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2025

#MUSINGS 20

16th September 2025

LEGAL MUSINGS

THE FORNIGHTLY LEGAL UPDATES !!!

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MEET OUR MINDS
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Many Minds , One Mission !!!

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MINISTRY OF CORPORATE AFFAIRS

COMPANIES AMENDMENT RULES 2025: WIDER SCOPE FOR FAST TRACK MERGERS AND SIMPLIFIED PROCEDURES

The Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025 expand the scope of fast track mergers under section 233 by allowing mergers between two or more unlisted companies with borrowings up to ₹200 crore (with auditor’s certificate in Form CAA.10A), holding and subsidiary companies (except when transferor is listed), subsidiaries of the same holding company (except when transferor is listed) and foreign holding companies with their Indian wholly-owned subsidiaries.

Notices of schemes must be in Form CAA.9 and, for regulated or listed companies, also sent to regulators/stock exchanges. Filing procedures are streamlined with Form CAA.10 (via GNL-1) and Form CAA.11 (via RD-1).

A new provision also extends these rules to division or transfer of undertakings under section 232.

SECURITIES AND EXCHANGE BOARD OF INDIA

SEBI EASES NORMS FOR PROMOTER EMPLOYEES HOLDING STOCK OPTIONS

On September 8, 2025, SEBI amended the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The key highlight is the introduction of a new Regulation 9A.

Earlier, employees who were later identified as part of the promoter or promoter group in an IPO draft offer document faced uncertainty regarding their continued eligibility to hold or exercise stock options and other benefits. The amendment brings much-needed clarity and flexibility.

Under the new provision, such employees will be allowed to continue holding and/or exercising stock options, Stock Appreciation Rights (SARs), or any other benefits under existing employee benefit schemes, provided:

- The grant was made at least one year before the filing of the draft offer document with SEBI.
- The employee complies with the terms of the scheme and other applicable laws.

Implication:
This change ensures that employees transitioning into the promoter group before an IPO are not unfairly deprived of long-term incentives already granted to them. It strikes a balance between investor protection and employee benefit continuity, encouraging companies to maintain robust employee incentive programs even in the run-up to listing.

NSE CIRCULARS

NSE EXTENDS API-BASED SINGLE FILING SYSTEM

The National Stock Exchange of India (NSE), vide Circular Ref. No. NSE/CML/2025/37 dated September 12, 2025, has announced that the Single Filing System through API-based integration between stock exchanges has now been extended to cover the Annual Secretarial Compliance Report under Regulation 24A(2) of SEBI (LODR) Regulations, 2015.

- Effective Date: September 15, 2025
- Applicability: Equity and Equity + Debt listed companies (extension to other categories will be notified later).
- Purpose: To avoid duplication of filings and streamline compliance, listed entities are advised to make a single submission through the integrated API system instead of multiple filings on both exchanges.

Entities must ensure compliance and respond directly to any queries raised by the concerned exchange post-filing.

For further details or clarifications, companies can connect through the NEAPS platform (Help > Contact Us > Listing Compliance) or email takeover@nse.co.in

NSE CIRCULARS

FAQS ON INDUSTRY STANDARDS FOR RELATED PARTY TRANSACTIONS (RPTS)

NSE, via Circular Ref. No. NSE/CML/2025/36 dated September 4, 2025, has published Frequently Asked Questions (FAQs) on SEBI's Industry Standards for "Minimum Information to be provided for Audit Committee and Shareholders' approval of Related Party Transactions (RPTs)"- Effective Date: September 1, 2025 (as per SEBI Circular dated June 26, 2025).

Key Highlights:

- The new standards replace the disclosure formats prescribed under Section III-B of SEBI's Master Circular (Nov 11, 2024).
- Applicable to Indian listed companies, their subsidiaries, and foreign subsidiaries, wherever RPT approval by Audit Committee or shareholders is required.
- Threshold: Applicable once cumulative transactions with a related party exceed ₹1 Crore in a financial year.
- Covers guidance on scope of minimum information, material modifications, disclosures on loans, borrowings, royalty payments, and valuation reports.
- Joint Certification: CEO/MD/WTD/Manager and CFO must provide a joint certificate to the Audit Committee (signed by two different individuals).
- Requires transparency through QR codes and web links for valuation reports in explanatory statements.
- Audit Committees must record rationale for non-approval of RPTs in their minutes.

