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LEGAL MUSINGS

16th July, 2026

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#Musings

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PEOPLE

THE HEART OF OUR ORGANIZATION

MEET OUR MINDS

THE MINDS BEHIND OUR WORK, OUR GROWTH, AND OUR PURPOSE.

PEOPLE · PURPOSE · PERFORMANCE

- N. A. Srinivasan (NAS)
- Sangamithra D
- Jamuna S
- Nakkeran A
- M Veronika
- Nikita Raju
- Sandhya M
- Ruthanya S
- Mythili P
- Sriram Aravindh G
- Srimathi A
- Saranamani T
- Roopan Raj S
- Varun V
- Tasleem
- Thiraviya Rajan
- Subhiksha R

DIVERSE PERSPECTIVES.
SHARED COMMITMENT.
DRIVING MEANINGFUL IMPACT.

Table of Contents

A Note of Gratitude to Our Readers

As we present the 40th edition of Legal Musings, we extend our heartfelt gratitude to each of our readers for your continued trust, encouragement, and engagement. What began as a modest initiative has grown into a platform for sharing timely legal and regulatory insights, made possible by your unwavering support.

To mark this milestone, we are delighted to bring you a special 40-page edition, thoughtfully curated with Two Teams Corner Editions, Unique Wisdom Corner and an exclusive Musings in the Maze Column, apart from our regular updates, practical perspectives, and significant legal developments. We hope this commemorative issue continues to inform, inspire, and add value to your professional journey.

Thank you for being an integral part of the Legal Musings community, we look forward to many more editions together.

MCA Notifications and Orders

MCA Extends Companies Compliance Facilitation Scheme, 2026 (CCFS-2026) till 31 August 2026

Government has extended the validity of the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026) from 15th July 2026 to 31st August 2026.

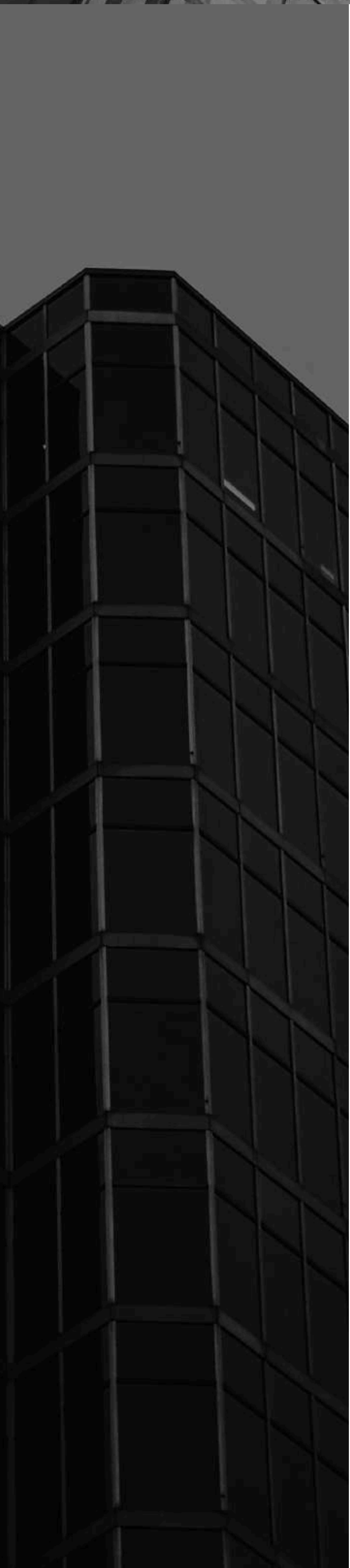
The CCFS-2026 provides companies with an opportunity to complete pending statutory filings during the validity of the Scheme.

RoC Adjudication Orders

1. Non-disclosure of Secretarial Standards Compliance in Board's Report

ROC Bangalore - Order dated 8 July 2026

The ROC Bangalore penalised Chongqing Jieli India Private Limited and its directors for failure to include a statement on compliance with Secretarial Standards (SS-1 and SS-2) in the Board's Report for FY 2018-19, resulting in violation of Section 118(10). A penalty of ₹25,000 on the Company and ₹5,000 each on three directors was imposed under Section 118(11).



RoC Adjudication Orders

2. Incorrect Authorisation Date in the Form MGT-7

ROC Coimbatore | Order dated 12 June 2026

The ROC Coimbatore imposed penalties on Progen Renewables Limited and its officer in default for incorrectly mentioning the AGM date instead of the Board Meeting authorisation date in Form MGT-7 for four financial years.

The procedural contravention was penalised under Section 450, with a penalty of ₹40,000 each on the Company and the officer in default.

SEBI (Buy-back of Securities) (Amendment) Regulations, 2026- *Comprehensive Before & After*

The Amendment comes into force from 1 August 2026 and introduced several significant changes.

1. Reduction in Open Market Buy-back Limit:

Before the amendment, a company undertaking an open market buy-back through the stock exchange could buy back securities up to 25% of its paid-up capital and free reserves.

After the amendment, this limit has been substantially reduced to less than 15% of the company's paid-up capital and free reserves, calculated on both the standalone and consolidated financial statements.

