

**IN THE SECURITIES APPELLATE TRIBUNAL
AT MUMBAI**

DATED THIS THE 8TH DAY OF MAY, 2026

**CORAM: Justice P.S. Dinesh Kumar, Presiding Officer
Ms. Meera Swarup, Technical Member
Dr. Dheeraj Bhatnagar, Technical Member**

Appeal No.474 of 2025

Jetking Infotrain Ltd.
Office No.503, 5th Floor,
Amore Commercial Premises
Co-op Society Ltd., CTS No. Junction
of 2nd & 4th Road, Khar (West),
Mumbai – 400052.

...Appellant

(By Mr. Ravi Kadam, Senior Advocate with Mr. Rohan Kadam, Mr. Nishith Desai, Mr. Viral Mehta, Mr. Suril Desai, Mr. Mohammad Kamran, Ms. Khyati Dalal, Mr. Chitransh Vijayvergia, Mr. Nav Dhawan, Ms. Parina Muchhala, Ms. Shruti Dhonde, Advocates i/b. Nishith Desai Associates, for the Appellant)

BSE Limited
Phiroze Jeejeebhoy Limited
Dalal Street, Fort,
Mumbai-400001, India.

...Respondent

(By Mr. Shiraz Rustomjee, Senior Advocate with Mr. Tomu Francis, Mr. Arka Saha, Ms. Smriti Singh, Mr. Tarun Toprani, and Ms. Manal Shah, Advocates i/b. Khaitan & Co. for the Respondent)

THIS APPEAL IS FILED UNDER SECTION 22A OF THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 TO SET ASIDE THE ORDER/COMMUNICATION DATED SEPTEMBER 23, 2025 PASSED BY THE BSE.

THIS APPEAL HAVING BEEN HEARD AND RESERVED FOR ORDERS ON MAY 5, 2026 COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

ORDER

Per: Justice P. S. Dinesh Kumar, Presiding Officer

This appeal is directed against order/communication dated September 23, 2025 passed by the BSE¹ conveying that appellant's application for listing of shares issued in the preferential issue cannot be considered.

2. Brief facts of the case are, Jetking Infotrain Limited ('appellant Company/Company' for short) is listed on the Bombay Stock Exchange ('BSE' for short). It is an IT and network training institution. Its shareholders approved insertion of new object clause in the memorandum of association ('MoA' for short) to invest, acquire, hold, sell, trade and deal in any type of virtual digital assets ('VDAs' for short). On November 4, 2024, the Registrar of Companies ('RoC' for short) certified the amendment to the MoA. Appellant made an application to the BSE for an 'in-principle approval' for issue and allotment of equity shares on preferential basis and on May 9, 2025, BSE granted the 'in-principle approval'. Appellant Company circulated offer letter to the proposed pre-identified investors. On May 23, 2025, appellant Company received the issue proceeds and invested in virtual digital assets on the 'Coin DCX Exchange'

¹ BSE Limited

platform. On June 10, 2025, the Company filed an application and sought listing of the shares issued in the preferential issue. On September 23, 2025, BSE returned the listing application and it is under challenge in this appeal.

3. We have heard Mr. Ravi Kadam, learned Senior Advocate for the appellant and Mr. Shiraz Rustomjee, learned Senior Advocate of the SEBI.

4. Mr. Kadam submitted that in the AGM² of the Company held on September 20, 2024, the shareholders approved the amendment to the objects to enable the Company to invest, acquire, hold, sell, trade and deal in any of the virtual or digital assets. This amendment was approved by the RoC. In November 2024, Company's Board approved the treasury reserve policy to invest in virtual digital assets.

5. On April 1, 2025, Company's Board approved issuance of equity shares on preferential allotment to certain pre-identified investors, both promoters and non-promoters. BSE granted an 'in-principle approval', based on which Company proceeded ahead and circulated an offer letter. During May 2025, preferential shareholders paid the application money and it was utilised to purchase VDAs.

6. Mr. Kadam submitted that as early as in September, 2024, the objects in the MoA were amended and RoC had approved the same on November 4, 2024. That amendment permitted the Company to invest and trade in VDAs. The second amendment

² Annual General Meeting

was brought with the approval of the Board on April 1, 2025. The RoC has approved the second amendment on July 7, 2025.

7. He contended that Company had all the power and authority to invest and deal in the VDAs pursuant to the first amendment and its approval by the RoC. After receipt of the impugned communication, appellant informed the BSE about the first amendment but BSE has not reconsidered the matter.