This clarification ensures uniformity and better governance in the approval process for related party transactions, safeguarding the interests of shareholders.

INCOME TAX

RELEASE OF UTILITIES TO FILE INCOME TAX RETURNS

Offline Utilities to file the following returns have been released by the Income Tax Department.

Date	Form – and return period
06-09-2025	ITR -5, ITR-6, ITR-7 for filing updated returns pertaining to the Assessment Years 2021-22 and 2022-23
06-09-2025	Offline Utility for ITR-5 for AY 2025-26

GOODS AND SERVICES TAX

ADVISORY TO FILE PENDING GST RETURNS BEFORE EXPIRY OF THREE YEARS

The Goods and Services Tax Network on September 09, 2025 has issued an advisory regarding the due date to file the following GST Returns:

GSTR-1, GSTR-1A, GSTR 3B, GSTR-4, GSTR-5, GSTR-5A, GSTR-6, GSTR 7, GSTR 8, GSTR 9 or 9C.

As per the Finance Act, 2023, GST returns shall be barred for filing after the expiry of a period of three years from the due date of furnishing such returns under Section 37 (Outward Supply), Section 39 (payment of liability), Section 44 (Annual Return) and Section 52 (Tax Collected at Source). The said restriction will be implemented on the GST portal from September 2025 Tax period.

The returns for the following forms shall be filed before October 1 2025, before they become time barred.

The notice can be accessed through: www.gst.gov.in/newsandupdates.

GST Forms	Barred Period (w.e.f 01/10/2025)
GSTR-1/IFF	August-2022
GSTR-1Q	April-June 2022
GSTR-3B/M	August-2022
GSTR-3BQ	April-June 2022
GSTR-4	FY 2021-22
GSTR-5	August-2022
GSTR-6	August-2022
GSTR-7	August-2022
GSTR-8	August-2022
GSTR-9/9C	FY 2020-21

GOODS AND SERVICES TAX

IMPORTANT OUTCOMES FROM THE 56^{TH} GST COUNCIL MEETING – NOTIFIED BY THE PRESS INFORMATION BUREAU ON SEPTEMBER 03, 2025

The GST council in its 56^{th} meeting has recommended major revision of GST rates on various products spanning across multiple industries with effect from September 22^{nd}, 2025. Our detailed review of the revised rates can be accessed through the link: GCS - Review of the GST rates recommended in the 56th GST Council Meeting.

Amendment in rule 91(2) of CGST Rules, 2017: -

- The council has recommended that, w.e.f November 01, 2025, the Proper Officer may provide for sanctioning of 90% of the refund claimed by applicants as provisional refund as part of risk-based provisional refund to facilitate refund claims on account of zero-rated supply of goods or services or both (i.e. export of goods or services or both or supply to a Special Economic Zone developer/unit for authorised operations).
- In exceptional cases, the proper officer may for reasons recorded in writing grant refund after scrutiny of the refund claim.

Amendment of Section 54(6) and Section 54(14)of the CGST Act, 2017

- For refund claims arising out of inverted duty structure, the council has recommended to provide for sanctioning of 90% of the amount claimed as refund on provisional basis w.e.f November 01, 2025.
- The threshold limit of Rs. 1000 has been removed for refunds arising out of exports made with payment of tax**.**

The notification issued by the Press Information Bureau can be accessed through:
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2163555

LABOUR LAWS

INTRODUCTION OF THE ESIC AMNESTY SCHEME 2025 – PRESS INFORMATION BUREAU NOTIFICATION DATED SEPTEMBER 01, 2025

The Employees' State Insurance Corporation (ESIC), in its 196th Meeting held on June 26, 2025, has recommended the introduction of "Amnesty Scheme- 2025".The Amnesty Scheme shall come into effect from 01/10/2025 and remain valid till 30/09/2026.

The scheme was introduced as a one-time dispute resolution initiative, providing a structured mechanism for employers to resolve legal disputes with ESIC through out-of-court settlements. The introduction of Amnesty Scheme also aims at reducing the backlog of court cases regarding ESI disputes and promoting compliance under The Employee State Insurance Act, 1948 (ESI Act).