2. Merchant Banker:

Before the amendment, appointment of a Merchant Banker was mandatory for every listed company undertaking a buy-back. The Merchant Banker was responsible for preparing and filing the public announcement and letter of offer, issuing the due diligence certificate, supervising the escrow account, monitoring regulatory

compliance, coordinating the buy-back process and submitting the final report.
After the amendment, appointment of a Merchant Banker has become optional.
If a company chooses not to appoint one, the responsibilities that were earlier discharged by the Merchant Banker are distributed among different professionals and entities.

Activity	Responsible Person
Letter of Offer & Public	Company
Due Diligence Certificate	Secretarial Auditor
Escrow Operations	Statutory Auditor
VWAP Certification	Stock Exchange
Presence during Extinguishment	Compliance Officer
Certificate of Extinguishment	Compliance Officer
Final Report	Company
Availability of Funds	Company
Companies Act Compliance	Company

3. Minimum Public Shareholding (MPS):

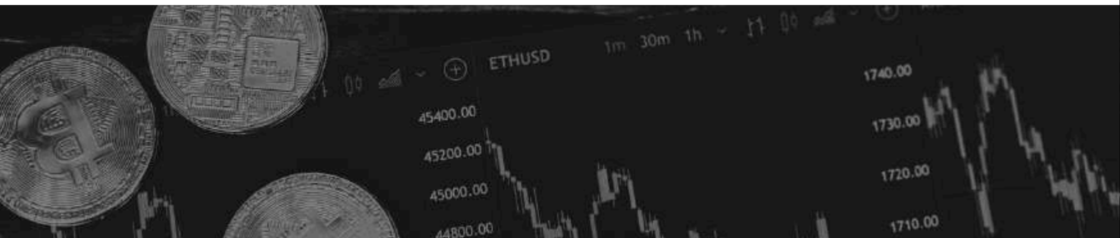
Before the amendment, the Buy-back Regulations did not expressly prohibit a buy-back that resulted in breach of the minimum public shareholding requirement. However, listed companies were already required to maintain the prescribed MPS under the Securities Contracts (Regulation) Rules, 1957 (SCRR) and the SEBI (LODR) Regulations, 2015.

After the amendment, SEBI has expressly incorporated this requirement into the Buy-back Regulations themselves. A company is now specifically prohibited from proposing any buy-back that results in violation of the minimum public shareholding requirements under the SCRR or the LODR Regulations.

4. Electronic Intimation to Shareholders:

Before the amendment, there was no specific requirement to send an electronic communication regarding the buy-back to all shareholders immediately after the public announcement.

After the amendment, the company must, within one working day of making the public announcement, electronically intimate all persons who were shareholders as on the date of the public announcement about the open market buy-back.



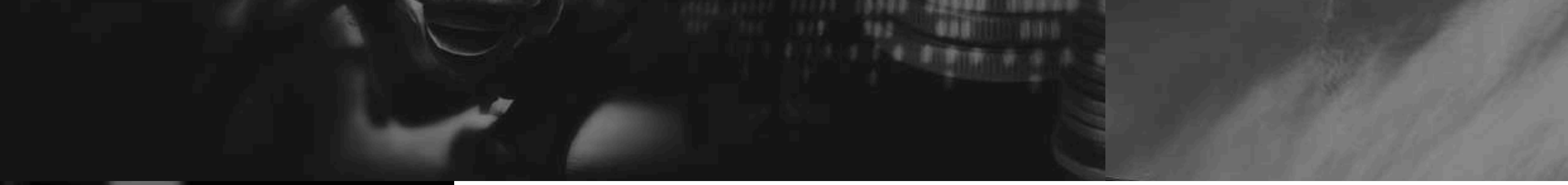
5. Timeline for Commencement and Completion of Open Market Buy-back:

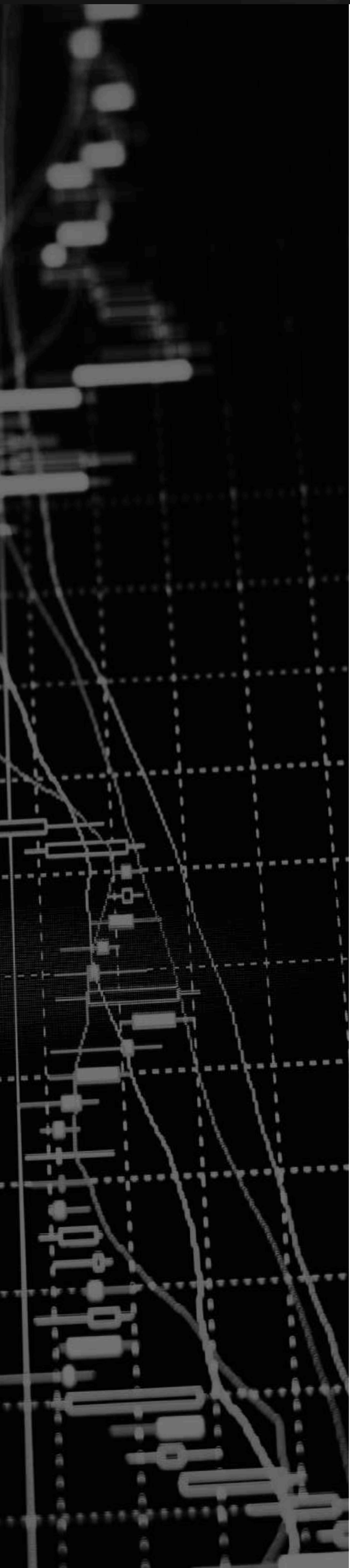
Before the amendment, the public announcement had to be made at least seven days before the commencement of the buy-back. The company therefore had to wait at least seven days before commencing purchases. There was no requirement that the buy-back must commence within a fixed number of days after the public announcement. The regulations allowed the buy-back process to continue for up to six months.

