



GENICON CS LEGAL MUSINGS

The Fornightly Legal Updates !!!

#MUSINGS 9

April 2025

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SECURITIES AND EXCHANGE BOARD OF INDIA

Extension for Implementation of Industry Standards on “Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction”

The SEBI Circular dated February 14, 2025, originally set the effective date for the implementation of Industry Standards on the "Minimum information to be provided for the review of the audit committee and shareholders for approval of related party transactions" to be April 1, 2025. However, due to requests from various stakeholders for more time, SEBI has decided to extend the deadline, and the new effective date for the Circular will now be July 1, 2025.

SEBI's Master Circular dealing with the disclosure of shareholding patterns and the maintenance of shareholding in dematerialized format under Regulation 31 of the Listing Regulations, has been partially modified. Key changes include:

1. Amendments to Tables I-IV:

- Listed entities must now disclose details of Non-Disposal Undertaking (NDU), other encumbrances, and the total number of shares pledged or encumbered.
- Clarification that "underlying outstanding convertible securities" includes Warrants, ESOPs.
- An additional column is added to capture the total number of shares on a fully diluted basis, including warrants, ESOPs, and convertible securities.



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2. Amendment to Table II:

A footnote has been added to clarify the disclosure of promoters and promoter group with "NIL" shareholding.

The changes will come into effect starting from the quarter ending June 30, 2025.

The Original circular: Master-circular-for-compliance-with-the-provisions-of LODR

New modification circular: Disclosure-of-holding-of-specified-securities-in-dematerialized-form

Harnessing DigiLocker as a Digital Public Infrastructure for reducing Unclaimed Assets in the Indian Securities Market:

In line with its core mandate of investor protection and safeguarding investor interests, SEBI has come up with one more innovative step, using DigiLocker for the same. Key Highlights of the Initiative:

- DigiLocker users can now fetch and store their statement of holdings for shares and mutual fund units from their demat accounts, along with their Consolidated Account Statement (CAS).
- Users can appoint Data Access Nominees within the DigiLocker application.
- Upon notification of the user's demise by KYC Registration Agencies (KRAs) — which are registered with and regulated by SEBI — the DigiLocker system will automatically notify the Data Access Nominees.



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- At this stage, KRAs will serve as the primary source for verifying and triggering notifications to Data Access Nominees, ensuring a smooth transition process.

For Further details: https://www.sebi.gov.in/media-and-notifications/press-releases/mar-2025/sebi-partners-with-digilocker-to-reduce-unclaimed-assets-in-the-indian-securities-market_92771.html

Framework on Social Stock Exchange (“SSE”)

SEBI has reduced the minimum application size for investing in Zero Coupon Zero Principal (ZCZP) Instruments on the Social Stock Exchange from ₹10,000 to ₹1,000. This update aims to make social impact investing more accessible to smaller investors and comes into effect immediately.

For Further details: https://www.sebi.gov.in/legal/circulars/mar-2025/framework-on-social-stock-exchange-sse_92767.html

Online Filing System for reports filed under Regulation 10(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

SEBI has launched an online system for filing these reports via the SEBI Intermediary Portal (SI Portal) at <https://siportal.sebi.gov.in>, replacing the email submission method. Effective Date - May 15, 2025.

For Further details: https://www.sebi.gov.in/legal/circulars/mar-2025/online-filing-system-for-reports-filed-under-regulation-10-7-of-sebi-substantial-acquisition-of-shares-and-takeovers-regulations-2011_92791.html



SECURITIES AND EXCHANGE BOARD OF INDIA

SEBI- Informal Guidance

Facts of the Case:

- There is a Scheme of Arrangement between 3 Companies (2 Transferor Company and 1 Transferee Company)
- The Equity Shares of Transferor Company 1 have been listed for more than 1 year
- The transferor company 2 is an unlisted private limited company.
- The Transferee company plans to raise funds through a QIP of its equity shares, which will be of the same class as those of its transferor company 1.

Question:

Is it required for both the transferor companies to be listed for more than 1 year to avail the exemption under regulation 172(1)(b) of ICDR by the transferee company?

Solution:

In order to Avail Exemption under Regulation 172(1)(b) of ICDR, The Transferee company may take into account the listing history of the listed companies with which they have entered into the scheme of arrangement. Reference is made to Section 13(2) of The General Clauses Act, 1897 which states that in all Central Acts and Regulations, unless there is anything repugnant in the subject or context, the words in the singular shall include the plural, and vice versa.



