Genicon
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2026

LEGAL MUSINGS

THE FORNIGHTLY LEGAL UPDATES !!!

#MUSINGS 30
16th February 2026

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Meet our Minds

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Many Minds , One Mission !!!

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1. Penalty for Delay in Filing Financial Statements

Company: Ramesh Nidhi Limited

Violation: Section 137(3) of the Companies Act, 2013

Section Explained:

Section 137(3) of the Companies Act, 2013 requires companies to file their financial statements with the Registrar of Companies (ROC) within the prescribed timeline. Failure to comply attracts penalties under Section 137(9) on both the company and every officer in default.

Facts of the Case:

- The company failed to file its financial statements (Form AOC-4) for the financial year ending March 31, 2023 within the prescribed timeline.
- The company's attempt to file Form NDH-4 on July 31, 2024 was rejected because Form AOC-4 had not been filed.
- The company eventually filed the required Form AOC-4 with delay.
- The Adjudicating Authority issued a notice for adjudication of penalty.
- The company requested a waiver, claiming that the default was rectified prior to the issuance of the show cause notice.
- A hearing was scheduled for December 30, 2025; neither the director nor an authorized representative attended, and the matter was decided ex-parte.

MCA: ROC ADJUDICATION ORDERS

- Rule 3(2) of the Companies (Adjudication of Penalties) Rules requires the adjudicating officer to issue a written show cause notice to the company and every officer in default before imposing penalty, allowing 15–30 days to respond.

- The officer rejected the waiver request, noting that although the form was filed before the notice date, rectification occurred only after the Ministry's rejection letter dated July 31, 2024, meaning the default was not corrected within the statutory period for immunity.

Penalty Imposed:

- Company: Rs. 49,300
- Director (Aakash Rameshchand): Rs. 49,300

MCA: ROC ADJUDICATION ORDERS

2. Penalty for Incorrect Filing of E-Form

Company: Technological Products Distribution & Market Consultancy Private Limited

Violation: Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014; Section 450 of the Companies Act, 2013

Section/Rule Explained:

Rule 8(3) of the Companies (Registration Offices and Fees) Rules, 2014 holds the authorized signatory and the professional certifying an e-form responsible for the correctness of its contents and enclosures. Section 450 of the Companies Act, 2013 provides penalties for contraventions where no specific penalty is prescribed elsewhere.

Facts of the Case:

- The company filed Form GNL-2 (SRN: AC1255253) requesting to mark defective the STP-approved Form MGT-7A (SRN: AC1119128) for FY 2024–25.
- The filing contained inadvertent errors:
    - Date of AGM mentioned as 01.04.2024 instead of 27.09.2025
    - Due date of AGM mentioned as 30.03.2025 instead of 30.09.2025
- The incorrect filing was a contravention for which no specific penalty exists under other provisions, attracting Section 450 of the Companies Act, 2013.

Penalty Imposed:

- Company: Rs. 10,000 (Maximum Rs. 2,00,000)
- Officer in Default (Chhaya Das): Rs. 10,000 (Maximum Rs. 50,000)

MCA: ROC ADJUDICATION ORDERS

3. Penalty for Non-Compliance with Section 161(1) – Appointment of Director

Company: Scania Commercial Vehicles India Private Limited

Violation: Section 161(1) of the Companies Act, 2013

Section Explained: Section 161(1) governs the appointment of additional directors. An additional director appointed by the board holds office only until the next Annual General Meeting (AGM) or the last date on which the AGM should have been held, whichever is earlier. Failure to comply attracts penalties under Section 172 for defaults in the chapter on Appointment and Qualifications of Directors (Sections 149–172).

Facts of the Case:

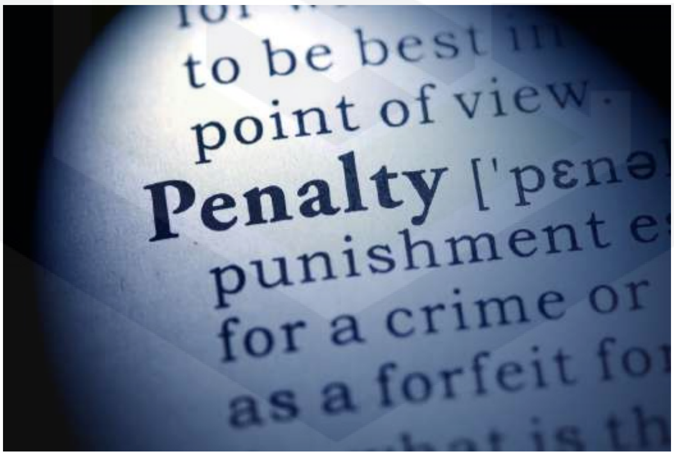
- The company appointed Mr. Sven Johan Persson Schlyter as an additional director on 10.06.2021.
- His tenure was supposed to end at the next AGM or by 30.11.2021 (the due date of the AGM), whichever was earlier.
- However, he was regularized as a director at the AGM held on 23.05.2022. This resulted in a continuation of his directorship without proper shareholder approval from 01.12.2021 to 23.05.2022 (174 days), violating Section 161(1).

