



LEGAL MUSINGS

THE FORNIGHTLY LEGAL UPDATES !!!

2026

#MUSINGS 28
16th January 2026



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Meet our Minds

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Srimathi A

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Many Minds , One Mission !!

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MCA: ROC ADJUDICATION ORDERS

I. In the matter of APS Life Sciences Private Limited (struck off on 25.10.2019)

Violated Provision:

Section 105(2) of the Companies Act, 2013

Provision:

Section 105(2) and (3): Every notice calling a meeting of a company must clearly state, with reasonable prominence, that a member entitled to attend and vote can appoint a proxy (one or more, where permitted) to attend and vote on their behalf, and that such proxy need not be a member. Failure to include or prominently display this disclosure amounts to non-compliance under Section 105(2), and every officer in default is liable to a penalty of Rs. 5,000 under Section 105(3).

Period of Default:

AGM's held during 2016–2020

Penalty:

For the officers in default: ₹ 5,000 (Maximum prescribed)



MCA: ROC ADJUDICATION ORDERS

2. In the matter of Mega Structures Realestate Limited

Violated Provision:

Section 187(4) of the Companies Act, 2013

Provision:

Section 187(4): Where a company fails to comply with Section 187 (i.e., investments and assets not held in the company's own name), the company is liable to a penalty of ₹5,00,000 and every officer in default is liable to a penalty of ₹50,000.

Brief Facts:

The company allotted shares of ₹2,02,56,140 to Mr. Rajkumar Raju Gadge (Managing Director) as purchase consideration for acquisition of his proprietary concern, M/s Reliance Construction Company

Despite allotment of shares, key assets continued to remain in the name of Mr. Rajkumar Gadge and not in the company's name.

MCA: ROC ADJUDICATION ORDERS

Assets not transferred to company's name:

- Immovable property – land at Aldona
- Immovable property – house at Nachinola
- Office premises at Mapusa
- Motor vehicles

Period of Default:

Financial Years 2017-18 to 2021-22

(Show Cause Notice issued for FY 2021-22)

Penalty imposed:

- **Company: ₹5,00,000**
- **Officer in default (MD): ₹50,000**





Compliance Update: New IBBI Liquidation Reporting Framework (Jan 2026)

The key highlights of the amendment are as follows:

1. Regulation 47B Amendment: The IBBI has substituted Regulation 47B (effective Jan 2). It is now mandatory for Liquidators to file forms exclusively on the IBBI electronic platform. Physical or email submissions are no longer valid.

2. Launch of Revised "LIQ" Forms: The reporting process has been revamped into 4 dynamic stages to reduce data duplication through auto-population:

- o LIQ-1: Commencement & Public Announcement** (Due by the 10TH of the month following the public announcement).

- o LIQ-2: Quarterly Progress Report** (Portal opens Feb 1, 2026; due by the 10th of the month following the NCLT progress report filing).



IBBI

o LIQ-3: Pre-Dissolution/Closure (Due by the 10th of the month following the filing of the dissolution application with the NCLT).

o LIQ-4: Post-Dissolution (Due within 7 days of the NCLT passing the Final Order).

3. Transition Relief: To facilitate a smooth transition, IBBI has announced a "Penalty Holiday"—no late fees or penalties will be levied for delayed filings during the initial quarter (January – March 2026).

Reference: Circular No. IBBI/LIQ/91/2026 dated Jan 5, 2026.





LEGAL MAXIM

Stare decisis et non quieta movere

Meaning: To stand by decisions and not disturb settled matters

Example: Courts follow the principle of stare decisis et non quieta movere when they uphold earlier rulings to maintain consistency in the law.

Explanation:

This Latin maxim forms the basis of the doctrine of precedent in law. It emphasizes judicial stability by requiring courts to adhere to established rulings rather than overturning them lightly. The principle ensures consistency, predictability, and fairness in the legal system. While it promotes stability, courts may depart from precedent when it is outdated, unjust, or conflicts with higher authority. In essence, stare decisis et non quieta movere reflects the balance between respecting settled law and allowing necessary legal evolution.