(i) Eligibility for applying under the Amnesty Scheme: -

- Court cases filed up to 31.03.2025 are eligible under this scheme.

(ii) The following remedies have been prescribed: -

- Settlement of ad-hoc assessments by paying actual contributions and interest—no damages will be levied.
- Withdrawal of cases where employers have already paid dues, subject to payment of 10% of disputed damages.
- Cases filed by ESIC for non-submission of records or delayed payments, which were later complied with, will also be withdrawn with court permission.

The Detailed guidelines of the scheme will be issued separately through a notification, prior to the scheme coming into effect.
The notification can be accessed on: www.pib.gov.in

TEAM'S CORNER

WHAT A PERSON SHOULD KNOW BEFORE BECOMING A DIRECTOR OF A COMPANY: MUST KNOWS FOR FIRST TIME DIRECTORS:

Duties & Responsibilities:

- Directors act as trustees of company assets. Misuse may lead to civil/criminal liability
- Responsibility for ensuring that the company complies with the Companies Act, FEMA, SEBI regulations (if listed), labour laws, etc.
- Directors can be held personally liable in cases of fraud, misstatements in prospectus, failure to repay deposits, and offences under tax laws.
- Cannot enter into contracts where directors are interested without disclosure and approval.
- Directors must be aware of their duties during financial distress (IBC provisions).

Meetings & Governance:

- Conducting board meetings and Annual General Meeting are the responsibility of the directors of the company.
- Every Board meeting shall have a serial number.
- Notice shall inform the Directors about the option available to them to participate in the meeting through electronic mode.
- Agenda and notes on agenda shall be given to the Directors at least seven days before the date of the meeting.
- Proof of dispatch and receipt of the Notice and Agenda shall be maintained.
- Supplementary agenda shall be taken up only with the permission of the Chairman and with the consent of a majority of Directors present at the meeting, which shall include at least one independent director, if any.

TEAM’S CORNER

- Each business item requiring approval at the meeting shall be supported by a note setting out the details of the proposal
- Quorum shall be present not only at the commencement of the meeting but throughout the meeting.
- Attendance register shall be maintained which is open for inspection by the Directors.
- Elaborate procedure for passing of resolutions by circulation.
- Detailed methodology for drafting and finalization of Minutes of the meeting.
- Circulation of draft minutes to the Directors within fifteen days of the meeting, inviting their observations/ comments, if any.
- Circulation of copy of signed minutes duly certified by the Company Secretary to all Directors.
- Entitlement of Directors to inspect the minutes of the meetings held before the period of his Directorship.
- Entitlement of Directors to inspect the minutes of the meetings held during the period of his Directorship, even after he ceases to be a Director.

Financial Oversight:

- Preparation of the financials and maintaining proper cash flow statements are the responsibility of the company and not the responsibility of the auditors to the company.
- Entry of a debt in the financials will amount to the acknowledgment of the debt by the company.
- The company cannot borrow money from persons not related to the directors. The company can borrow money from banks and such lending institutions apart from directors and their relatives.

TEAM'S CORNER

Legal Compliance & Liabilities:

- The company should have a registered office capable of receiving notices and other communications on behalf of the company.
- The registered office should have a name board with all the details necessary.
- All communications from the company should be in the letter head of the company and if a person signs the communication in his capacity as director, he has to mention the DIN below his signature.
- Maintenance of various registers under the Companies Act is the responsibility of the directors.

Practical Aspects & Ethics:

- Avoid conflict of interest with the company
- Shall not achieve or attempt to achieve any undue gain or advantage either to himself or his kith and kin.
- Shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- Obligation not to disclose company information obtained in the capacity as director, even after ceasing to hold office.
- Obligation to report fraud, insider trading (for listed cos.), or material irregularities.