MCA: ROC ADJUDICATION ORDERS

- As per Section 172, if a company defaults in complying with provisions of this chapter and no specific penalty is prescribed, the company and officers in default are liable to:
  - A penalty of ₹50,000, plus
  - A further penalty of ₹500 per day for continuing failure, subject to a maximum of ₹3,00,000 for the company and ₹1,00,000 for each officer in default.

Penalty Imposed:

- Company: ₹1,36,500
- Individual Directors / Officers: ₹75,500 – ₹1,00,000 each



MCA NOTIFICATION

The Ministry of Corporate Affairs (MCA) has issued a notice about a proposed change in the rules governing Registered Valuers Organisations (RVOs).

Registered Valuers Organisations (RVOs) are bodies recognised by the Insolvency and Bankruptcy Board of India (IBBI) under the Companies (Registered Valuers and Valuation) Rules, 2017. Their main role is to regulate, enroll, train, and monitor registered valuers in India.

There is not just one RVO in India. Instead, multiple RVOs exist, promoted by professional institutions and foundations such as ICAI, ICMAI, ICSI, IOV, and others. All recognised RVOs function under the supervision of IBBI and follow uniform rules and standards.

At present, the rules do not prescribe any minimum paid-up share capital for RVOs. However, the Ministry of Corporate Affairs has proposed an amendment to require a minimum paid-up share capital of ₹25 lakh for RVOs. Existing RVOs are proposed to be given time until 31 March 2028 to comply with this requirement.

SEBI CIRCULARS

SEBI Releases Consolidated Master Circular under ICDR Regulations, 2018

SEBI has issued an updated Master Circular under the ICDR Regulations, 2018, consolidating all relevant circulars issued up to December 31, 2025 to ensure ease of compliance. Earlier circulars stand rescinded to the extent applicable, while past actions and rights remain unaffected.

For Further Details: https://www.sebi.gov.in/legal/master-circulars/feb-2026/master-circular-for-issue-of-capital-and-disclosure-requirements_99611.html

SEBI CIRCULARS

Punjab National Bank- SEBI Affirms Mandatory Full Board Review of Corporate Governance Reports

Punjab National Bank (PNB) sought an interpretative letter under the SEBI (Informal Guidance) Scheme, 2025. The bank proposed delegating the oversight of its Quarterly Integrated Filing (Governance) Report to the Audit Committee or a similar Board committee.

PNB based its request on the following grounds:

Chapter II of the RBI Directions allows PSBs to assign matters relating to statutory and regulatory compliance to a Board committee to permit the full Board to focus on strategic issues.

As a bank, PNB argued that it should be allowed to follow the delegation of powers permitted by its primary regulator, the Reserve Bank of India.

SEBI's Regulatory Position

SEBI declined the bank's request, emphasizing that the requirements under the SEBI (LODR) Regulations, 2015 and associated circulars remain mandatory for all listed entities.

SEBI's rationale included:

- **Explicit Disclosure Requirements:** Regulation 27(2)(a) and the SEBI Circular dated 31.12.2024 mandate that the governance report be placed specifically before the Board of Directors.

SEBI CIRCULARS

- **Affirmation Mandate**: Listed entities must formally affirm that the previous quarter's report was reviewed by the full Board and must disclose any specific comments or advice provided by the Board members.

- **Distinct Jurisdictions:** SEBI noted that while RBI allows delegation for general compliance, SEBI's requirement for Board-level review is a distinct, non-contradictory obligation.

Conclusion

SEBI concluded that monitoring by a committee cannot be substituted for the mandatory requirement of placing the Corporate Governance report before the full Board of Directors. This position applies to all listed entities, including Public Sector Banks.