After the amendment, the buy-back must open within four working days from the date of the public announcement and must close within sixty-six working days from the date of opening.

6. Promoters' Shares Frozen During Buy-back

Before the amendment, there was no express provision requiring the shares held by promoters and the promoter group to remain frozen during the buy-back process.





After the amendment, the shares held by promoters and the promoter group are required to remain frozen at the ISIN level from the date of the Board Resolution or Special Resolution until the closure of the buy-back. An exception has been provided in the case of a tender offer buy-back, where the freeze will not prevent promoters from tendering their shares in the buy-back.

7. Escrow and Bank Guarantee:

The bank guarantee must now remain valid until 30 working days after the expiry of the buy-back period or after completion of all obligations under the regulations, whichever is later. Similarly, the Merchant Banker, wherever appointed, can return the bank guarantee only after all regulatory obligations have been fulfilled.

Link:
https://www.sebi.gov.in/legal/regulations/jul-2026/securities-and-exchange-board-of-india-buy-back-of-securities-amendment-regulations-2026_102624.html

RBI Notification

RBI amends bank board governance norms, new rules to kick in from October 1.

The RBI has released new amendments on July 14th, 2026, in accordance with the Master Direction - Commercial Banks Governance Directions. These amendments aimed at enabling Boards of Commercial Banks, Small Finance Banks, Local Area banks and Payments Bank to focus on strategic decision- making rather than routine operational matters. The objective is to strengthen governance, improve oversight and enhance the quality of Board Deliberations.

The amendment fundamentally restructures the governance framework by streamlining the matters that require the Board approval and introducing a clear designation mechanism.

Notification links:

https://rbi.org.in/scripts/BS_ViewMasDirections.aspx?id=13161

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13555&Mode=0

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13556&Mode=0

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13557&Mode=0

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13558&Mode=0

Competition Act Developments

CCI Vs HP India Sales Pvt. Ltd. (CCI Order dated 13th July 2026)

Violated Provision:

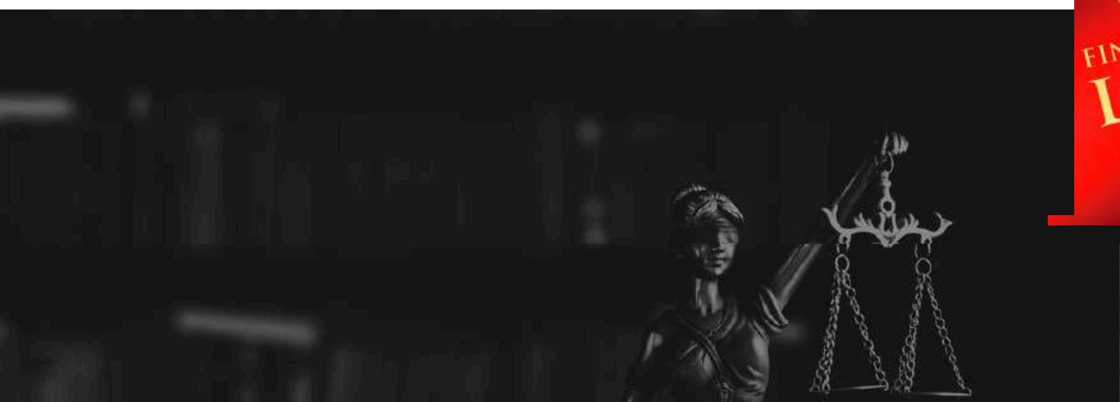
The Competition Commission of India held that HP India and its authorised resellers violated the Competition Act, 2002.

Brief Facts:

13 July 2026 – The Competition Commission of India (CCI) passed its final order against HP India and its authorised resellers in relation to Government e-Marketplace (GeM) tender procurements.

The CCI held that HP India and the resellers had engaged in cartelisation and bid-rigging, thereby violating Section 3(1) read with Section 3(3)(d).

The Commission found that the parties coordinated bids, influenced prices, and restricted independent participation in government tenders, resulting in anti-competitive conduct.



·The CCI directed the parties to cease and desist from such practices and imposed monetary penalties; responsible officials were also held liable.

Penalty imposed:

The CCI imposed a total penalty of approximately ₹142.37 crore, emphasizing that bid-rigging in public procurement harms fair competition, transparency, and public interest.

HP India – Penalty of ₹126.87 crore.

Authorised Resellers – Penalty of approximately ₹1.22 crore.

THE REGISTRATION ACT, 1908

Tamil Nadu has announced an ‘anywhere registration’ facility that would allow citizens to register property documents entirely online without visiting a sub-registrar’s office.