LEGAL MAXIM

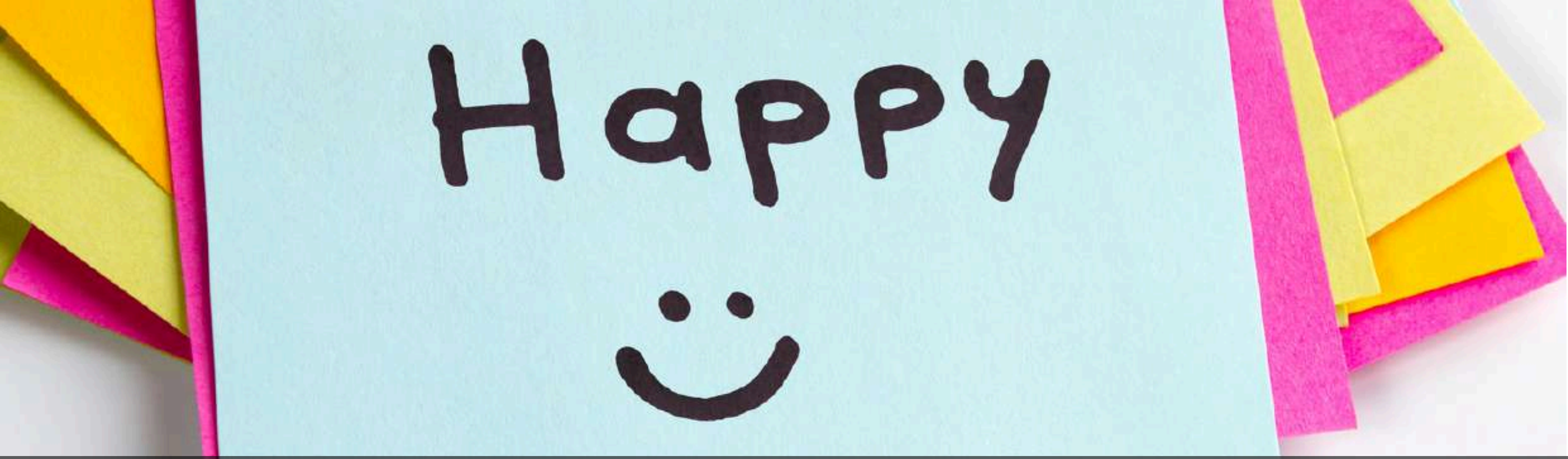
IGNORANTIA JURIS NON EXCUSAT

The Latin maxim “Ignorantia juris non excusat” (“Ignorance of the law is no excuse”) is a foundational legal principle holding that individuals are presumed to know the law and cannot claim ignorance as a defense for unlawful actions.

This maxim establishes that every person is expected to be aware of all the laws that govern their conduct and a lack of knowledge will not absolve them of responsibility or liability for violating those laws. In practice, the courts reject defenses which rely on ignorance of statutes, regulations, or legal obligations, regardless of the person’s intent or awareness. Legal systems around the world uphold this tenet to maintain order and enforce accountability.

In legal terms, “Ignorantia juris non excusat” protects the integrity of statutes and ensures that justice is not undermined by claims of ignorance. It is most frequently invoked in criminal proceedings, regulatory matters, and civil disputes where parties attempt to avoid penalties or obligations based on their failure to know the law. However, exceptions exist such as procedural irregularities or ambiguous laws where courts may consider mitigating circumstances.

By embedding the expectation of legal knowledge, this maxim preserves the rule of law and provides certainty in legal dealings, fostering public trust and predictability. It also serves as a preventive mechanism against deliberate evasion of legal duties and responsibilities. Ultimately, “Ignorantia juris non excusat” remains an essential doctrine in the administration of justice, balancing fairness with the need for consistent application of the law.



WISDOM CORNER

HOW TO ATTAIN HAPPINESS? - OSHO

“Happiness is man’s nature. “You need not worry about happiness at all. It is already there, it is in your heart.

You just have to stop being unhappy, you have to stop the mechanism functioning which creates unhappiness.

“But nobody seems to be ready for that. People say, ‘I want happiness.’

“It is as if you go on saying, ‘I want health’ – and you go on clinging to your disease, and you don’t allow the disease to go.