8. In reply, Mr. Rustomjee, learned Senior Advocate for the BSE submitted that as on the date of consideration of Company's application there was no approval by the RoC. Amplifying his contention, he submitted that investment in VDAs could not be treated legitimate prior to approval by the RoC on July 7, 2025.

9. With regard to the first amendment, he submitted that first amendment permitted the Company to invest in VDAs by utilising its surplus funds. It did not permit the Company to do business in VDAs. He submitted that there is a classic difference between investing Company's funds in VDAs and doing business in VDAs. Justifying the impugned communication, he submitted that since the Company did not have RoC's approval for the second amendment as on the date of investment in VDAs, such investment is *ultra vires* the MoA. Therefore, there is no error in the impugned communication.

10. We have carefully considered the rival contentions and perused the record.

11. Undisputed facts of the case are, the MoA was amended twice. The first amendment was approved by the shareholders

in the AGM³ on September 20, 2024 and the RoC approved the same on November 4, 2024. That amendment reads as follows:

“To invest, acquire, hold, sell, trade and deal in any type of virtual and/or digital assets, including but not limited to fungible tokens, non-fungible tokens and other blockchain-based assets. To facilitate such activities, The Company can open, maintain and operate accounts with permissible exchanges or trade desks, for the purpose of investing, trading, holding, and managing digital assets in compliance with applicable laws and regulations as deemed necessary or desirable for the business.”

12. The second amendment was approved by the shareholders on May 1, 2025. On July 7, 2025, the RoC approved the amendment of objects clause to insert clause 5(III)A and issued a certificate. The second amendment reads as follows:

*“5. **To engage in the business of** holding, acquiring, buying, selling, trading, staking, transferring, and dealing in virtual digital assets, including but not limited to bitcoin, blockchain-based tokens, non-fungible tokens, and other digital assets and to develop, deploy, and manage blockchain-based technologies, virtual digital assets, decentralized finance (DeFi) platforms, and related services including but not limited to consultancy, research, and advisory services in blockchain and virtual digital asset management.”*

(Emphasis supplied)

13. It is also not in dispute that BSE gave its ‘in-principle approval’ for issue of preferential share on May 9, 2025. The Company received share application money and utilised it to invest in VDAs. Admittedly, appellant Company did not inform the BSE about the first amendment before obtaining the ‘in-principle approval’ or while submitting the application on

³Annual General Meeting

June 10, 2025 seeking listing of shares. It is only after the BSE returned the listing application, the Company brought the first amendment to its notice. BSE for reasons best known did not respond. Feeling aggrieved, appellant Company has challenged BSE returning the listing application.

14. In the light of the above facts the point that arises for consideration is, ***whether based on the first amendment, the appellant Company is entitled for consideration of its application for listing?***

15. Company's main aims and objects mentioned in clause III(A) prior to the first amendment and post first amendment⁴ are exactly the same and they read as follows:

"1. To carry on in India or elsewhere all or any of the business or businesses of electrical and electronic engineers and manufacturers of, dealers in, hirers, repairers, cleaners and stores of all kinds of electrical and electronic plant, machinery, equipments, appliances, apparatus, components, accessories and other devices and scientific and other equipments (including in particular, broadcast/telecast receiving and transmission systems, light and sound amplifiers, stereophonic equipments, audio and video systems, computers, computer systems, radios, transistors, televisions, calculators, duplicators, photocopiers, electronic typewriters, dictaphones and other similar equipments and accessories, electric/electronic clocks and time recording systems (whether analogical or digital or otherwise).

2. To conduct, promote, takeover, enter into franchise arrangements for, collaborate with foreign agencies/institutions for educational schools or colleges or Institutes by whatever name called in the field of education in electronics.

⁴ Dated 04.11.2024

3. To carry on the business in India and abroad of academic development and education, as well as training for professional and skills development of personnel engaged or to be deployed in various trades and vocations including but not limited to organized or unorganized retail sector and automobile servicing and repairs etc. through own- run, franchisee operated or in collaboration with other institutions, and to promote universities, institutions, colleges, schools, vocational training centers for providing such training and spreading awareness of literacy and human development through computers and other media and promote research and development in all branches of human interest and award doctorate, degrees, diplomas or such other titles in vogue in the academic or professional fields.

4. To establish, operate, provide, undertake, develop, manage, promote, own, organize, conduct, or wind up, facilities management and services in relation to fully or partly furnished, staffed and equipped or otherwise, property, premises, buildings, commercial premises, including one more individuals offices, and offering ancillary business services, space management and communications infrastructure(including video and audio conferencing facilities), building maintenance, administration and contract management, provide facilities for serviced offices, business centres, coworking and shared office spaces, meeting and training rooms and virtual offices on Company's owned or rented premises directly or through specialized agencies in India or abroad.”