Highlights:

- The facility will enable document registration on a 24x7x365 basis.
- Approved documents are digitally signed by the sub-registrar and delivered electronically to users through the registrant’s login account and delivered via WhatsApp.
- Physical copy has been done away under the process.
- Registrant’s signed document can be downloaded using their login credentials at any time.
- This is only for eligible categories of documents.

THE REGISTRATION ACT, 1908

Previously, the registration generally required the parties to appear before the sub-registrar for identity verification and completion of the registration process. The new ‘anywhere registration’ system eliminates that final visit.

‘Anywhere Registration’ system is set to be made mandatory for select property transactions shortly and initially cover

1. First sale of Plot.
2. First sale of Flat.
3. Sale deeds executed by the Tamil Nadu Housing Board.
4. Mortgage and receipt documents linked to bank loans.

Action to be taken:

Public, Builders, Document writers, Banks and Legal Professionals are :

- To create user accounts on the registration portal and submit documents online.

THE REGISTRATION ACT, 1908

- Aadhaar authentication through fingerprint or iris verification will be mandatory for all parties involved in a transaction, including executants, claimants and witnesses.

- All parties must upload Aadhaar card details, verified through UIDAI using fingerprint or iris scan.

For the registration process, a webcam and a UIDAI-approved Level 1 biometric device are required at the user's end. Alternatively, a mobile phone could be used or the user could complete the process at an e-seva centre. Further, the department has provided contact details of TCS personnel for hardware and software support in this regard.

Team's Corner

POSH: New Developments and Why You Should Pay Attention

A new NCW advisory raises the compliance bar for the Prevention of Sexual Harassment (POSH) Act.

The National Commission for Women (NCW) has recently issued a press release directing State Chief Secretaries and Directors General of Police to strengthen workplace safety mechanisms for women under the Prevention of Sexual Harassment (POSH) Act, 2013. On first read, a private employer might reasonably conclude that an advisory addressed to state administrations has little bearing on its own compliance obligations. That conclusion would be a mistake.

Why an NCW Advisory Should Be on Your Radar

The advisory carries more weight than its addressees suggest. The NCW is a statutory body that advises the government on women's issues and is routinely consulted by enforcement agencies across India.

When the Commission issues direction of this nature to the highest administrative and police authorities in every State and Union Territory, it effectively sets the benchmark against which POSH compliance will be assessed going forward. Employers should expect that any future scrutiny of an Internal Committee's (IC) functioning – whether by a labour authority, a court, or a regulator – will be read in light of this advisory, not in isolation from it.

The Trigger: A Governance Failure at Scale

The advisory does not exist in a vacuum. It follows a widely reported controversy involving a large Indian IT company, where the Internal Complaints Committee was found to have failed the women employees it was meant to protect. That episode exposed a broader pattern: organisations often treat POSH compliance as a documentation exercise – a policy on file and a committee on paper – rather than a functioning grievance mechanism.

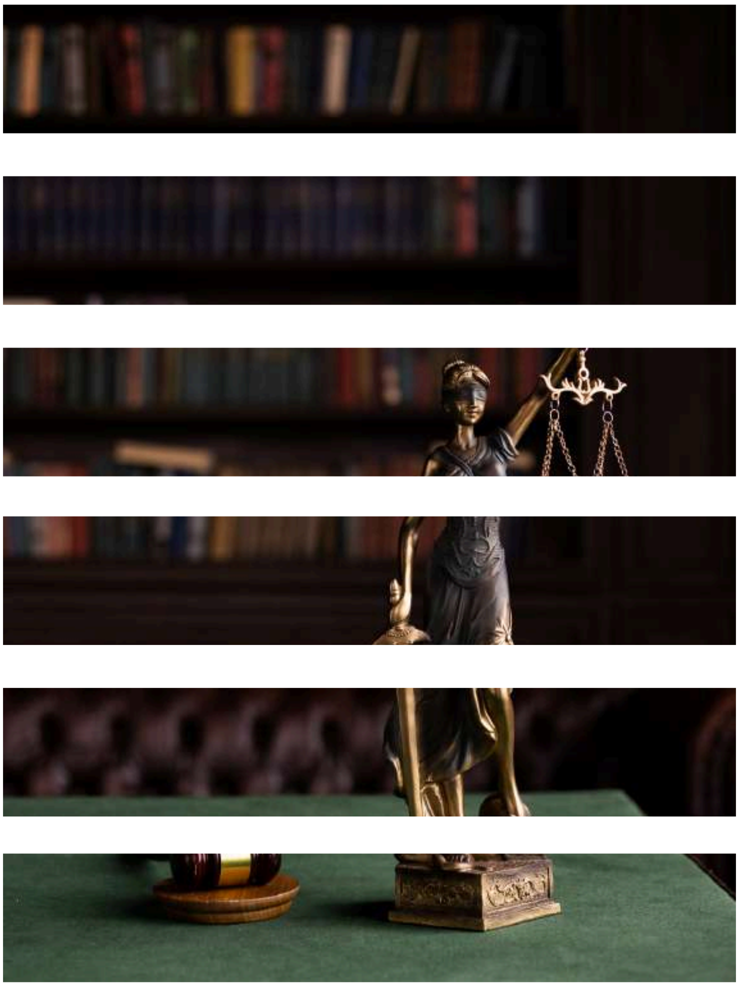
The NCW's intervention signals that regulators are no longer willing to accept the appearance of compliance in place of its substance.