LEGAL MAXIM

Case Law

Power Ltd. & Anr. v. Union of India & Ors., the Supreme Court relied on the Latin maxim *Stare decisis et non quieta movere* (to stand by decisions and not disturb what is settled) as part of reaffirming the doctrine of precedent. The Court emphasised that law shouldn't be unsettled merely by changing benches, and that lower courts must follow binding coordinate bench precedents.





INCOME TAX

CBDT Notification Confers Tax-Exempt Status on Core Settlement Guarantee Fund under Section 10(23EE)

The Government of India, through CBDT Notification S.O. 115(E) dated 8th January 2026, has notified the Core Settlement Guarantee Fund (CSGF) established by AMC Repo Clearing Limited under clause (23EE) of section 10 of the Income-tax Act, 1961, making specified income earned by the Fund exempt from tax for the assessment year 2024-25 and subsequent years.

To maintain this status, the Fund is required to file income tax returns in accordance with section 139(4C) and ensure that AMC Repo Clearing Limited continues to be a SEBI-recognized clearing corporation.

The notification has been given retrospective effect, and the Explanatory Memorandum confirms that this does not adversely affect any person.

This provides legal clarity and regulatory certainty for clearing corporations, participants in the repo market, and associated financial institutions



GUEST'S CORNER

Consolidated Financial Statements: Statutory Mandate or Conditional Compliance

- A R Prasath

Introduction:

It is commonly assumed that preparation of Consolidated Financial Statements is a mandatory compliance requirement for all parent companies under the Companies Act, 2013. Parent companies here mean companies having subsidiaries regardless of if they are subsidiaries themselves.

At first glance, the statutory framework appears to impose an unconditional obligation. However, a closer examination reveals that parent companies are entitled to certain statutory exemptions, thereby mitigating the need for preparing consolidated financial statements.

Let us see how that is.

Legal Provisions:

Section 129(3) of the Companies Act, 2013 states that Where a company has one or more subsidiaries or associate company, it shall, in addition to financial statements provided under sub-section (2), prepare a consolidated financial statement of the company and of all the subsidiaries and associate companies.



GUEST'S CORNER

In the same form and manner as that of its own and in accordance with applicable accounting standards, which shall also be laid before the annual general meeting of the company along with the laying of its financial statement under sub-section (2).

It appears that the Act imposes an obligation on the parent company to prepare Consolidated Financial Statements.

However, analysis of Rule 6 of the Companies (Accounts) Rules, 2014, which governs the manner of consolidation of accounts, reveals important statutory carve-out that significantly relax this mandate.

Rule 6 of the Companies (Accounts) rules, 2014 - Manner of consolidation of accounts, second proviso reads as follows:

Provided further that nothing in this rule shall apply in respect of preparation of consolidated financial statements by a company if it meets the following conditions: -

(i) it is a wholly-owned subsidiary, or is a partially-owned subsidiary of another company and all its other members, including those not otherwise entitled to vote, having been intimated in writing and for which the proof of delivery of such intimation is available with the company, do not object to the company not presenting consolidated financial statements;



GUEST'S CORNER

I(ii) it is a company whose securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India and

(iii) its ultimate or any intermediate holding company files consolidated financial statements with the Registrar which are in compliance with the applicable Accounting Standards.

It is evident that the Companies Act, 2013 provides certain statutory relaxations with respect to the preparation of Consolidated Financial Statements, offering compliance relief to eligible parent companies.