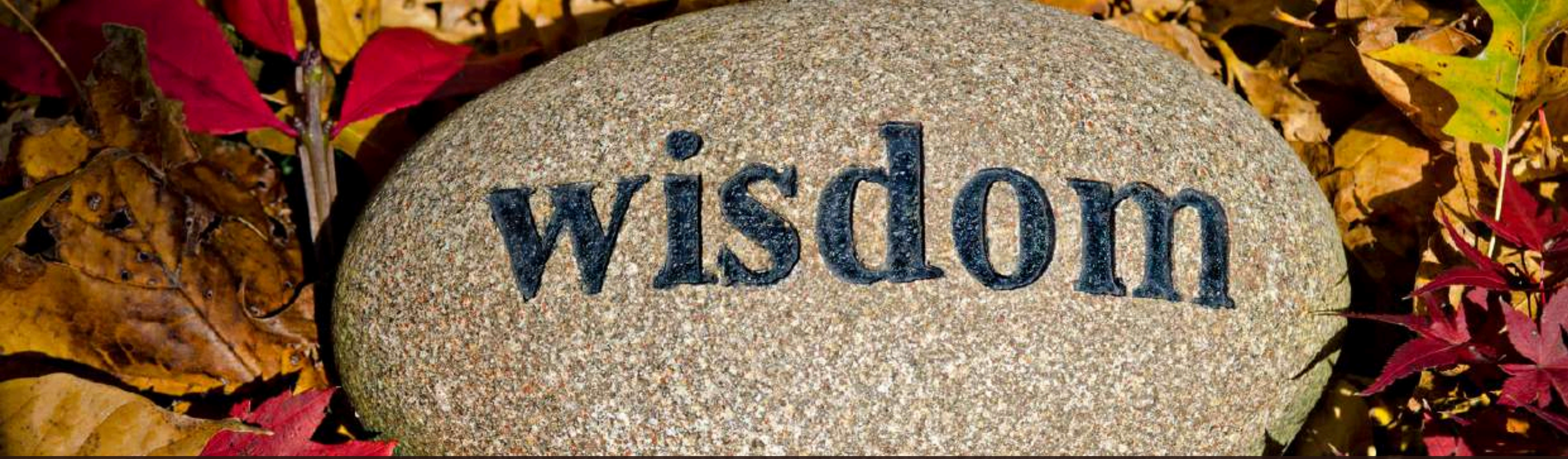
“If the doctor prescribes the medicine, you throw away the medicine; you never follow any prescription.

“You never go for a morning walk, you never go swimming, you never go running on the beach, you never do any exercise. You go on eating obsessively, you go on destroying your health – and again and again you go on asking where to find health.

“But you don’t change the mechanism that creates unhealth.

“Health is not something to be attained somewhere, it is not an object. Health is a totally different way of living.

The way you are living creates disease, the way you are living creates misery.



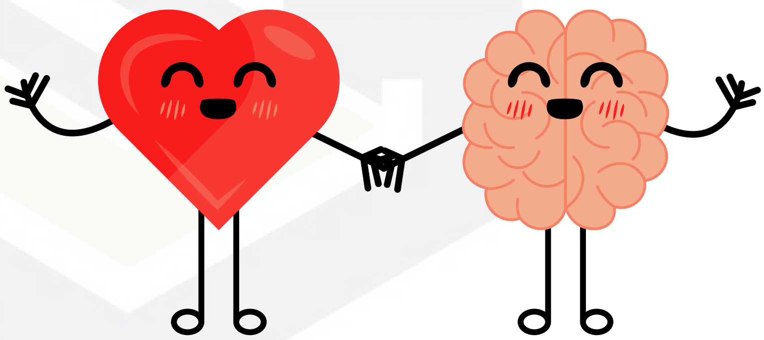
WISDOM CORNER

HOW TO ATTAIN HAPPINESS? - OSHO

“For example, people come to me and they say they would like to be happy, but they cannot drop their jealousy. If you can’t drop your jealous, love will never grow – the weeds of jealous will destroy the rose of love.

