE [11-28]

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MODE OF CITATION [2026] 194 SCL. . . (. . .)
TOTAL PAGES [196]

CONTENTS

STATUTES

RULES/AMENDMENT RULES

- Foreign Exchange Management (Export and Import of Goods and Services) (Amendment) Regulations, 2026 - Amendment in Regulations 5 and 13; Insertion of Regulation 20 - NOTIFICATION NO. FEMA 23(R)/(1)/2026-RB, DATED 22-9-2026 *119*
- Insolvency and Bankruptcy Board of India (Liquidation Process) (Fifth Amendment) Regulations, 2026 - Amendment in Regulation 31 - NOTIFICATION F. NO. IBBI/2026-27/GN/REG154, DATED 22-9-2026 *118*
- International Financial Services Centres Authority (Prohibition of Market Abuse in Securities Markets) Regulations, 2026 - NOTIFICATION NO. IFSCA/GN/2026/012, DATED 25-8-2026 *83*
- International Financial Services Centres Authority (Capital Market Intermediaries) (Second Amendment) Regulations, 2026 - Amendment in regulation 28 - NOTIFICATION NO. IFSCA/GN/2026/013, DATED 25-8-2026 *94*
- International Financial Services Centres Authority (Manner of Payment and Receipt of Premium) (Amendment) Regulations, 2026 - Amendment in regulation 3 - NOTIFICATION NO. IFSCA/GN/2026/014, DATED 26-8-2026 *94*
- International Financial Services Centres (Fund Management) (Second Amendment) Regulations, 2026 - Amendment in Regulations 2, 22, 23, 24, 26, 27, 28, 31, 34, 35, 36, 38, 39, 40, 46, 47, 48, 50, 51, 52, 72, 80, 104, 119, 134 and 135; Amendment in Third Schedule - NOTIFICATION NO. IFSCA/GN/2026/ 015, DATED 31-8-2026 *95*
- International Financial Services Centres Authority (Electronic Trading Platforms) Regulations, 2026 - NOTIFICATION F. NO. IFSCA/GN/2026/016, DATED 8-9-2026 *105*

REPORTS : TABLE OF CASES

- Abdul Salam *v.* George & Company (Ker.) **248**
- Amw Auto Component Ltd. *v.* Pr. Commissioner (Punj. & Har.) **174**
- Bhagwati Developers (P.) Ltd. *v.* Peerless General Finance and Investment Co. Ltd. **(SC) 251**
- Devi Shakuntala Thakral Charitable Foundation *v.* Tiara Infrastructure Ltd. **(SC) 257**
- K.K. Praveen *v.* J.M. Financial Asset Reconstruction Company (P). Ltd. **(SC) 253**
- Kotak Mahindra Bank Ltd. *v.* Trupti Sanjay Mehta **(SC) 177**
- Pankaj Chhabildas Sheth *v.* Abhyudaya Co-Operative Bank Ltd. (NCLAT - New Delhi) **207**
- Pious Jacob *v.* State Bank of India (Ker.) **198**
- Sandeep S. Ghandat *v.* Reserve Bank of India **(SC) 157**
- Securities and Exchange Board of India *v.* Vedanta Ltd. **(SC) 218**

SUBJECT INDEX : CASES REPORTED

ARBITRATION AND CONCILIATION ACT, 1996

■ **Appointment of arbitrators**

- Where parties had already appointed an arbitrator in 2010 pursuant to an arbitration clause and no steps were subsequently taken, respondent's 2020 application under section 11 for appointment of a new arbitrator was barred by limitation and High Court erred in conflating substitution with appointment of a new arbitrator, leading to setting aside of impugned order - *Devi Shakuntala Thakral Charitable Foundation* v. *Tiara Infrastructure Ltd.* **(SC) 257**

ARBITRATION AND CONCILIATION ACT, 1996

- Section 11 **258, 274**

BANKING REGULATION ACT, 1949

■ **Power of Reserve Bank to remove managerial and other persons from office**

- Where RBI superseded Board of Directors of a multi-State co-operative bank due to severe financial deterioration and to protect depositors, it could exercise such power under Section 36AAA(1) of BR Act without being subject to six-month limit under Article 243ZL(1) of Constitution, such supersession could extend beyond original term of Board, and requirement of consultation did not apply as bank was not registered with State Registrar, accordingly, High Court rightly upheld RBI's action - *Sandeep S. Ghandat* v. *Reserve Bank of India* **(SC) 157**

BANKING REGULATION ACT, 1949

- Section 36AA **157**

COMPANIES ACT, 2013

■ **Entities authorised to register**

COMPANIES CAPABLE OF BEING REGISTERED

- Where a partnership firm, having been dissolved and converted into a company in compliance with prescribed procedure with Registrar's approval, sought substitution as plaintiff in a pending suit, such substitution was permissible under section 366 due to statutory continuity, and rejection of defendants' objections regarding limitation or procedural infirmity was justified - *Abdul Salam* v. *George & Company* (Ker.) **248**

■ **Oppression and mismanagement**

APPLICATION TO TRIBUNAL FOR RELIEF

- Where P. Lodha and BDPL had participated in AGM and approved private placement of 30,000 shares, and thereafter sold part of their holdings for consideration, NCLAT held that having knowingly participated in and benefited from transactions, they were estopped from challenging allotment; since no definite finding established alleged loans or other violations and setting aside transactions would cause serious prejudice to investee-company, since NCLAT had not committed any error in law or fact, impugned order was to be upheld - *Bhagwati Developers (P.) Ltd.* v. *Peerless General Finance and Investment Co. Ltd.* **(SC) 251**

COMPANIES ACT, 2013

- Section 241 **252**
- Section 366 **248**

INSOLVENCY AND BANKRUPTCY CODE, 2016

■ **Corporate debtor**

LIABILITY FOR PRIOR OFFENCES, ETC.