Accounting Standard 21, under the heading “Circumstances in which Consolidated Financial Statements are not required”, clarifies that the Standard itself does not mandate consolidation in all cases

Conclusion

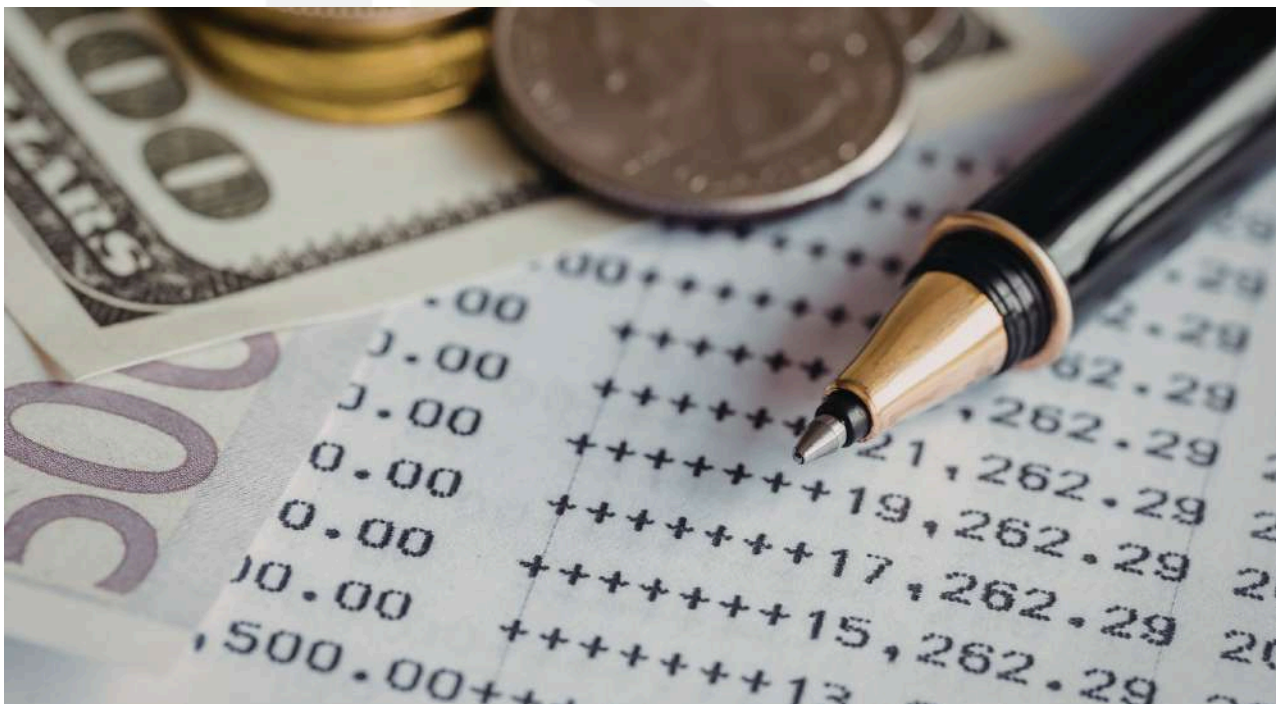
A combined analysis of the Companies Act, 2013 and the Accounting Standards supports the view that preparation of Consolidated Financial Statements is not an absolute statutory obligation, but a conditional disclosure requirement intended to reflect the economic substance of a group, enhance board-level accountability, and facilitate effective assessment of group-level compliance and risk by regulators.