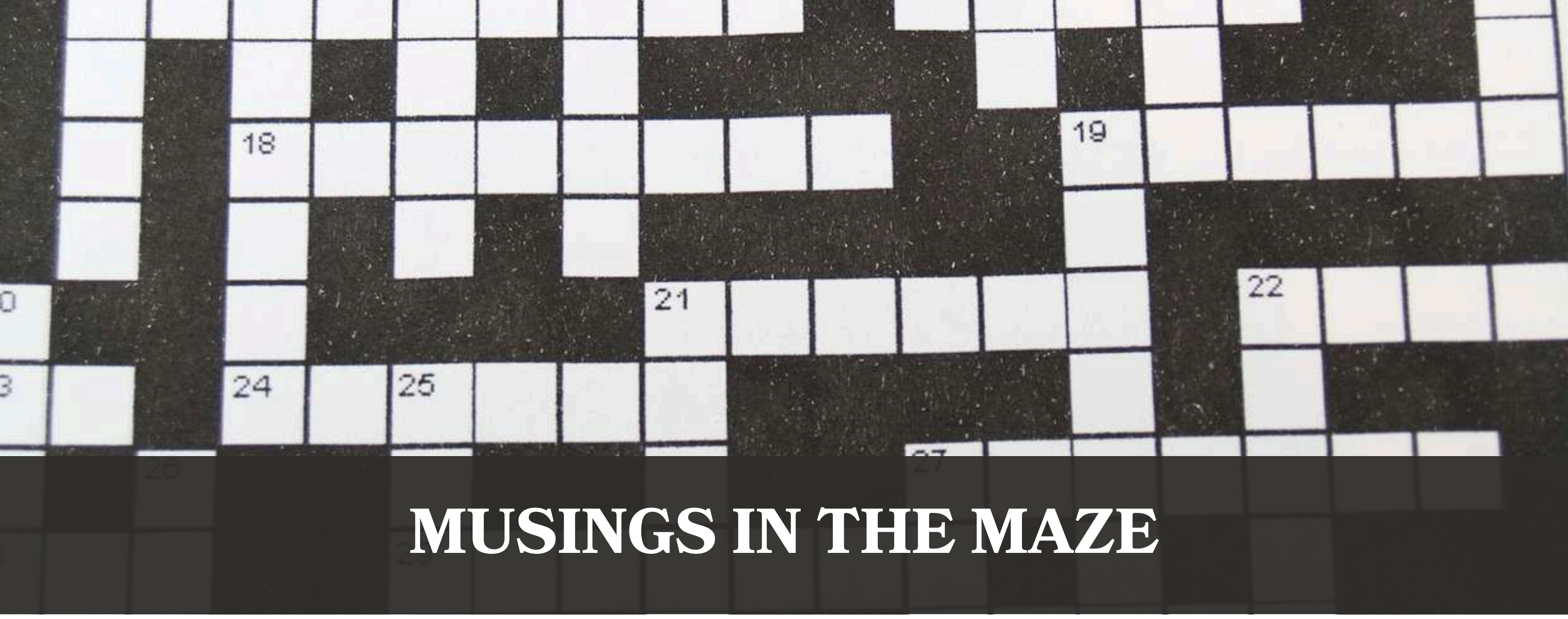
“And when love does not grow, you will not be happy. Who can be happy without love growing?

“Unless that rose blooms in you, unless that fragrance is released, you cannot be happy.