- State-Level POSH Monitoring Cells and Compliance Dashboards
- Mandatory Annual POSH Audits
- Nodal Officers for Last-Mile Access to Justice
- Capacity Building and Sensitization
- Effective Utilization of SHe-Box
- Strengthening Annual Reporting Compliance
- Awareness Campaigns for Gender-Sensitive Workplaces

The Judicial Backdrop: Aureliano Fernandes v. State of Goa

This advisory should also be read alongside the Supreme Court's ongoing monitoring of Aureliano Fernandes v. State of Goa, in which the Court, last year, expressed sharp frustration over what it called the “lamentable” state of enforcement of the POSH framework.

The Bench observed that where a workplace has no functioning Internal Committee, or a district has no Local Committee, women effectively have nowhere to go — creating a false illusion of “zero cases” that reflects the absence of a redress mechanism rather than the absence of harassment. The SHe-Box push and the mandatory audit directive in the NCW advisory can be traced directly to this judicial observation.



What This Means for Employers

Read together, the NCW advisory and the Supreme Court's observations point to the same conclusion: POSH compliance is moving from a self-certified, paperwork-driven exercise to one that regulators expect to verify — through audits, dashboards, and reporting data. Organisations that have not tested whether their Internal Committee actually functions, whether employees know how to reach it, and whether complaints are handled within statutory timelines should treat this as an early warning rather than a routine circular.

Going forward, POSH compliance deserves serious, ongoing attention — not a policy filed away and forgotten. We recommend a proactive review of your Internal Committee's composition, functioning, and record-keeping, and encourage you to speak with your legal practitioner to understand how this evolving regulatory landscape applies to your organisation and how to protect it from unexpected legal consequences.

Team's Corner

Audit Trail Compliance: Recent Roc Order Reinforces The Importance Of Board's Report Disclosures

The Ministry of Corporate Affairs (MCA) has introduced the requirement for companies to maintain their books of account using accounting software equipped with an Audit Trail (Edit Log) feature which was became mandatory from 1 April 2023.

Accordingly, every company maintaining its books of account in electronic mode is required to ensure that the accounting software:

- records an audit trail (edit log) for every transaction;
- captures every change made in the books of account along with the date of such change;
- ensures that the audit trail cannot be disabled; and

Preserves the audit trail in accordance with the applicable record retention requirements.

While implementation of the audit trail requirement is an important compliance obligation, companies must also ensure that any observations made by the statutory auditor are duly addressed in the Board's Report.

Companies Act, 2013 mandates that the Board's Report shall contain explanations or comments on every qualification, reservation, adverse remark or disclaimer made by the statutory auditor or the secretarial auditor. Failure to comply with this requirement attracts a penalty of Rs.3,00,000 on the company and Rs. 50,000 on every officer in default.

Recent Adjudication by ROC Ahmedabad

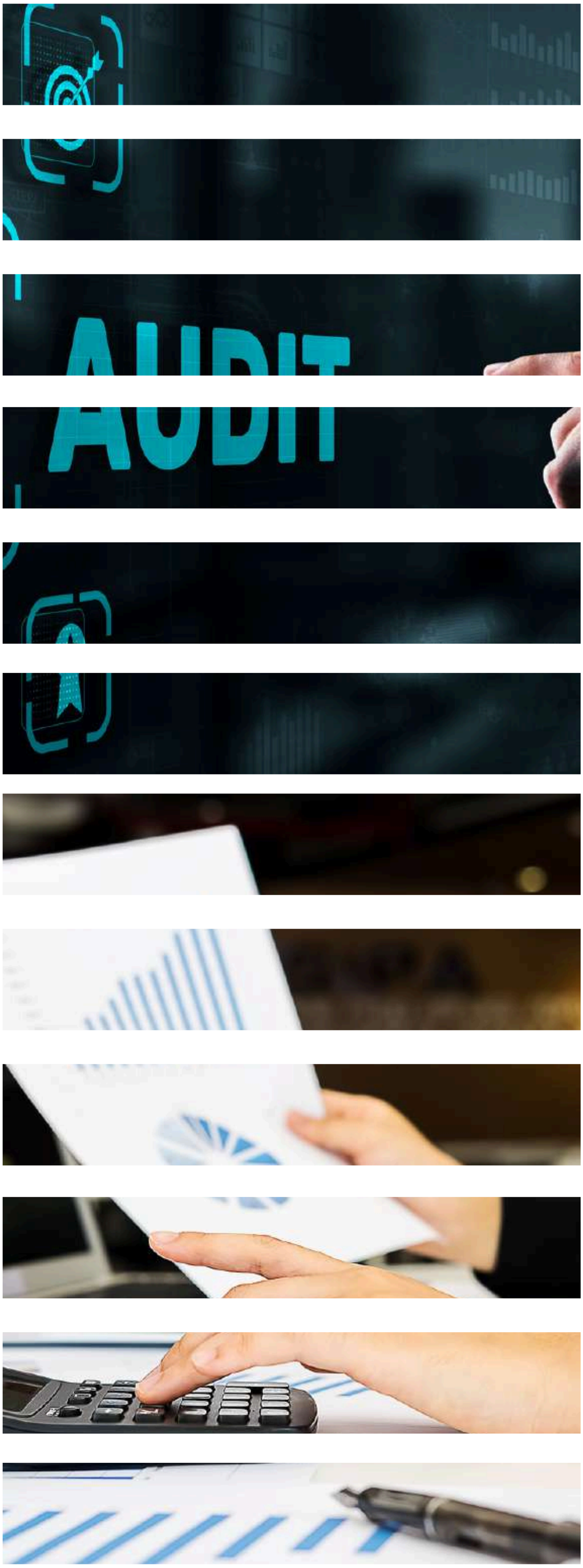
In an order dated 8 July 2026, the Registrar of Companies, Ahmedabad imposed penalties after observing that the company had failed to include the explanations required in its Board's Report.