16. It is relevant to note that the main aims and objects of the Company were amended by adding para 5 in Clause III(A) by the second amendment⁵, which reads as follows:

“5. To engage in the business of holding, acquiring, buying, selling, trading, staking, transferring, and dealing in virtual digital assets, including but not limited to bitcoin, blockchain-based tokens, non-fungible tokens, and other digital assets and to develop, deploy, and manage blockchain-based technologies, virtual digital assets,

⁵ Dated 07.07.2025

decentralized finance (DeFi) platforms, and related services including but not limited to consultancy, research, and advisory services in blockchain and virtual digital asset management.”

(Emphasis supplied)

17. It is relevant to note that there was no change in the main objects after first amendment, whereas pursuant to second amendment, the above para has been added in the main object's clause.

18. Mr. Kadam's main argument is, the first amendment permitted the Company to invest, acquire, hold, sell, trade and deal in any type of virtual and digital assets and it was approved by the RoC on November 4, 2024. Therefore, all actions taken by the Company in furtherance of the first amendment are fully valid in law. His next argument is, the second amendment is only to elaborate the scope of first amendment by which the Company also could develop, deploy and manage blockchain-based technologies, virtual digital assets, decentralized finance platforms and related services. It was argued that BSE has failed to notice that by virtue of the first amendment, the Company had all power to do such acts and deeds mentioned in the first amendment extracted above.

19. *Per contra*, Mr. Rustomjee's contention is that the first amendment is of no consequence inasmuch as it is an amendment to the ancillary objects and it cannot be operated independently.

20. Both Mr. Kadam and Mr. Rustomjee have relied upon *Dr. A. Lakshmanaswami Mudaliar*⁶. In that case, United India Life Assurance Company had donated ₹2 Lakhs from shareholders account to a charitable Trust. That donation was challenged by the LIC after the Company was merged into it under the LIC Act, 1956. The Apex Court held that the donation was *ultra vires* because there was no clause in the memorandum authorising such contribution. Mr. Kadam argued that in the instant case clause III (B) authorised the Company to invest, acquire and deal in virtual and digital assets and sought to distinguish the said authority. We may usefully note that in *Dr. A. Lakshmanaswami Mudaliar*, it is recorded thus:

“There is however no ambiguity in the relevant terms of the memorandum of association. Clause III of the memorandum deals with the objects and powers of the company in language which is reasonably plain. The articles may explain the memorandum, but cannot extend its scope. Sub-clause (v) merely authorises the company to do all such other things ‘as are incidental or conducive to the attainment of the above objects or any of them’. The clause merely sets out what is implicit in the interpretation of every memorandum of association: it does not set up any independent object, and confers no additional power. Acts incidental to or naturally conducive to the main object are those which have a reasonably proximate connection with the object and some indirect or remote benefit which the company may obtain by doing an act not otherwise within the object clause, will not be permitted by this extension. In Tomkinson v. South Eastern Railway Co. [(1887) 35 Ch. D. 675.] it was held that a resolution passed by the shareholders of a railway company authorising the directors to subscribe £ 1,000 out of the company's funds towards a donation to the Imperial Institute was ultra vires, even though the establishment of the Institute would benefit the company by causing an increase in passenger traffic over their line.”

⁶ Dr. A. Lakshmanaswami Mudaliar and Others v. LIC and Another, 1962 SCC OnLine SC 9

and ultimately, the Apex Court has held thus:

“We are, therefore, of the view that the resolution donating the funds of the company was not within the objects mentioned in the memorandum of association and on that account it was ultra vires.”

21. Mr. Kadam also relied upon *The Barium Chemicals Ltd*⁷ and *Amarendra Kumar Pandey*⁸; and contended that the first amendment contains the words ‘deemed necessary or desirable for the business’. Therefore, the inevitable corollary is that where a company determines particular matter is in furtherance of its objects, such determination is conclusive. In our view, these authorities do not lend any support the appellant because the said words are found in the amendment to the ‘ancillary objects clause’.

22. He next contended that law draws a clear distinction between absence of corporate capacity and abuse of an existing power and argued that where power exists in the MoA, any exercise thereof is not *ultra vires* or nullity. He submitted that the said proposition is authoritatively settled in *Rolled Steel Products (Holdings) Limited*⁹.