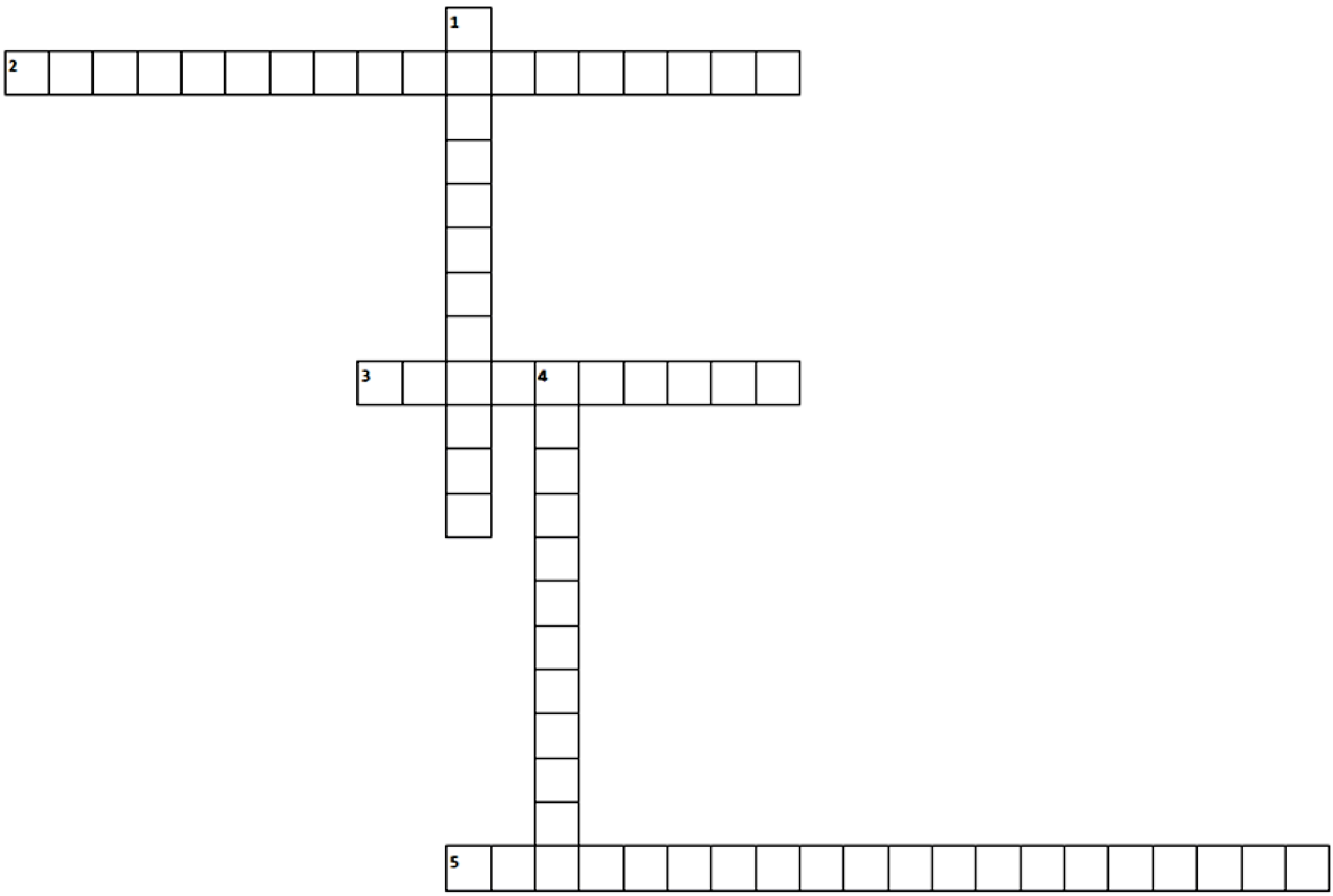
COMPLIANCE CALENDAR

Due Date	Forms to be filed	Description
13-09-2025	GSTR-5	GST return for August 2025 (to be filed by non-resident taxable persons under GST)
20-09-2025	GSTR-3B	Monthly GST summary return for August 2025 (outward/inward supplies and tax paid for regular taxpayers)
25-09-2025	PMT-06	Payment challan for August 2025 under the QRMP scheme (monthly GST tax payment option)
30-09-2025	Form 26QB/26QC /26QD	Challan-cum-statement for TDS on sale of property, rent, or contractual payments (Income Tax Act compliance)
30-09-2025	Tax Audit Report (3CA/3CB & 3CD)	Submission of Tax Audit report for FY 2024â€“25 (Section 44AB audit assessees under Income Tax Act)
30-09-2025	DIR-3 KYC	Annual KYC filing for directors holding DIN as on March 31, 2025 (mandatory to update and authenticate director's personal/contact details; non-compliance leads to DIN deactivation)



MUSINGS IN THE MAZE

CROSSWORD



MUSINGS IN THE MAZE

HINTS FOR CROSSWORD:

ACROSS

2. Means a memorandum containing such salient features of a prospectus as may be specified by the SEBI by making regulations in this behalf.
3. Includes the making of additions, omissions and substitutions.
5. Includes a scheduled bank, and any other financial institution defined or notified under the Reserve Bank of India Act, 1934.

DOWN

1. Means a notification published in the Official Gazette.
4. Means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income tax Act, 1961.

Answers to previous Crossword:

Across:

5.Transfer
7.Registrar
8.Amalgamation

Down:

1.Deposit
2.Quorum
3.Tribunal
4.Chairman
6. Subscribe

Team Genicon CS extends warm birthday wishes to Ms Nikita!

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Vision:
To be recognized as an excellent service provider in the field of Corporate Laws.

Mission:
To provide pragmatic and proactive solutions to our clients and to enhance the value of every stakeholder at Genicon.

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