The statutory auditor had, inter alia, reported that:

- during one financial year, the accounting software used by the company did not have the Audit Trail (Edit Log) facility, preventing the auditor from commenting on its operation; and
- during the subsequent financial year, although the accounting software had the audit trail feature, it was not operational throughout the year, and certain ERP modules relating to billing and stock maintenance also did not have the feature enabled for the entire year.

While these observations were duly disclosed in the Audit Report, the Board's Report failed to provide the explanations or comments for the same. The company admitted that the omission occurred due to an inadvertent oversight.

The company, along with its directors and Company Secretary, was collectively penalised Rs. 5,00,000 for the said violation.



Significance of the Order

An important takeaway from this adjudication is that the penalty was not imposed for the absence or delayed implementation of the Audit Trail (Edit Log) facility itself. Rather, the default arose from the company's failure to comply with the disclosure requirement by not providing explanations or comments on the statutory auditor's observations in the Board's Report.

The order reinforces that statutory compliance extends beyond implementing legal requirements. Equally important is ensuring that every qualification, reservation, adverse remark or disclaimer contained in the Statutory Audit Report or Secretarial Audit Report is carefully considered by the Board and appropriately addressed in the Board's Report.

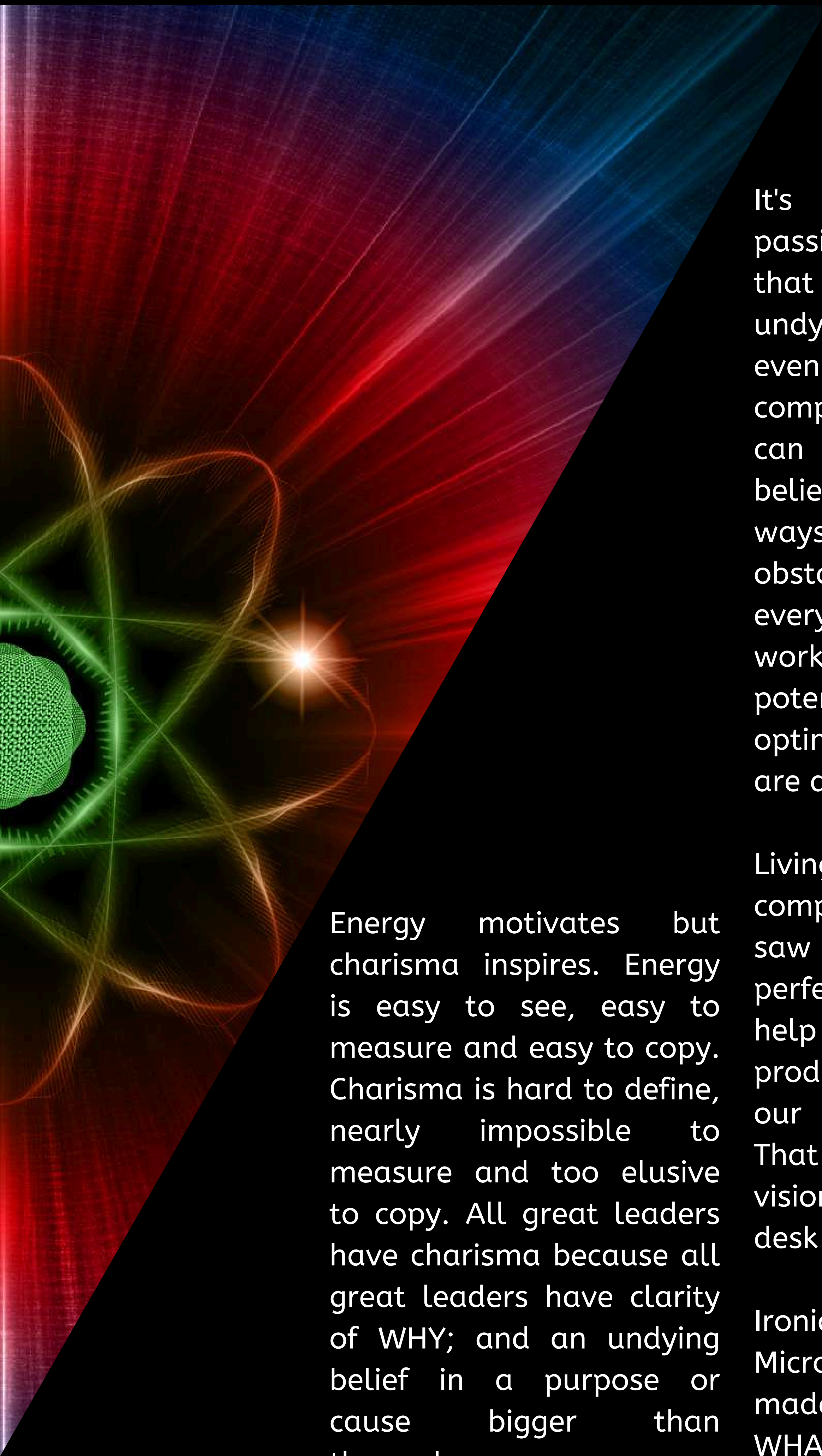
Action required:

