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2026

LEGAL MUSINGS

THE FORNIGHTLY LEGAL UPDATES !!!

#MUSINGS 29
Ist February 2026

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Meet our Minds

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Many Minds , One Mission !!!

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MCA: ROC ADJUDICATION ORDERS

1. Penalty for Non-Appointment of Company Secretary

Company: Hi-Tech Universal Printers and Publishers India Private Limited

Violation: Section 203(1) of the Companies Act, 2013

Section Explained: Section 203 of the Companies Act, 2013 mandates certain classes of companies, including companies having paid-up share capital of ₹10 crore or more, to appoint a whole-time Company Secretary. Failure to comply attracts penalties under Section 203(5) on both the company and its officers in default.

Facts of the Case:

- The company had a paid-up capital of ₹24.50 crore, exceeding the statutory threshold.
- The company failed to appoint a whole-time Company Secretary since FY 2014–15.
- The default continued for several years.
- The company sought relief under Section 446B claiming Small Company status- Was rejected, as the company was a subsidiary company and hence not eligible for Small Company benefits.

Penalty Imposed:

Company: Rs. 5,00,000

Each Director / Officer in Default: Rs. 5,00,000

MCA: ROC ADJUDICATION ORDERS

Order & Compliance Directions:

Penalty to be paid within 90 days through the MCA e-Adjudication portal.

Appeal may be filed before the Regional Director, Chennai within 60 days in Form ADJ.

Non-payment attracts consequences under Section 454(8) of the Act.

2. Clerical Error in Filing AOC-4 Attracts Penalty under Section 450

Company: IKDOR Tech Private Limited

Section/Rule Involved: Rule 8(3) of Companies (Registration Offices and Fees) Rules, 2014 read with Section 450 of the Companies Act, 2013
Rule 8(3) mandates that the authorised signatory and certifying professional are responsible for the accuracy of the contents and enclosures of e-forms. Section 450 of the Companies Act, 2013 prescribes penalties where no specific punishment is provided elsewhere in the Act.

Nature of Default: Filing of incorrect data and enclosures in e-Form AOC-4.

Brief Facts: the company stated that at the time of filing due to an inadvertent clerical error, incorrect data and attachments pertaining to another company were uploaded instead of the correct data and attachments of the company.

Penalty Imposed: Rs. 10,000 on the Company and Rs.10,000 on the signatory (Officer in Default)

Order & Compliance Directions: Company directed to rectify the defect by filing correct forms on MCA portal and pay the penalty within the prescribed time limit

3. Incorrect AGM Date and Data Errors in AOC-4 (XBRL) Attract Penalty

Company: Loghorn Industries Private Limited

Section Explained: Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014 mandates that the authorised signatory and certifying professional are responsible for the accuracy of the contents and enclosures of e-forms. Section 450 of the Companies Act, 2013 prescribes penalties where no specific punishment is provided elsewhere in the Act.

Brief Facts: The Company filed Form AOC-4 (XBRL) for FY 2024–25 with incorrect particulars, including an incorrect AGM date (30.09.2025 instead of 25.08.2025) and significant data entry errors in the purchase of stock-in-trade.

The Company subsequently filed Form GNL-1 seeking to mark the form as defective and requested a lenient view, stating that the error was inadvertent

Penalty Imposed: Rs. 10,000 on the Company and Rs.10,000 on the signatory (Officer in Default)

Order & Compliance Directions: The Company and officer were directed to rectify the defect by filing the correct e-form on the MCA portal and to pay the penalty within the prescribed time limit. Appeal lies before the Regional Director, Kolkata.

4. Failure to Spend and Transfer CSR Funds Results in Monetary Penalty

Company: Airfloa Rail Technology Limited

Provision Violated: Section 135(5) & Section 135(6) of the Companies Act, 2013

Section Explained: Section 135 mandates eligible companies to:

Spend at least 2% of average net profits of the preceding three financial years on CSR activities [Section 135(5)]; and

Transfer any unspent CSR amount (not related to ongoing projects) to a Schedule VII Fund within six months from the end of the financial year [Section 135(6)].

Failure to comply attracts penalty under Section 135(7) on both the company and its officers in default.

