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Excel in Solutions

2026

LEGAL MUSINGS

THE FORTNIGHTLY LEGAL UPDATES !!!

16TH APRIL, 2026

#MUSINGS 34

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Meet our Minds

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Many Minds , One Mission !!!

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MINISTRY OF CORPORATE AFFAIRS
GOVERNMENT OF INDIA

MCA: ROC ADJUDICATION ORDERS

In the matter relating to APPIAN COMPUTER TECHNOLOGIES INDIA PRIVATE LIMITED

Section 90(4) of the Companies Act, 2013 provides that, every company shall file a return of significant beneficial owners of the company and changes therein with the Registrar within a period of thirty days from the date of receipt of such declaration by it in e-form BEN-2.

Consequence of non-compliance:

- Company penalty: ₹1 lakh and in case of continuing failure, further penalty of ₹500 for each day, subject to a maximum of ₹5 lakhs.
- Officer in default: ₹25,000 and in case of continuing failure, further penalty of ₹200 for each day, in case of continuing failure, subject to a maximum of ₹1 lakh.

The company filed an adjudication application via e-form GNL-1 on 16.12.2025. The Company and its Directors had inadvertently failed to file e-Form BEN-2 within thirty days from the date of receipt of declaration (01-04-2022) i.e., on or before 30.04.2022. Subsequently, the Company filed the said e-Form BEN-2 dated 01.12.2025. The delay in filing resulted in a default of 1310 days. In the application, the company admitted that there is a delay in filing BEN-2 and requested to take a lenient view in the matter and impose only a minimal penalty under Section 90(11).

Accordingly, the ROC Chennai, imposed maximum penalty on the Company amounting to Rs.5,00,000/- and Rs.2,00,000/- for the officers in default.

MCA: ROC ADJUDICATION ORDERS

<u>In the matter relating to MINANCE TECHNOLOGIES PRIVATE LIMITED</u>

As per Section 173(1) of the Companies Act, 2013, every company must hold at least four Board meetings each year, with no more than 120 days between any two meetings.

However the company has failed to conduct Board Meetings for the period 2019-20 as per the provision of Section 173 of the Companies Act, 2013.

Pursuant to the above stated violation, show cause notice dated 17.06.2025 was sent to the company and its officers. None appeared for the hearing. Hence ex-parte order imposing the penalty was issued.

Accordingly, the ROC Bengaluru, imposed penalty of ₹25000 on director ANURAG BHATIA.

SEBI CIRCULAR

Relaxation on Penal Provisions for Non-Compliance with Minimum Public Shareholding (MPS)

Securities and Exchange Board of India has issued a circular granting a one-time relaxation from the applicability of penal provisions under the SEBI Master Circular dated July 11, 2023, concerning compliance with Minimum Public Shareholding (MPS) requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This relaxation applies to listed entities whose due date for achieving MPS compliance falls between April 1, 2026 and September 30, 2026. During this period, stock exchanges and depositories have been directed not to initiate any penal actions, including fines or freezing of promoter shareholding. Additionally, any penal actions already initiated for non-compliance during this period (from April 1, 2026 till date) shall be withdrawn.

This decision has been taken considering representations from industry bodies citing difficulties in achieving MPS compliance due to market volatility and geopolitical tensions.

The circular is effective immediately, and stock exchanges are required to notify listed entities and make necessary amendments to their bye-laws, rules, and regulations to implement this relaxation. This relaxation is applicable only to listed entities under SEBI regulations and does not affect other general compliance requirements.

RBI/FEMA

RBI Consolidates Guidelines on NRI Investment in Debt Instruments (2025 Amendment)

The Reserve Bank of India (RBI) has issued an amendment to its Master Direction on Non-resident Investment in Debt Instruments, 2025, consolidating various instructions related to investments by Non-Resident Indians (NRIs) and the use of such debt instruments as collateral for exchange-traded derivative transactions. Drawing from the Foreign Exchange Management (Debt Instruments) Regulations, 2019 (FEMA 396), the updated framework brings together previously scattered guidelines into a single, streamlined document to enhance clarity, transparency, and ease of compliance.

Authorised Dealer Category-I (AD Category-I) banks have been directed to inform their customers and stakeholders about these changes. Issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999, the amendment operates alongside other applicable laws, and any additional approvals required must be obtained separately.

RBI/FEMA

RBI Issues Guidelines to Accelerate Cross-Border Inward Payments

The Reserve Bank of India (RBI), in line with its Payments Vision 2025 and the G20 roadmap, has issued guidelines to enhance the speed and efficiency of cross-border inward payments, particularly at the beneficiary bank level where delays are commonly observed. Banks are now required to promptly notify customers upon receipt of inward remittances, adopt near real-time or frequent (not exceeding one hour) reconciliation of nostro accounts, and ensure timely credit of funds—preferably within the same business day for transactions received during foreign exchange market hours.

Additionally, banks are encouraged to implement straight-through processing for low-risk transactions and develop digital interfaces for seamless customer interaction, including document submission and transaction tracking. These measures, aimed at improving transparency, accessibility, and processing speed, will come into effect six months from the date of the circular and are issued under the Payment and Settlement Systems Act, 2007.

The Insolvency and Bankruptcy Code (Amendment) Act, 2026

The Insolvency and Bankruptcy Code (Amendment) Act, 2026, which received Presidential assent on 6 April 2026 as Act No. 6 of 2026, amends the Insolvency and Bankruptcy Code, 2016 to strengthen and modernise the insolvency framework in India.