COMPETITION COMMISSION OF INDIA

CCI's penalty on Intel Corporation

The CCI's penalty on Intel Corporation is a landmark decision because it addresses how global warranty policies can be used to stifle parallel imports (genuine goods imported through non-authorized channels)

The Core Conflict:

The dispute began when Matrix Info Systems, an IT trader, alleged that Intel's warranty policy for its Boxed Microprocessors was anti-competitive. Intel's policy stated that it would only provide warranty services in India for processors purchased from its Authorized Indian Distributors.

If a consumer or trader bought a genuine Intel processor from a vendor in another country (where it might be cheaper) and brought it to India, Intel refused to honour the warranty locally.

Key Findings by the CCI

- Abuse of Dominant Position: The CCI found Intel to be dominant in the market for "processors for PCs and Servers" in India.
- Differential Treatment: Intel provided a "Global Warranty" in other regions but restricted India to a "Country-Specific Warranty." This was deemed discriminatory under Section 4(2)(a)(i) of the Competition Act.
- Denial of Market Access: By refusing warranty for parallel imports, Intel essentially forced Indian consumers to buy only from its authorized network, thereby blocking independent traders (like Matrix) from competing on price.

- Consumer Harm: The policy limited consumer choice and prevented them from accessing cheaper, genuine products available in the global market.

The Penalty & Remedy

The CCI calculated the penalty based on Intel's relevant turnover, amounting to ₹27.38 crore. Beyond the fine, the CCI issued a Cease and Desist order, requiring Intel to:

1. **Modify its Warranty Policy:** Intel must now offer warranty support for all genuine boxed microprocessors in India, regardless of where they were purchased.

2. P**ublicize the Change:** Intel is required to update its website and notify its service centers that "parallel-imported" genuine processors are entitled to the same warranty as those sold by Indian distributors.

EPFO

Common registration through Shram Suvidha portal

The following initiatives have been taken to expand registration and improve regional coverage:

1. Common registration through **Shram Suvidha portal and Auto-registration for new companies** incorporated under Companies Act through MCA Portal

2. As part of Ease of Doing Business, Shram Suvidha Portal, a unified platform, was introduced by Ministry of Labour & Employment, whereby any establishment seeking EPFO registration can register online by furnishing the necessary data and documents.

Budget Initiatives on Ease of Doing Business

- Single, interconnected digital window for cargo clearance approvals
- Non-compliance goods to be cleared after online registration, duty payment
- PROIs permitted higher equity investment in listed Indian companies under Portfolio Investment Scheme
- Tax buyback for shareholders as Capital Gains
- Framework for immunity from penalty, prosecution in cases of underreporting extended to misreporting
- Decriminalisation of non-production of books of account and documents
- Customs Integrated System to be rolled out in 2 years
- Phased expansion of Al-enabled non-intrusive scanning to cover all major ports.
- MAT proposed to be made final tax , with final tax reduced to 14%
- Integrated assessment, penalty proceedings via common order Immunity from prosecution for non-immovable foreign assets < ₹20 lakh
- Duty deferral period enhanced from 15 to 30 days

RESERVE BANK OF INDIA (RBI)

RBI MSME Lending – Amendment Directions, 2026

The Reserve Bank of India, vide its circular dated February 9, 2026, has issued the Lending to MSME Sector (Amendment) Directions, 2026, amending the existing Master Directions on MSME lending. The amendment mandates banks not to accept collateral security for loans up to ₹20 lakh extended to Micro and Small Enterprises (MSEs), including units financed under the Prime Minister Employment Generation Programme (PMEGP). Banks may, based on the borrower’s good track record and financial position and in line with their internal policies, extend collateral-free loans up to ₹25 lakh. Banks may also avail credit guarantee cover under applicable schemes. Further, voluntary pledging of gold or silver by borrowers for loans within the collateral-free limit will not be treated as a violation of the mandate. These amendments shall apply to all loans to MSE borrowers sanctioned or renewed on or after April 1, 2026.

RESERVE BANK OF INDIA (RBI)

RBI Simplifies FPI Debt Investment Norms under VRR

The RBI notification dated Feb 6, 2026, relates to the Voluntary Retention Route (VRR) for Foreign Portfolio Investor investments in debt instruments.
It simplifies and aligns the VRR with the General Route for FPI investments, by subsuming VRR investment limits under the General Route limits for Central and State Government securities and corporate debt. Additionally, FPIs that have opted for longer retention periods than the minimum can now exit partially or fully after the minimum retention period.

The changes will be effective from April 1, 2026 and all existing VRR Investment will be transferred under General Route. These directions issued under Sec 10(4) and 11(1) of FEMA, 1999 and do not override other Statutory requirements.