Check if your company’s accounting software has audit trail turned on and make sure that the members of your finance team are aware of such developments. Talk to your auditors to get further information on how to implement these changes in your organisation.

Conclusion:

This adjudication highlights that the Board's Report is a key governance document, not a mere statutory formality. Companies should ensure that all observations of the Statutory and Secretarial Auditors are properly reviewed and explained before approval, thereby strengthening governance and avoiding regulatory action and penalties.

WISDOM CORNER



It's not Bill Gates's passion for computers that inspires us, it's his undying optimism that even the most complicated problems can be solved. He believes we can find ways to remove obstacles to ensure that everyone can live and work to their greatest potential. It is his optimism to which we are drawn.

Living through the computer revolution, he saw the computer as a perfect technology to help us all become more productive and achieve our greatest potential. That belief inspired his vision of a, PC on every desk to come to life.

Ironic, considering Microsoft never even made PCs. It wasn't just WHAT computers did that;

Energy motivates but charisma inspires. Energy is easy to see, easy to measure and easy to copy. Charisma is hard to define, nearly impossible to measure and too elusive to copy. All great leaders have charisma because all great leaders have clarity of WHY; and an undying belief in a purpose or cause bigger than themselves.

Gates saw the impact for the new technology; it was WHY we needed them. Today, the work he does with the Bill and Melinda Gates Foundation has nothing to do with software, but it is another way he has found to bring his WHY to life.

He is looking for ways to solve problems. He still has an undying belief.

And he still believes that if we can help people, this time those with less privilege, remove some seemingly simple obstacles, then they too will have an opportunity to be more productive and lift themselves up to achieve their great potential. For Gates, all that has changed is WHAT he is doing to bring his cause to life.

Charisma has nothing to do with energy; it comes from a clarity of WHY.

It comes from absolute conviction in an ideal bigger than oneself. Energy, in contrast, comes from a good night's sleep or lots of caffeine. Energy can excite. But only charisma can inspire. Charisma commands loyalty. Energy does not.

Be energetic, but more importantly be charismatic.
-Simon Sinek

Recent Landmark Supreme Court Judgements

"Interest-Free" Security Deposits Attract Interest If Refund Is Delayed

NEW DELHI – The Supreme Court of India has ruled that while the government can enforce "interest-free" security deposits during a contract, it cannot hold onto that money indefinitely once the agreement ends.

The decision in State of Haryana & Ors. v. M/s. Jai Durgaa Finvest P. Ltd. (July 13, 2026) establishes that government departments face interest penalties if they delay refunding or adjusting security deposits past contractually agreed deadlines.

The Dispute:
In 1998, a private firm won a three-year commercial bid worth ₹1.48 crores annually to extract Yamuna sand in Haryana. The contract, executed under the state's minor mineral rules, contained two conflicting financial rules:

Recent Landmark Supreme Court Judgements

- Clause 2: The contractor had to pay 24% annual interest on any late monthly license fees.
- Clause 19: The contractor’s security deposit would earn 0% interest and must be refunded within three months of the contract ending.

When the contractor defaulted on monthly payments in 1999, the State terminated the contract in March 2000 and forfeited the ₹37 lakh security deposit. An appellate authority later ordered the State to adjust this deposit against what the contractor owed.

The contractor sued, arguing the "no-interest" clause was unconscionable. The Punjab and Haryana High Court agreed, striking down the clause and ordering the State to pay 9% interest on the deposit from the day it was first paid. The State appealed to the Supreme Court.

Recent Landmark Supreme Court Judgements

The Supreme Court's Ruling

The Supreme Court partly allowed the State's appeal, overturning the High Court’s decision to strike down the clause, while protecting the contractor from perpetual delays.

Courts Cannot Rewrite Contracts: The bench held that commercial entities enter agreements voluntarily and with full knowledge of the terms. A court cannot rewrite a contract just because a clause later seems one-sided. The 24% late fee was a penalty for the contractor's default, whereas the 0% interest on security was a mutually accepted performance guarantee.

No Free Rides After Termination: However, the Court emphasized that the "interest-free" rule is tied to a timeline. Clause 19 explicitly required the State to return or adjust the money within three months of termination. The State cannot use a "no-interest" clause to keep a contractor's money forever.