MCA: ROC ADJUDICATION ORDERS

Facts of the Case: The Company's net profit for FY 2018–19 was ₹17.72 crore, exceeding CSR applicability thresholds. CSR obligation for FY 2019–20 amounted to Rs. 17,27,343.

The company failed to spend the CSR amount during the year; and failed to transfer the unspent amount to a Schedule VII Fund within the prescribed time.

The default was voluntarily rectified later, by transferring the entire unspent amount to the Prime Minister's National Relief Fund on 16 December 2024.

Penalty Imposed: Rs. 17,27,343 on the Company and Rs. 1,72,734 each on the Managing Director and Director (Officer in Default). Penalties imposed without any per-day additional penalty, considering rectification.

Penalties on directors to be paid from personal sources.

Order & Compliance Directions:

Penalty to be paid within 90 days via the MCA e-Adjudication portal.

Appeal may be filed before the Regional Director, Chennai within 60 days in Form ADJ.

Non-payment will attract consequences under Section 454(8) of the Act.

Even where CSR defaults are subsequently rectified, companies and directors remain liable to monetary penalties under Section 135(7). Timely CSR spending and statutory transfers are treated as substantive compliance, not procedural formalities.

MCA: ROC ADJUDICATION ORDERS

5 Unsigned Financial Statements Filed in AOC-4 Attract Penalty

Company: Jeevan Jyoti Mutual Benefit Nidhi Limited

Provision Violated: Section 134(1) of the Companies Act, 2013

Section Explained: Section 134(1) mandates that financial statements shall be approved by the Board of Directors and signed by authorised directors and key managerial personnel before being filed with the Registrar.

Failure to comply attracts penalty under Section 134(8) on the company and every officer in default

Facts of the Case: During an inquiry under Section 206(4)**,** it was observed that the company had filed unsigned financial statements along with Form AOC-4 for FY 2015-16. A Show Cause Notice was issued on 26 June 2025. No reply or request for hearing was received from the company or its directors

Penalty Imposed: Rs. 3,00,000 on the Company and Rs. 50,000 each on each director and officer and default (Total penalties imposed on six directors)

Penalties are required to be paid from personal sources of the officers in default.

Order & Compliance Directions: Default to be rectified and penalty paid within 90 days of receipt of order. Appeal may be filed before the RD, Noida within 60 days in Form ADJ.
Non-payment will attract consequences under Section 454(8).

SEBI CIRCULARS

1. SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) (AMENDMENT) REGULATIONS, 2026

SEBI, through notification No. SEBI/LAD-NRO/GN/2026/296 dated 20th January 2026, has notified the Amendment.

The amendment introduces a definition of “retail individual investor” by inserting clause (gga) in regulation 2(1), defining such investor as an individual applying or bidding for debt securities of a value not exceeding two lakh rupees.
Further, regulation 31 has been amended to expressly provide that issuers may offer incentives, in the form of additional interest or a discount to the issue price, to specified categories of investors, including senior citizens, women, serving and retired defence personnel, widows and widowers of defence personnel, retail individual investors, or any other category as may be specified by SEBI from time to time.

The amendment clarifies that such incentives shall be available only to the initial allottee and shall not apply in cases where the debt securities are transferred or transmitted after allotment.
These amendments shall come into force from the date of their publication in the Official Gazette and provide regulatory clarity and flexibility to issuers, while promoting wider retail participation in the corporate debt market.

SEBI CIRCULARS

2. MASTER CIRCULAR FOR FRAMEWORK ON SOCIAL STOCK EXCHANGE (SSE)

The Securities and Exchange Board of India, through Master Circular No. HO/49/14/14(6)2025-CFD-PoD1/I/2771/2026, has issued a consolidated Master Circular on the subject matter covered therein.

This Master Circular consolidates and harmonises the provisions of various earlier circulars relating to Social Stock Exchange. The objective of issuing the Master Circular is to provide ease of reference, regulatory clarity, and uniform compliance thereby eliminating the need for stakeholders to refer to multiple circulars issued from time to time

3.SECURITIES AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 2026

The Master Circular supersedes and rescinds the earlier circulars specified therein to the extent they relate to the subject covered by the Master Circular. However, any actions taken, rights accrued, or obligations incurred under the erstwhile circulars prior to their rescission shall continue to remain valid and enforceable.