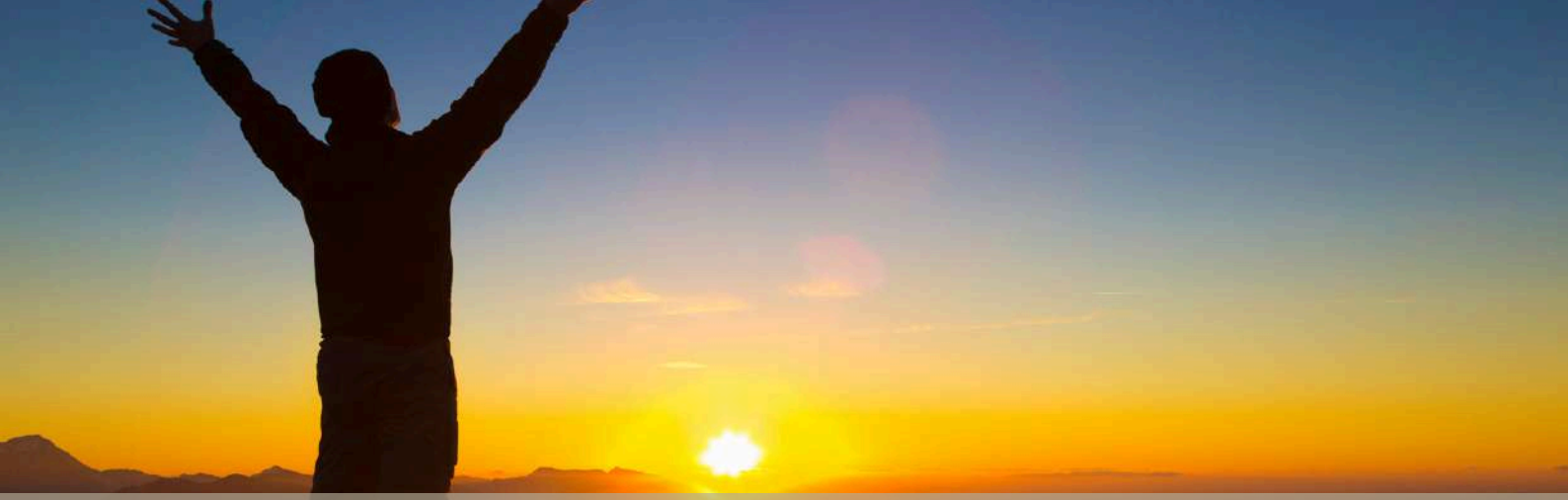


GUEST'S CORNER

However, this leads to important consideration regarding the role of statutory auditors, who are required to ensure compliance with the applicable Accounting Standards while finalizing the financial statements.

Preparation of CFS is best understood as a conditional disclosure requirement, balancing regulatory transparency with practical compliance, rather than an absolute statutory mandate.





WISDOM CORNER

PONGAL – A TIME FOR NEW BEGINNINGS...

Celebrations at the time of the winter solstice have been universal in almost every culture on the planet. It is seen as the rising of the new sun. In ancient Rome, this was celebrated as Saturnalia, which means it was about Saturn, the god of agriculture and food. In southern India, even today, the celebration of Pongal or Makar Sankranti is one of the most important festivals in a year for the agricultural communities.