SECURITIES AND EXCHANGE BOARD OF INDIA

Thus, to avail the benefit under the proviso to Regulation 172 (1)(b) of the ICDR Regulations, all the transferor companies involved in a Scheme ought to be listed entities.

In the Given case, Since all the transferor companies involved in the Scheme are not listed entities, the transferee company may not be able to avail the benefit under the proviso to Regulation 172(1)(b) of ICDR.

For Further Details:

https://www.sebi.gov.in/sebi_data/commondocs/feb-2025/SEBIs%20Interpretative%20Letter%20dated%20Nov%2029%202024_p.pdf





NSE CIRCULAR

The National Stock Exchange vide its circular dated March 15, 2025 instructed to all Listed Companies that, The SEBI Master Circular (dated November 11, 2024) require listed entities to present information on related party transactions (RPTs) to the audit committee and shareholders for their approval. The Industry Standards provide a standardized format for this information. The applicability of these standards is clarified through FAQs. Listed entities must follow the Industry Standards where applicable, ensuring compliance with SEBI regulations. If the standards don't apply, the listed entity must adhere to the guidelines in Section III-B of the SEBI Master Circular as of the date the FAQs were issued.

The Copy of the FAQ is available on:

https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSECircular_15032025%202.pdf





GOODS AND SERVICES TAX

Clarification on due dates to file Application in Form SPL 01 or SPL 02

The Government of India had introduced the new GST amnesty Scheme through Section 128A of the CGST Act, 2017, allowing taxpayers to apply for waiver of interest and penalty for delayed payment of taxes and Filing of GSTR 3B through Form SPL 01/ SPL 02 within a period of three months from the notified date (31.03.2025).

The department has further clarified that; the date notified in the aforementioned circular shall be the due date for payment of tax payable for availing the wavier scheme.

The GST department has further notified that, any demand to be paid before 31st March, 2025 shall be paid using the “Payment Towards Demand” functionality in GST portal, and in case any difficulties are faced while making such payment, such payment shall be made as voluntary payment through Form DRC-03 under the category “Others”.

Subsequently, any payments made through DRC-03 shall be linked with DRC-03A and filed to the department by attaching the relevant demand order.

The last date to file Letter of Undertaking (LUT) for the Financial Year 2025-26 is by March 31, 2025, or before making any export or SEZ supply for the Financial Year 2025-26 (in case of post supplybooking of invoice), whichever comes first.



INCOME TAX

Filing of Correction Statements for under deduction, late deduction, late payment of TDS/TCS and penalties raised by the Income Tax Department with or without payment of pending demand

As per amendment in section 200(3) of the Income-tax Act vide Finance Act, (No. 2) 2024, correction statements pertaining to Financial Year 2007-08 to 2018-19 shall be accepted only up-to 31st March 2025.

Deductors / Collectors and other Stakeholders are hence requested to login to their respective TRACES portal to check for demand raised pertaining to the Financial Years 2007-08 to 2018-19 and file appropriate correction statements after paying the demand (if any) raised by the department before 31st March 2025. Subsequently the new Form 16A generated after successful processing of correction statements are to be delivered to the respective deductees after downloading the same from the TRACES portal.

Filing of Updated return for the Assessment Year 2022-23

Taxpayers to note that, any changes to be made to their Income Tax Returns filed for the Assessment Year 2022-23, may be updated by filing the updated return in Form ITR-U on or before March 31, 2025.

An Updated return can also be filed, if no return was filed for the Assessment Year 2022-23.

However, the updated return should not be filed for reporting a return of loss, or reducing the tax liability, or for increase in refund.



INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

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

The Insolvency and Bankruptcy Board of India has mandated the disclosure of carry forward of losses as per the Income Tax Act, 1961, in the Information Memorandum (IM).

Insolvency Professionals (IPs) have now been advised to ensure comprehensive capture of details related to carry forward losses and its disclosure thereof. 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.

Circular:

<https://www.ibbi.gov.in/uploads/legalframework/6fb7768b385beefa146df2af2ff67a65.pdf>



IN SOLVENCY

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

Amendments to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

The Amendment streamline the CIRP process with focus on real estate projects:

Some highlights of the amendments are as follows:-

- **Handing over possession:** The Resolution Professional may now hand over the properties to the home buyers in case the buyers have completed their obligation in full, while the resolution process is ongoing.
- **Appointment of Facilitators:** IBBI has now allowed large creditor classes such as home buyers to appoint Facilitators for effective participation in the Insolvency Resolution Process. The amendments have also defined the roles of the facilitators.
- **Participation of Competent Authority in Real Estate Projects:** The Committee of Creditors (CoC) is now allowed to invite relevant land authorities to their meetings for providing their inputs and perspectives on regulatory and land development related matters.
- **Report on Real Estate Development Rights and Permissions:** RP's must now prepare a detailed report on the status of development rights, approvals, and permissions for real estate projects within 60 days of insolvency commencement.



INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

- **Relaxations for Real Estate Allottees:** The power to relax the eligibility criteria, performance security and deposits for submitting resolution plan for associations or group of homebuyers to participate in the Resolution process now vests with the Committee of Creditors (CoC).D
- **Monitoring Committee for Implementation of Resolution Plan:** The CoC may now form a monitoring committee comprising the RP, representatives of the CoC and the successful resolution applicant to monitor and supervise the implementation of Resolution Plan. Such committee shall submit a progress report to the Adjudicating Authority on a quarterly basis.
- **MSME Registration Status:** The RP is now mandated to disclose the Corporate Debtor's MSME registration status.

Circular:

<https://ibbi.gov.in/uploads/press/f56716ecf9231742a5a4e79c1f703502.pdf>





TEAMS CORNER

Corporate Justice: Understanding Courts & Tribunals Under the Companies Act, 2013

The Companies Act, 2013 establishes a comprehensive legal framework with specialized judicial bodies to address corporate disputes and regulatory matters. This document outlines the key adjudicatory forums under the Act.

1. National Company Law Tribunal (NCLT)

Primary adjudicating authority for corporate matters. The NCLT has jurisdiction over:

- Company incorporation and registration disputes.
- Oppression and mismanagement (Section 241-246).
- Revival and rehabilitation of sick companies.
- Winding up of companies (both voluntary and compulsory).
- Corporate insolvency resolution under the IBC, 2016.

Important Notes:

Please be informed that cases falling under the jurisdiction of the National Company Law Tribunal (NCLT) cannot be adjudicated by civil courts. Consequently, any violations not explicitly covered under the Companies Act, but arising from the same cause of action related to the Companies Act, 2013, must be addressed by the NCLT to prevent duplication of litigation.

Additionally, if the case involves violations of Securities and Exchange Board of India (SEBI) regulations, there will be concurrent proceedings before the Securities Appellate Tribunal (SAT).



TEAMS CORNER

Offenses under the Prevention of Money Laundering Act (PMLA) will be addressed by the Enforcement Directorate (ED).

Orders issued by Regional Directors cannot be appealed through the NCLT; aggrieved parties must approach the High Court under its writ jurisdiction.

2. National Company Law Appellate Tribunal (NCLAT)

Appellate authority for NCLT decisions. The NCLAT hears appeals against:

- Orders of NCLT.
- Orders of Insolvency and Bankruptcy Board of India (IBBI).
- Orders passed by the Competition Commission of India (CCI).

NCLAT decisions can be challenged before the Supreme Court of India only on the question of law.

3. Special Courts (Section 435-438)

Established for expeditious trial of corporate offenses

Special Courts handle:

- Fraudulent activities (Section 447).
- Serious violations of the Companies Act like Disobeying the direction issued by the Registrar
- Non-compliance with statutory requirements like failing to pay dividends intentionally.

Offenses punishable with imprisonment of 2 years or more fall under the jurisdiction of Special Courts.

TEAMS CORNER

4. Metropolitan Magistrates (Section 452)

Section 452, concerning wrongful withholding of property, represents an exception to the general jurisdictional framework. Cases under this section are exclusively handled by Metropolitan Magistrates, as neither the NCLT nor Special Courts have jurisdiction in such matters.

5. Serious Fraud Investigation Office (SFIO)

The Central Government may direct the SFIO to investigate a company's affairs in the following circumstances:-

- Upon receiving reports from the Registrar or inspector after examination of company records
- Following notification of a Special Resolution passed by a company requesting investigation
- When deemed in the public interest
- At the request of any Central or State Government department.

This is used as a tool by the shareholders of the company as they can simply pass a special resolution to investigate the affairs of the company and the Central Government, if it is satisfied, might start the investigation.



RULES REQUIREMENT LAW **COMPLIANCE**

COMPLIANCE CALENDAR

EVENT DATE	AS PER ACT	APPLICABLE FORMS
07/04/2025	Income Tax Act, 1961	TDS Return (For Government Deductors)
11/04/2025	Goods & Services Act, 2017	GSTR-1 (Monthly)
13/04/2025	Goods and Services Tax, 2017	GSTR-1 (Quarterly)
14/04/2025	Income Tax Act, 1961	Form 16B, Form 16C, Form 16D
15/04/2025	Employee Provident Fund & Miscellaneous Provisions Act, 1952	Payment
15/04/2025	Employee State Insurance Act, 1948	Payment



LEGAL MAXIM

IGNORANTIA JURIS NON EXCUSAT

The Latin maxim means, that the lack of knowledge about a legal requirement or prohibition is never an excuse to a criminal charge.