The Securities and Exchange Board of India, through notification F. No. SEBI/LAD-NRO/GN/2026/294 dated 14th January 2026, has notified the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026.
These regulations provide a comprehensive and updated framework for mutual funds, asset management companies, trustees, and intermediaries, aiming to enhance governance, transparency, and investor protection.

The Regulations consolidate existing provisions and offer regulatory clarity and legal certainty for all participants in the mutual fund sector.

FEMA

1.FEMA 2026: The New Constitution for Global Trade

The Reserve Bank of India (RBI) has issued the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026, which will come into effect from October 1, 2026. This new framework replaces the decade-old 2015 regulations and aims to simplify international business transactions while strengthening digital monitoring.

Standard Rule

For transactions in foreign currency (such as USD or EUR), the full export value must be realised and repatriated within 15 months from the date of shipment or invoice.

INR Extension

If the export is invoiced or settled in Indian Rupees (INR), the period for realisation and repatriation is extended to 18 months from the date of shipment or invoice.

Service Export Reporting

Exporters of services (including software) must now file an Export Declaration Form (EDF) within 30 days from the end of the month in which the invoice is raised.

FEMA

Software Defined

The regulations explicitly include software under the definition of services, covering computer programs, databases, and digital designs.

1. The ₹10 Lakh Threshold: Simplified "Closure"

Earlier, closing an export or import entry in the RBI's digital systems required extensive documentation and bank verification.

The Change

For any shipment or service invoice valued up to ₹10 lakh (or its foreign currency equivalent), the exporter or importer may close the entry in the tracking systems (EDPMS for exports or IDPMS for imports) by submitting a self-declaration.

The Benefit

This reduces the compliance burden for small and medium transactions and enables businesses to close their regulatory records faster.

FEMA CIRCULARS

2. Settlement via Set-off: Netting the Difference

If a company both buys from and sells to the same overseas party (or its group companies), it may have export receivables (money to be received) and import payables (money to be paid) simultaneously.

The Change

The regulations now permit **set-off,** allowing businesses to adjust the export receivables against import payables and settle only the **net balance.**

For More Information

Please refer to the RBI notification:

https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NRAR23R16012026C1272B8B66944ED5A53741840B973363.PDF

TEAM'S CORNER

The Evolution of the "Zero FIR": Bridging Jurisdictional Gaps

While the First Information Report (FIR) is a cornerstone of the Indian criminal justice system, the concept of a **"Zero FIR"** remains relatively obscure to the general public. Traditionally, an FIR is lodged at the police station holding territorial jurisdiction over the location of the crime. However, to prioritize victim safety and immediate action in cognizable offences, the legal system permits the filing of a Zero FIR at any police station across the country, regardless of where the incident occurred.

Examples of Cognizable offences include murder, rioting, kidnapping.

What is a Zero FIR?

A Zero FIR is an FIR registered without a serial number (assigned the number '0'). Its primary purpose is to initiate the legal process without jurisdictional delays. Once the initial information is recorded, the police station transfers the case to the station with the appropriate jurisdiction, where it is then numbered chronologically and investigated fully.

The Judicial and Statutory Foundation

The concept was pioneered by the Justice Verma Committee following the 2012 Nirbhaya case. The committee recognized that jurisdictional disputes often led to the loss of the "Golden Hour"—the critical period following a crime where evidence is freshest and victim support is most vital.
Under the new **Bharatiya Nagarik Suraksha Sanhita** (BNSS), 2023, this concept has been formally codified to ensure no citizen is turned away under Section 173 which deals with **Information in cognizable cases.**

TEAM’S CORNER

Objectives of the Zero FIR

The institutionalization of the Zero FIR serves four critical functions:

1. Elimination of Barriers: It removes the "territorial jurisdiction" excuse often used by police to avoid registering a complaint.
2. Victim Protection: It provides immediate legal recourse for victims of serious crimes, such as sexual assault or violent accidents, who may not be in a position to travel to a specific station.
3. Preservation of Evidence: By allowing immediate registration, the police can secure the crime scene or conduct medical examinations without delay.
4. Expedited Justice: It streamlines the transition from "reporting" to "investigation," ensuring that administrative hurdles do not impede the delivery of justice.