Pongal or Makar Sankranti

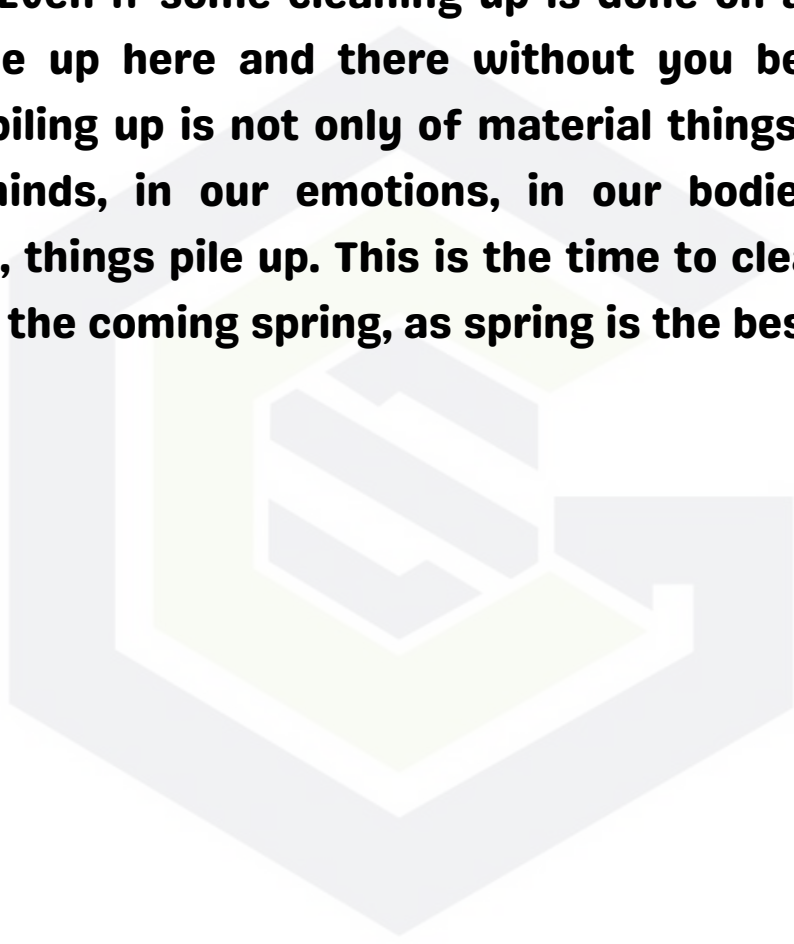
Between the 14th and 17th of January are the festivals of Makar Sankranti or Pongal, as it is called in Tamil Nadu. There are different aspects to this festival, which falls in the month of Thai in the Tamil Calendar. There is Bhogi, during which houses are cleaned, decorated, and in a way re-consecrated for the new year, using materials like mango leaves and the first cut of paddy to enhance the vibrance in the house. All the unnecessary things in one's home are disposed of.



WISDOM CORNER

In this season, you should get rid of all the unnecessary things in your life and begin life afresh. You should make this cleanup an annual event. Even if some cleaning up is done on a daily basis, a few things pile up here and there without you being conscious about it. This piling up is not only of material things in our homes. Also in our minds, in our emotions, in our bodies, and in our consciousness, things pile up. This is the time to clean that up and start afresh in the coming spring, as spring is the best time to start life.

Sadhguru





COMPLIANCE CALENDAR

Due Date	Forms to be filled	Description
Jan 18, 2026	CMP-08	Quarterly statement / challan-cum-statement for composition GST taxpayers (Q3 Oct-Dec 2025)
Jan 20, 2026	GSTR-5A	Monthly GST return for OIDAR service providers for Dec 2025
Jan 20, 2026	GSTR-3B (Monthly)	Monthly GST summary return and payment for Dec 2025
Jan 30, 2026	TDS Challan-cum-Statement	Challan-cum-statement for TDS deducted in Dec 2025
Jan 30, 2026	Quarterly TCS Certificate	Issue of TCS certificates for Q3 (Oct-Dec 2025)
Jan 31, 2026	Form 24Q	Quarterly TDS return for salary payments – Q3



COMPLIANCE CALENDAR

Due Date	Forms to be filled	Description
Jan 31, 2026	TDS/TCS	Due date for deposit of Tax Deducted/Collected for the month of October 2025
Jan 31, 2026	Form 26Q	Quarterly TDS return for non-salary resident payments – Q3
Jan 31, 2026	Form 27Q	Quarterly TDS return for non-resident payments – Q3
Jan 31, 2026	MGT-7 / MGT-7A	Annual Return filing under Companies Act (extended deadline)
Jan 31, 2026	AOC-4 / AOC-4 XBRL / AOC-4 CFS	Filing of Financial Statements for FY 2024-25(extended deadline)