Recent Landmark Supreme Court Judgements

The Outcome:

Since the contract ended on March 9, 2000, the State's deadline to return or adjust the funds was June 9, 2000.

The Supreme Court ordered that:

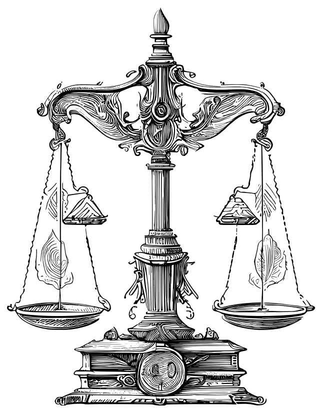
- The contractor is not entitled to interest from the initial date of deposit up to June 9, 2000.
-
- The State must pay 9% simple interest per annum from June 9, 2000, until the date the deposit was finally adjusted against the contractor's dues.

Legal Maxim
Falsa Demonstratio Non Nocet

Falsa Demonstratio Non Nocet is a Latin legal maxim meaning “a false description does not harm” or “a wrong designation does not invalidate.” It means that if both parties clearly intended the same thing, an incorrect label or description in a contract usually does not defeat that intent

Legal meaning

The principle is used in contract interpretation: the shared, actual intention of the parties can prevail over a mistaken wording when the intended subject is still clear. In other words, if the document points unmistakably to the same object or agreement, the wrong name or detail may be ignored.



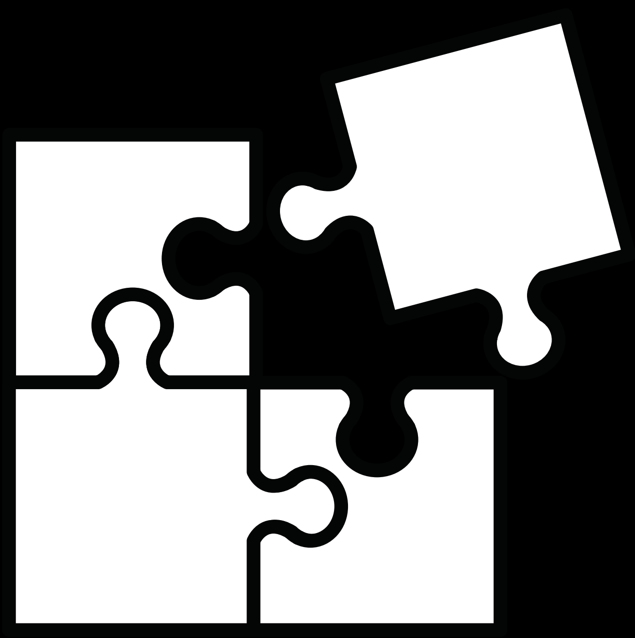
Legal Maxim
Falsa Demonstratio Non Nocet

Limits:

This maxim does not fix every drafting error; it applies only when the true meaning can be determined with certainty from the parties' mutual intent.If the mistake creates real ambiguity about what was meant, ordinary interpretation rules apply instead.

MUSINGS IN THE MAZE

Who am I?



I define why a company exists.
I set the limits of what a company can do.
Going beyond me may be considered ultra vires. Who Am I?

Without me, a meeting cannot legally proceed.
I represent the minimum number of members required.
My requirement varies depending on the type of meeting. Who Am I?

I am expected to provide unbiased judgment.
I have no material relationship with the company.
I strengthen corporate governance. Who Am I?

I am not a punishment.
I am not a donation.
Yet the law expects certain companies to invest in me. Who Am I?

I don't own the company's assets.
Yet I quietly stand between the lender and everyone else.
If I'm never registered, I may lose my place when the company is in trouble. Who Am I?

Compliance Calendar

Due Date	Form	Description
18.07.2026	CMP-08	Quarterly statement-cum-challan for composition taxpayers to declare and pay self-assessed GST for the April–June 2026 quarter.
20.07.2026	GSTR-3B	Monthly GST return and payment for regular taxpayers for June 2026.
22.07.2026	GSTR-3B	Quarterly GST return and payment for QRMP taxpayers for the April–June 2026 quarter, for applicable category states.
24.07.2026	GSTR-3B	Quarterly GST return and payment for QRMP taxpayers for the April–June 2026 quarter, for the other applicable category of states.

Due Date	Form	Description
25.07.2026	PMT-06	Challan used by QRMP taxpayers to deposit tax for the monthly tax liability under the quarterly filing system.
28.07.2026	GSTR-11	Statement of inward supplies for UIN holders to claim GST refund.
31.07.2026	DPT-3	MCA return of deposits and particulars of transactions not considered deposits for FY 2025–26, with filing allowed up to 31 July 2026 without additional fees.
31.07.2026	FLA Return	RBI annual return on Foreign Liabilities and Assets for entities with FDI/ODI or foreign assets/liabilities, extended to 31 July 2026.
31.07.2026	ITR-1 / ITR-2	Income tax return filing for eligible individual taxpayers and HUFs for FY 2025–26 / AY 2026–27.
31.07.2026	Quarterly TDS/TCS returns	Quarterly statements for tax deducted or collected at source for the quarter ended 30.06.2026.

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

Mission:
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