Conclusion

The transition from a mere guideline to a statutory mandate under the BNSS marks a significant leap in victim-centric jurisprudence. The Zero FIR ensures that the law is accessible to everyone, everywhere, reinforcing the principle that the duty to protect the citizen supersedes geographic boundaries.

TEAM’S CORNER

Where the jurisdiction is the Barrier to Justice- Broad Interpretation of term 'Workplace' by supreme court

“Access to justice is just as important as delivering justice.”

This idea forms the backbone of the POSH Act, which was created to ensure that women facing sexual harassment at the workplace have a clear and effective way to seek help.

Under the POSH Act, every workplace is required to have an Internal Complaints Committee (ICC) so that an aggrieved woman can raise her complaint within her organisation. Where a workplace is too small to set up an ICC, such as when it has fewer than ten employees, the law provides for a Local Complaints Committee (LCC), ensuring that no woman is left without a forum to approach.

However, in real-life situations, things have not always been so straightforward. One of the biggest challenges has been deciding which ICC should handle a complaint, especially when the woman who complains and the person accused work in different departments or organisations. In many cases, one ICC has refused to take up the matter citing lack of jurisdiction, while the other ICC also contends that it lacks jurisdiction as well. The result is a frustrating situation where the complaint goes unheard and the woman is left without any remedy.

This issue reached the Supreme Court in the case of **Dr. Sohail Malik v. Union of India (2025).** The argument before the Court was that, since Section 11 of the POSH Act uses the words “where the respondent is an employee”, the complaint should be inquired into only by the ICC of the accused person’s workplace. The Supreme Court disagreed with this narrow reading of the law.

TEAM'S CORNER

The Court explained that the word “where” does not mean “at the place where”, but should be understood as “if” or “in cases where”. Limiting jurisdiction only to the respondent’s workplace, the Court observed, would defeat the very purpose of the POSH Act by creating unnecessary obstacles for women seeking justice.

The Supreme Court also highlighted that the definition of “workplace” [section 2(o)] under the Act is very broad. It includes not just offices and departments, but also any place an employee visits during the course of work, including transport provided by the employer. This shows that the law is meant to protect women across all work-related environments, not just within office premises.

By this judgment, the Supreme Court finally cleared the confusion around jurisdiction. It held that the ICC of the aggrieved woman’s workplace is fully empowered to take up and inquire into a complaint, even if the accused person works in a different organisation. Simply put, technical rules should not come in the way of justice.

The ruling also makes it clear that a “respondent” under the POSH Act can be any person against whom a complaint is made, regardless of whether they work in the same establishment. The decision reinforces the core purpose of the POSH Act—to make the complaint process accessible, practical, and focused on the needs of the aggrieved woman.

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TEAM'S CORNER

Mandatory SHe-Box Registration

Strengthening this access-oriented approach, the Government of India has also mandated registration on the Sexual Harassment Electronic Box (SHE-Box) portal. All organisations whether in the public or private sector are required to register their ICC details on the SHE-Box platform.

SHE-Box serves as a centralised online complaint and monitoring system, enabling aggrieved women to file complaints electronically and ensuring that such complaints are promptly forwarded to the appropriate ICC or LCC. The mandatory registration requirement further ensures transparency, accountability, and oversight in the implementation of the POSH Act, leaving no room for institutions to evade responsibility on procedural grounds.
Together, the Supreme Court's progressive interpretation and the SHE-Box framework underline a clear message: jurisdictional technicalities cannot be allowed to become barriers to justice.

Can intellectual activity be creative?

Life is more than logic: life is paradox, life is mystery.

To bring intelligence into activity you don't need more information, you need more meditation. You need to become more silent, you need to become more thoughtless. You need to become less mind and more heart. You need to become aware of the magic that surrounds you: magic that is life, magic that is God, magic that is in green trees and the red flowers, magic that is in people's eyes.