23. As noted hereinabove, the point for consideration in this case is whether the first amendment permitted investment and dealing in VDAs. It was argued by Mr. Rustomjee that relying

⁷ *The Barium Chemicals Ltd and Another v. SH.A.J. Rana and Others*, (1972) 1 SCC 240

⁸ *Amarendra Kumar Pandey v. Union of India*, (2024) 15 SCC 401

⁹ *Rolled Steel Products (Holdings) Ltd. v. British Steel Corporation and Others*, 1985 WLR 908

upon *Dr. A. Lakshmanaswami Mudaliar*¹⁰, the Apex Court in *Terrascope Ventures Limited*¹¹ has held that an *ultra vires* act cannot be ratified. We note that in *Terrascope Ventures Limited*, it is held as follows:

“62. Following the judgment Birkbeck Permanent Benefit Building Society, In re [(1912) 2 Ch. D. 183 (CA).] this court in Dr. A. Lakshmanaswami Mudaliar v. Life Insurance Corporation of India [(1963) 33 Comp Cas 420 (SC); 1962 SCC OnLine SC 9.] observed that where a company does an act which is ultra vires, no legal relationship or effect ensues therefrom. Such an act is absolutely void and cannot be ratified even if all the shareholders agree.”

24. It was urged by Mr. Kadam that in Companies Act, 2013, there is no classification such as ‘main objects’ and ‘ancillary objects’. Adverting to Section 4 of the Companies Act, 2013, he submitted that Section 4 mandates that memorandum of a company shall state the objects for which the company is proposed to incorporate and any matter considered necessary in furtherance thereof. He submitted that the company and the shareholders have consciously considered it necessary to provide for investment in VDAs as a matter to be in furtherance of Company’s MoA objects.

25. It is relevant to note that Schedule I corresponding to Section 4 and 5 of Companies Act, 2013 provides the manner in which the memorandum of association of a company shall be prepared. The first clause is the name of the company, second is

¹⁰ Dr. A. Lakshmanaswami Mudaliar and Others v. LIC and Another, 1962 SCC OnLine SC 9

¹¹ SEBI v. Terrascope Ventures Limited, (2026) SCC OnLine SC 403, 2026 INSC 245.

the State in which the registered office is situated and clause No.3 which is relevant in this case reads as follows:

*“(a) The objects to be pursued by the company on its incorporation are –
(b) Matters which are necessary for furtherance of the objects specified in Clause 3(a) are –”*

26. The admitted position in the pleading¹² is, while applying for the first amendment, the Company has expressly sought for amendment by adding para 13 under Clause III (B) of the MoA. Accordingly, the amendment was approved by the RoC. While applying for the second amendment, the Company has sought the amendment by adding para 5 under Clause III (A) of the MoA.

27. Schedule I extracted above makes a clear distinction in 3(a) and 3(b). The objects to be pursued by the company are required to be stated in 3(a), whereas matters which are necessary for furtherance of objects specified in clause 3(a) are required to be stated in 3(b).

28. Thus, it is clear that by the first amendment the Company sought amendment to clause 3(b) of the schedule i.e. matters necessary for furtherance of objects in clause 3(a). It is also an admitted position that as on the date of submitting the listing application, there was no amendment to clause 3(a). While rejecting the application, BSE has stated that the MoA of the Company did not permit raising funds and to invest in VDAs. This factual matrix is incontrovertible. Therefore, the Company calling

¹² Para 6.2 of the memorandum of appeal.

for investment by the proposed pre-identified investors and all subsequent actions prior to July 7, 2025, on which the RoC approved the amendment of Clause 5 (III) A, are *ultra vires*.

29. BSE has rejected the application on the following grounds:

- i. The Company had used the amounts raised in preferential issue towards investing in VDAs prior to amendment being certified by the RoC;
- ii. The object of the issue included investment in VDAs, which may be speculative in nature; and
- iii. Policy on investment in VDAs was purportedly under review and till a final view emerged BSE could not process the application.

30. It was submitted by Mr. Rustomjee that this Tribunal may restrict consideration of this appeal only so far as the amendment to the MoA is concerned i.e. reasons (i) above. Hence, we have not considered the ground Nos. (ii) and (iii) mentioned above.

31. In the light of above discussion and the law laid down in *Terrascope Ventures Limited*¹³, no exception can be taken to the impugned communication. Accordingly, the point for consideration is answered in the **negative**.

¹³ SEBI v. Terrascope Ventures Limited, (2026) SCC OnLine SC 403, 2026 INSC 245

32. Hence, the following:

ORDER

- i. Appeal is ***dismissed***.
- ii. Pending interlocutory application(s), if any, stand disposed of.
- iii. No Costs.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

08.05.2026
RHN