RESERVE BANK OF INDIA (RBI)

RBI invites public comments on the draft Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Amendment Directions, 2026

The Reserve Bank of India, issued a draft circular in February 2026 titled Reserve Bank of India (Non-Banking Financial Companies - Registration, Exemptions and Framework for Scale Based Regulation) Amendment Directions, 2026, inviting public comments. The draft proposes regulatory relief for low risk NBFCs that do not accept public funds and have no customer interface, by allowing such NBFCs with asset size below Rs. 1,000 crore to be exempted from mandatory RBI registration, subject to specified conditions under the Scale Based Regulatory framework. It also prescribes procedures for exemption, deregistration or conversion of existing NBFCs, including Type I NBFCs, while retaining RBI's supervisory powers. Comments from stakeholders are invited up to March 4, 2026.

For Further Details: www.rbi.org.in

DPIIT

Summary of DPIIT Notification on Startup & Deep Tech Startup Recognition

The DPIIT notification dated **04 February 2026**, issued in supersession of the **earlier Startup notification dated 19 February 2019** (G.S.R. 127(E)), revises the framework governing the definition, recognition, and compliance requirements for Startups, in alignment with the Income-tax regime effective from 1 April 2026. Under the revised framework, a Startup must be incorporated or registered in India as a private limited company, limited liability partnership, partnership firm, or a Cooperative Society, including a Multi-State Cooperative Society registered with the Central Registrar or a Cooperative Society registered under any State or Union Territory Cooperative Societies Act, must be within 10 years of incorporation or registration, have turnover not exceeding ₹200 crore, and be engaged in innovation, development, or scalable business models, provided that entities formed by splitting up or reconstruction of an existing business are excluded. The notification introduces a distinct category of "Deep Tech Startups" based on scientific and engineering innovation with high R&D intensity and intellectual property creation, granting extended eligibility of up to 20 years and a higher turnover cap of ₹300 crore. Startup recognition is granted through the DPIIT portal, while tax benefits under Section 80-IAC are available only to eligible DPIIT-recognized private limited companies and LLPs, subject to certification by an Inter-Ministerial Board. Recognized startups are subject to strict fund-usage and compliance conditions, and any misrepresentation may result in revocation of recognition and withdrawal of tax benefits.

FAST TRACK TRADEMARK REGISTRATION – WHAT SHOULD WE KNOW (Rule 34 of Trademark Rules 2017)

A trademark is more than just a name or logo. It reflects a brand's identity, reputation, and distinct presence in the market. Businesses and individuals use trademarks to set themselves apart and to build customer recognition and trust in their products or services.

In India, however, the trademark registration process can be quite time-consuming. After filing an application, it usually takes around 18 to 24 months for a trademark to be registered. During this time, the application may remain under statuses such as "Marked for Examination" or "Formalities Check Pass." For new businesses, this long waiting period can be challenging, as their brand may remain vulnerable to potential infringement.

To tackle this issue, the Indian government introduced the Expedited Trademark Registration system in 2018. Under Rule 34 of the Trade Marks Rules, 2017, applicants can request faster examination by filing Form TM-M and paying an additional fee ranging from ₹20,000 to ₹40,000. If no objections or oppositions are raised, the trademark can be registered within 6 to 8 months, allowing businesses to secure legal protection for their brand much sooner.

Steps for applying Expedited processing of Application

Step 1: Public Search

Begin by performing a thorough search on the IP India Trademark Public Search Portal to ensure your mark is unique and not identical or deceptively like existing trademarks.

TEAM'S CORNER

Step 2: Draft and File the Application

File Form TM-A online through the IP India portal with complete and accurate details. Once TM-A is filed, submit Form TM-M to request expedited examination under Rule 34, along with the prescribed fee.

Step 3: Pay Filing Fees

Fee structure for fast-track applications includes:

1. **Initial Filing Fee (Form TM A)**

- Rs 4,500 per class – individuals, startups, MSMEs (online filing)
- Rs 9,000 per class – companies, LLPs, partnerships (online filing)

2. **Expedited Examination Fee (Form TM M under Rule 34)**

- Rs 20,000 per class – individuals, startups, MSMEs
- Rs 40,000 per class – other entities (companies, foreign applicants)

All fees are payable online through the portal at the time of filing.

Step 4: Quick Examination and Timely Response

Under the fast-track process, examination usually occurs within 30 days. If objections are raised in the examination report, a prompt response—typically within 30 days—is crucial to retain the benefits of expedited processing.