Magic is happening everywhere! All is miraculous, but because of your intellect you remain closed inside yourself, clinging to your stupid conclusions arrived at in unconsciousness or given to you by others who are as unconscious as you are.

Intelligence is certainly creative because intelligence brings your totality into functioning – not only a part, a small part, the head. Intelligence vibrates your whole being: each cell of you being, each fiber of your life starts dancing, and falls in a subtle harmony with the total.

That's what creativity is: to pulsate in absolute harmony with the total. That's how one becomes a Buddha, Christ, Zarathustra. These are the real creative people.

WISDOM CORNER

Something like this is happening right now, here. If you are a disciple you will be able to feel something of it. If you are a devotee you will be able to drink out of this source that has become available to you.

And then the creativity will come to you, things will start happening on their own. Your heart will start pouring songs of joy, your hands will start transforming things. You will touch mud and it will become a lotus. You will be able to become an alchemist. But it is possible only through great awakening of intelligence, great awakening of the heart.

- **Osho**

COMPLIANCE CALENDAR

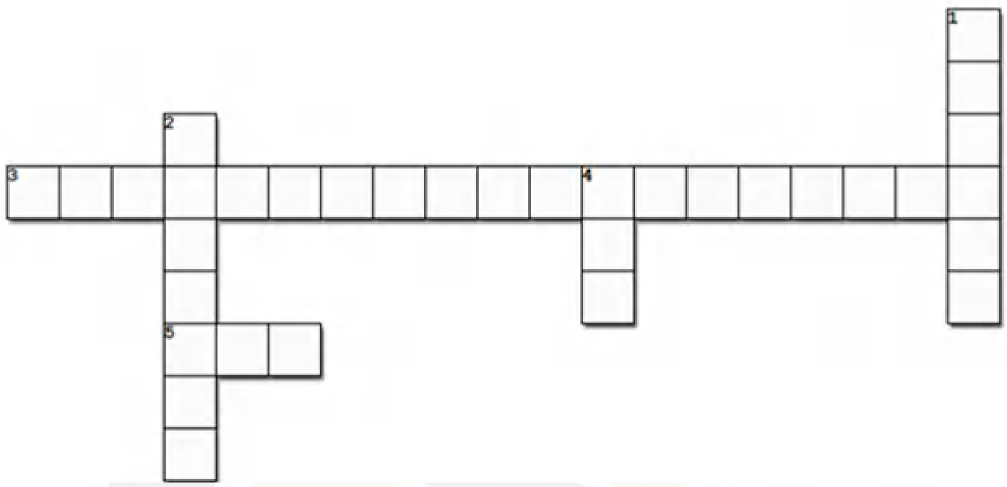
Due Date	Forms to be filed	Description
Feb 7, 2026	TDS/TCS CHALLAN	Due date for deposit of Tax Deducted at Source (TDS) and Tax Collected at Source (TCS) for the month of January 2026.
Feb 10, 2026	GSTR-7	Monthly return for GST TDS (Tax Deducted at Source) to be filed by government entities or specified deductors for January 2026.
Feb 10, 2026	GSTR-8	Monthly statement for GST TCS to be filed by E-commerce operators for January 2026
Feb 11, 2026	GSTR-1	Statement of outward supplies for taxpayers with turnover > ₹5 Crore or those who have NOT opted for the QRMP scheme (for January 2026).

COMPLIANCE CALENDAR

Due Date	Forms to be filed	Description
Feb 13, 2026	GSTR-6	Monthly return for Input Service Distributors (ISD) to distribute ITC for January 2026.
Feb 13, 2026	GSTR-5	To upload B2B invoices for QRMP taxpayers.
Feb 13, 2026	IFF	For taxpayers required to pay advance tax
Feb 15, 2026	Form 16A	The TDS certificate for non-salary income is issued by the deductor on a quarterly basis.