- Where a petitioner-company had completed resolution process and a tax demand order for period prior to plan approval was challenged, such demand could not survive post-approval of resolution plan and was to be set aside, but respondent was granted liberty to proceed against erstwhile directors, staff, or management for any alleged fraudulent availment of input tax credit under Section 32A - *Amw Auto Component Ltd.* v. *Pr. Commissioner* (Punj. & Har.) **174**

■ **Individual/firm's insolvency resolution process**

APPLICATION, ADMISSION OR REJECTION OF

- Where personal guarantor of corporate debtor filed applications under section 94 immediately after receiving a possession notice from financial creditor and had not made any sincere attempt at repayment over two years, applications were deemed a misuse of interim moratorium provision to stall SARFAESI proceedings and shield secured asset, justifying dismissal of appeal against rejection of his application - *Pankaj Chhabildas Sheth* v. *Abhyudaya Co-Operative Bank Ltd.* (NCLAT - New Delhi) **207**

INSOLVENCY AND BANKRUPTCY CODE, 2016

- Section 32A **175**
- Section 100 **207**

INTERPRETATION OF STATUTE

- Purposive Construction **178**

SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

■ **Penalty for fraudulent and unfair trade practices**

- Where respondent-company complied with escrow-release conditions under Buyback Regulations but was also alleged to have committed fraud by making a misleading public announcement and lacking genuine intent to complete buyback, inquiry for escrow release did not preclude an independent inquiry or finding of fraud under PFUTP Regulations, and SAT erred in treating two inquiries as equivalent, requiring fresh adjudication solely on fraud allegation - *Securities and Exchange Board of India* v. *Vedanta Ltd.* **(SC) 218**

SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

- Section 15HA **218**

SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002

■ **Application against measures to recover secured debts (Right to appeal)**

- Where appellant participated in SARFAESI auction and deposited EMD without knowledge of existing attachment over property, but sought refund on discovering non-disclosure and writ petition was dismissed on ground of alternative remedy, appellant was to be allowed to approach DRT within three weeks without insisting on condonation of delay - *Pious Jacob* v. *State Bank of India* (Ker.) **198**

■ **Bank**

- Where a bank acquires a loan or debt originally created with and secured in favour of an NBFC not notified as a 'financial institution', such bank can immediately invoke SARFAESI Act provisions to enforce security interest and recover dues under sections 13(2), 13(4), and 14, regardless of whether the loan or institution itself initially came under SARFAESI Act purview, as applicability attaches on acquisition by the bank - *Kotak Mahindra Bank Ltd.* v. *Trupti Sanjay Mehta* (**SC**) **177**

■ **Enforcement of Security Interest**

- Where High Court set aside sale notices issued under SARFAESI Act observing that borrowers were MSMEs and directed secured creditors to formulate revival and rehabilitation scheme under MSME notification, borrowers did not make out any case for interference and, hence, impugned order could not be sustained - *Authorized Officer, State Bank of India* v. *A. Ganesamurthy* (**SC**) **270**

■ **Provisions of Act to override other laws**

- Where an *ex-parte* decree had been passed by DRT, petitioner contended that original cause of action had merged into decree and, applying doctrines of *transit in rem judicatam* and *res judicata*, no further proceedings could be taken on same cause of action under SARFAESI Act, however, Section 35 of SARFAESI Act, 2002 has an overriding effect notwithstanding anything inconsistent contained in any other law or instrument, hence petitioner's contentions could not be accepted - *K.K. Praveen* v. *J.M. Financial Asset Reconstruction Company (P). Ltd.* (**SC**) **253**

SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002

- Section 2(1)(*c*) **177**
- Section 17 **199**
- Section 35 **254**

WORDS & PHRASES

- Words 'security arrangement' as occurring in section 2(1)(*zb*) of the SARFAESI Act; Words 'security interest' as occurring in section 2(1)(*zf*) of the SARFAESI Act and Word 'borrower' as occurring in section 2(1)(*f*) of the SARFAESI Act **178**

MAGAZINE

◆ Decoding the Tata Sons Dispute: Ownership, Control and the Battle for Governance//*CS Rachit Sharma* and *CS Parth Chourikar* ***11***

◆ Demat 2.0: Transforming the Corporate Bond Market Through Tokenisation and Distributed Ledger Technology//*Vinita Nair* and *Jayesh Rudra* ***18***

◆ Homebuyers under BuyBack Scheme: Financial Creditors under IBC?//*Saloni Khant* ***25***