THANK YOU FAREWELL

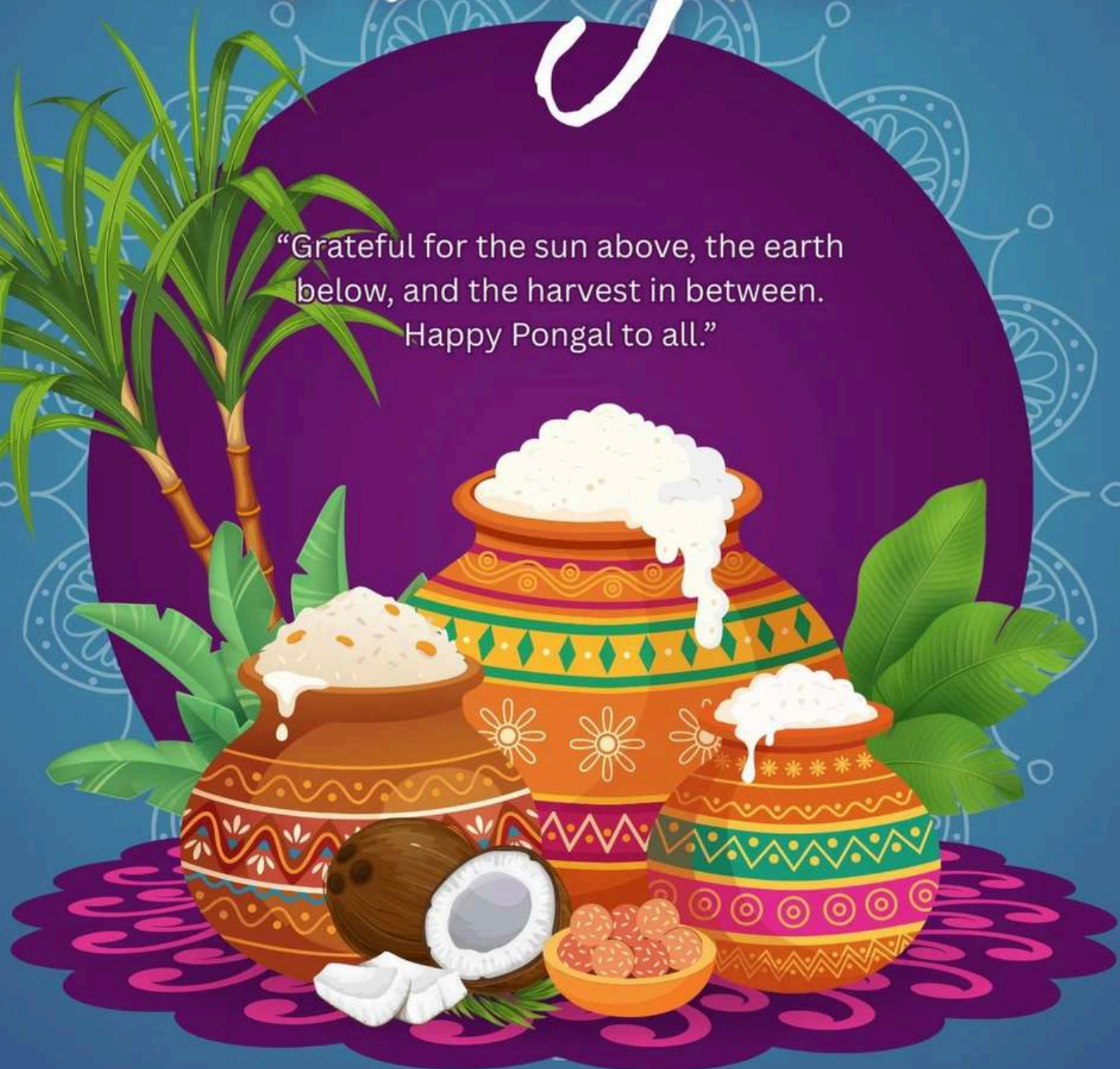


Thank you, Saarang. Your efforts in streamlining the MIS and Accounting of GCS, along with your Secretarial work, are truly appreciated. You have always been humble, knowledgeable, respectful, and disciplined in your approach. Your contribution and positive attitude have made a meaningful difference to the team. We wish you great success in your future career and all the very best for the journey ahead. You will always be a part of Team Genicon.

TEAM GENICON CS WISHES

HAPPY Pongal

"Grateful for the sun above, the earth
below, and the harvest in between.
Happy Pongal to all."





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