MUSINGS IN THE MAZE

Crosswords

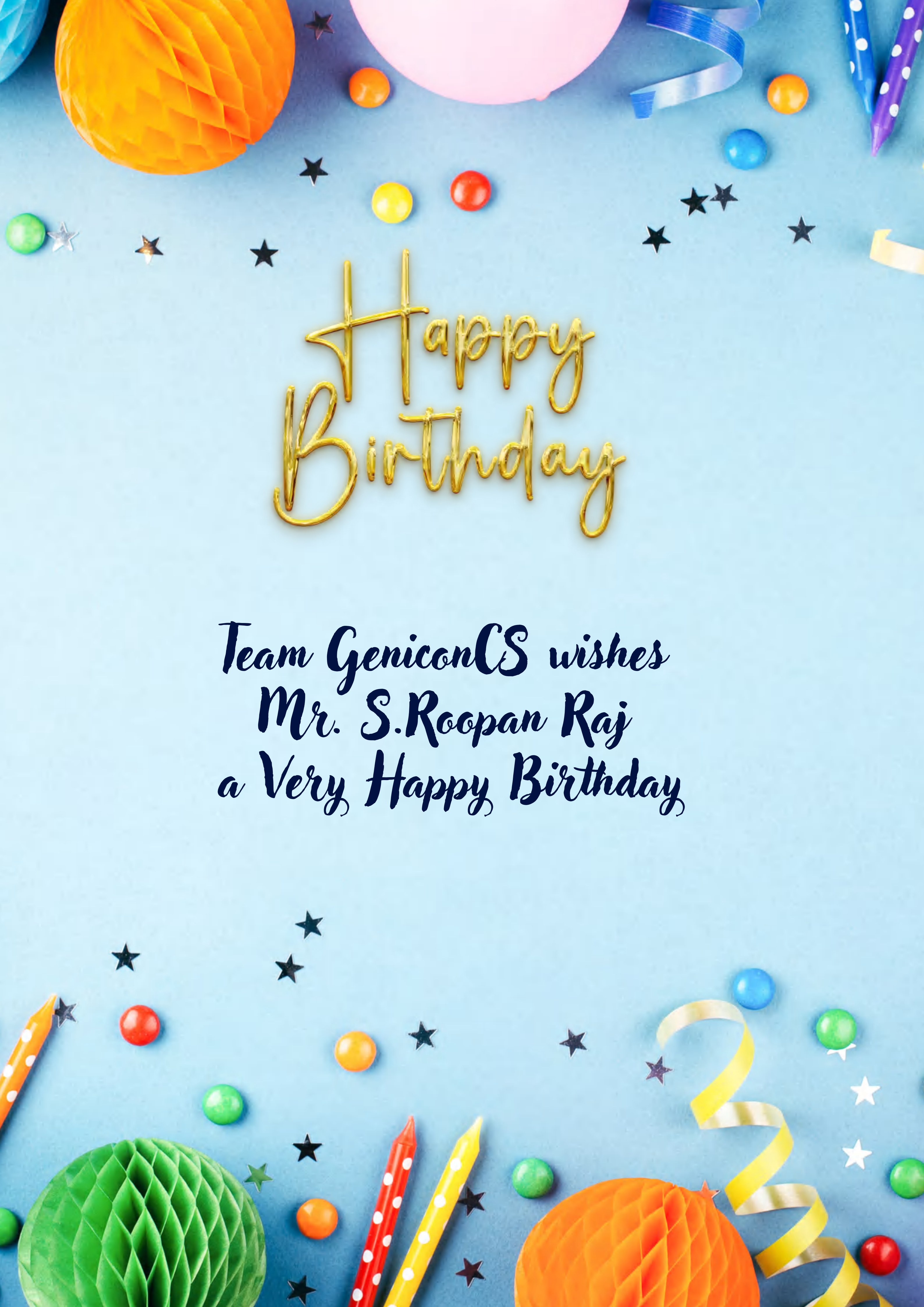


Down:

1. Without my count, no meeting starts, Numbers decide the talking parts
2. Born with papers, rules, and name, Without me, no business game.
4. No filings, no compliance shown, I strike your company off the throne.

Across:

3. Small investor, rights protected, Under the Act, never neglected.
5. Once a year I call them all, Accounts, votes, questions fall.


Happy Birthday
Team GeniconCS wishes
Mr. S.Roopan Raj
a Very Happy Birthday

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