Step 5: Publication in the Trademark Journal

Upon successful examination, the application is advertised in the Trademark Journal. While the opposition period remains 4 months, the time taken to reach publication is substantially reduced.

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Step 6: Final Registration and Certification

If no opposition is filed—or if any opposition is resolved in favour of the applicant—the trademark proceeds to registration. A digital registration certificate is issued, granting statutory rights over the mark. It is valid for ten years.

Timelines: Fast Track vs Normal Trademark Registration

Stage	Fast Track	Normal
Examination Report	1 month	2–3 months
Objection Resolution	1–2 months	3–6 months
Publication in Journal	Immediate post-acceptance	Variable
Opposition Period	4 months	4 months
Registration Certificate	1–2 months after publication	2–4 months post-publication
Total Time	**3–6 months**	**12–18+ months**

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Conclusion

Trademark protection is no longer optional. Delaying registration by 18 months can cost far more than time—it can result in lost market share, weakened brand identity, and missed opportunities.

Fast-Track Trademark Registration offers a strategic advantage for businesses that value speed, certainty, and brand security. For modern, fast-growing enterprises, ensuring timely legal protection is essential.

WISDOM CORNER

Be watchful from The Dhammapada - Osho

Eat slowly, watchfully; each bite has to be chewed, tasted. Smell, touch, feel the breeze and the sunrays. Look at the moon and become just a silent pool of watchfulness, and the moon will be reflected in you with tremendous beauty. Move in life remaining continuously watchful.

Again and again you will forget. Don't become miserable because of that; it is natural. For millions of lives you have never tried watchfulness, so it is simple, natural, that you go on forgetting again and again. But the moment you remember, again watch.

Remember one thing: when you remember that you have forgotten watching, don't become repentful, don't repent; otherwise, again you are wasting time. Don't feel miserable: "I missed again." Don't start feeling, "I am a sinner." Don't start condemning yourself, because this is a sheer waste of time. Never repent for the past! Live in the moment. If you had forgotten, so what? It was natural – it has become a habit, and habits die hard. And these are not habits imbibed in one life; these are habits imbibed in millions of lives.

So if you can remain watchful even for a few moments, feel thankful to God – feel thankful. Even those few moments are more than expected.

LEGAL MAXIM

Ubi Jus Ibi Remedium

The Latin maxim “Ubi jus ibi remedium” translates to “Where there is a right, there is a remedy.” It is a fundamental principle of law which signifies that whenever a legal right is violated, the law provides a remedy for its enforcement. The existence of a right implies the availability of a legal mechanism to protect or enforce that right.

Remedies may include damages (monetary compensation), injunctions (orders restraining wrongful acts), or specific performance (compelling the fulfilment of legal obligations). The doctrine ensures that justice is not denied merely because a specific statute does not expressly provide a remedy. However, the principle applies only where a legal right exists. It does not extend to moral, social, or political rights unless they are recognized and protected by law.

In legal jurisprudence, this maxim was firmly established in the landmark case of Ashby v White, where the court held that the violation of a legal right itself is sufficient to give rise to a remedy, even in the absence of actual damage

COMPLIANCE CALENDAR

Due Date	Forms to be filed	Description
Feb 20, 2026	GSTR-3B	GST return for the month of January 2026 For the taxpayer with Aggregate turnover upto INR 5 crores during previous year and taxpayers who has opted for monthly filing of GSTR-3B.
Feb 25, 2026	PMT-6	QRMP taxpayers (mandatory for taxpayers under the QRMP scheme to deposit tax for January 2026)
Feb 28, 2026	GSTR- 11	Statement of inward supplies by persons having a Unique Identification Number (UIN) for claiming a GST refund

MUSINGS IN THE MAZE

COMPANY LAW WORD HUNT

E	M	R	M	U	M	Q	A	E	N	O	E	S	E
O	R	E	G	R	E	M	E	D	D	P	R	C	A
P	E	N	C	L	T	P	E	N	M	U	A	O	R
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N	I	S	O	L	N	D	D	M	A	L	P	E	M
C	O	M	L	I	Q	U	I	D	A	T	I	O	N
A	N	N	O	I	S	S	I	M	S	N	A	R	T
G	O	V	E	R	N	A	N	C	E	M	A	T	O

DORMANT
TRANSMISSION
REMUNERATION
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Team Genicon wishes
MR. NAKKERAN
Happy
Birthday

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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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