In simple words – one cannot plead in the court saying that he is not aware of the law/prohibition.

Ignorance of fact can be excused however ignorance of the law cannot.

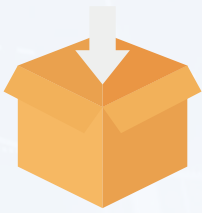
Each person must be familiar with the laws of the land in which he resides, and lack of awareness cannot be a reason to not abide by it. Even if the person is in a different nation, he must obey the rules of the country while he stays in that country.



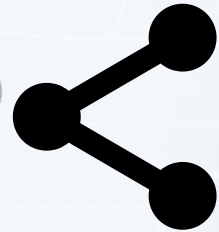
MUSINGS IN THE MAZE

Connexions

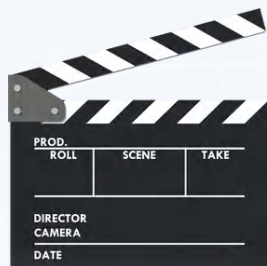
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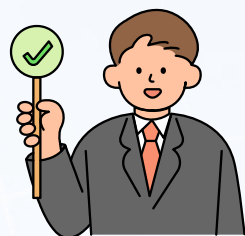


4.



Answers to Guess the Brand - #Musings7

1. McDonald's 2. Toyota 3. Samsung 4. Disney 5. Honda





WISDOM CORNER

Fool's wisdom

A king was seriously thinking of turning the whole country moral. Nobody should be allowed to say anything untrue. Untruths should be banned. The wise men were all agreed; in fact, because these wise people were his servants they were even going further than him, exaggerating. One wise man suggested that of course this was the right thing to be done – untruths should be banned – and one who was found to be saying some untruth should be immediately sentenced to death. He should be hanged in the marketplace so that everybody would know what the cost of saying anything untrue would be.

The fool was listening. He said, 'Okay. Then tomorrow morning I will see you all at the gate.'

They said, 'What do you mean?'

He said, 'At the gate.'



And he said to the king, 'Keep the gallows ready because I am going to say an untruth.'

The king said, 'Have you gone mad?'

And he replied, 'I have always been mad: But I will see you all, the whole court, at the gate – and keep the gallows ready. I will be the first person to be hanged.'

TRUTH

WISDOM CORNER

It was a challenge. The gallows were made ready and the next morning, when they opened the gate of the town, the fool entered on his donkey.

The king asked, 'Where are you going, you fool?' He was very angry because they had had to get up early in the morning to get there.

And the fool said, 'I am going to the gallows.'

Now he created a problem. If you killed him he had said a truth, if you didn't kill him he had told a lie. He said, 'I am going to the gallows. Prepare them. I am going to die on the gallows.' All these wise men and the king were puzzled. What to do with this man? He was telling a lie. If you kill him the lie becomes a truth. If you don't kill him the lie goes unpunished.

And the fool laughed. He said, 'You are all fools. Who can ban untruth and who can ban immorality? Everything is needed in proportion.'

Each great king used to have a fool because wise people tend to go to the extreme. And to go to the extreme is a sort of foolishness. To keep a balance one should sometimes forget all about dignity, one should sometimes bend in company, laugh like a fool, be like a child – be human.

Osho, Tao: The Pathless Path



LITERARY WEEK

Mr. N. A. Srinivasan reviewed the book, **“AS A MAN THINKETH”** by James Allen. It is a classic self-help book exploring the power of thought and how it shapes a person’s character, circumstances, and destiny. James Allen’s *As a Man Thinketh* explores the profound impact of thoughts on a person’s character, circumstances, and destiny.



James Allen’s *As a Man Thinketh* explores the profound impact of thoughts on a person’s character, circumstances, and destiny. He emphasizes that our thoughts shape our reality—positive thoughts lead to success and happiness, while negative ones bring struggle and failure. This Book is a powerful guide to mastering the mind. It teaches that by cultivating positive, disciplined, and purposeful thoughts, one can create a fulfilling and successful life.



TEAM GENICON CS
wishes you all a very

HAPPY NEW

Financial Year

2025-2026


May you achieve professional success
and prosperity with peace of mind!






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