The amendment significantly revises definitions by introducing concepts such as “registered valuer,” “service provider,” “avoidance transaction,” and “fraudulent or wrongful trading,” while clarifying issues like security interest creation and initiation dates in CIRP.

It also streamlines the admission process under sections 7, 9 and 10 by imposing strict timelines, limiting grounds of rejection, and strengthening reliance on information utility records, while refining withdrawal procedures and interim resolution professional appointments.

Further, it expands the role of committees of creditors in supervision of liquidation, strengthens provisions on avoidance transactions, enhances treatment of guarantor assets, and introduces key changes in resolution plans including protection of creditors and staged implementation.

IBBI

The Act also restructures liquidation by tightening timelines, enabling restoration of CIRP in limited cases, redefining liquidator appointment and removal, and improving distribution and security realisation rules.

Major structural reforms include introduction of creditor-initiated insolvency resolution, changes to pre-packaged insolvency thresholds, provisions for group insolvency, voluntary liquidation flexibility, electronic insolvency portals, and cross-border insolvency cooperation mechanisms.

Overall, the amendment aims to make insolvency resolution faster, more transparent, creditor-driven, and aligned with global best practices while reducing delays and litigation.

Consensus ad idem

- Consensus ad idem is a fundamental principle of contract law meaning a "meeting of the minds," where parties agree to the same thing in the same sense. It requires that both parties share a clear and mutual understanding of the essential terms of the agreement, such as the subject matter and consideration. Without this mutual assent, no valid contract can come into existence.
- The doctrine operates through the process of offer and acceptance, where acceptance must exactly correspond to the terms of the offer. Courts apply an objective approach in determining whether consensus ad idem exists, focusing on the external expressions and conduct of the parties rather than their hidden intentions. This ensures that agreements are judged based on what was communicated between the parties.
- Where consensus ad idem is absent, due to mistake, ambiguity, or misrepresentation, the contract may be declared void or unenforceable. The principle thus plays a crucial role in ensuring that contractual obligations arise only from genuine agreement, thereby promoting certainty, fairness, and reliability in legal and commercial transactions.

TEAM’S CORNER

An Analysis of the 2026 Amendments and the Roadmap for Ease of Doing Business

Since its inception in 2016, the Insolvency and Bankruptcy Code (IBC) has been the cornerstone of India’s economic reforms. However, a decade of implementation revealed that even the most robust legislative frameworks can fall prey to procedural entropy. The Insolvency and Bankruptcy Code (Amendment) Act, 2026, marks a pivotal shift—transitioning from a foundational law to a sophisticated, market-responsive mechanism designed to eliminate the 'litigation trap' and restore the sanctity of timelines.

The Impetus for Reform:

The necessity for these amendments was underscored by a growing divergence between the Code's statutory intent and its operational reality. By late 2025, the average resolution time had drifted toward 700 days, far exceeding the 330-day "hard limit." This delay was primarily fuelled by two factors:

- protracted pre-admission litigation and
- the erosion of the 'creditor-in-control' model through judicial discretion.

This 2026 Amendment removes the ambiguity that allowed Adjudicating Authorities to defer admissions based on extraneous factors, mandating a strict "default-only" verification.

Key highlights of the amendment:

- 14 day statutory admission window
- Zero discretion on default
- 30 day interim distribution window

TEAM’S CORNER

1.Streamlined Admission and the CIIRP

The introduction of the Creditor-Initiated Insolvency Resolution Process (CIIRP) provides a fast-track alternative for financial creditors. By allowing for a streamlined entry point, the amendment aims to preserve the "going concern" value of a corporate debtor before the assets are cannibalized by operational paralysis. This is a direct nod to the Ease of Doing Business philosophy: making exit as seamless as entry.

2.Institutionalizing Group and Cross-Border Insolvency

The 2026 framework provides the legal architecture for Group Insolvency, allowing for coordinated resolution plans that maximize the value of the entire enterprise. Simultaneously, the adoption of UNCITRAL-aligned Cross-Border provisions signals to global investors that India respects international credit standards.

3.The "Clean Slate" and Secured Creditor Clarity

To encourage robust bidding for distressed assets, the amendment reinforces the "Clean Slate" doctrine. It explicitly limits the ability of government departments to retrospectively claim "secured" status through statutory liens unless a formal security agreement exists. This provides the "certainty of title" that is essential for a liquid market in stressed assets.

TEAM’S CORNER

The Outcome: By reducing the "time to resolve" and increasing the "recovery percentage," the IBC 2.0 aims to lower the cost of capital for Indian businesses. When lenders know that exit is predictable and value is preserved, they are more willing to extend credit at competitive rates.

The 2026 Amendments are more than just a legislative update; they represent a maturation of India's insolvency ecosystem. By addressing the structural bottlenecks that plagued the first decade of the IBC, the government has moved closer to creating a truly market-driven economy.

WISDOM CORNER

What should I give-up?

There is a very ancient story that an old man came to his master and said, “I have been to see a great number of teachers and I have given up a great number of pleasures.

I have fasted, been celibate, and stayed awake all night, seeking enlightenment.

I have given up everything I was asked to give up and I have suffered, but I have not been enlightened.

What should I do?”

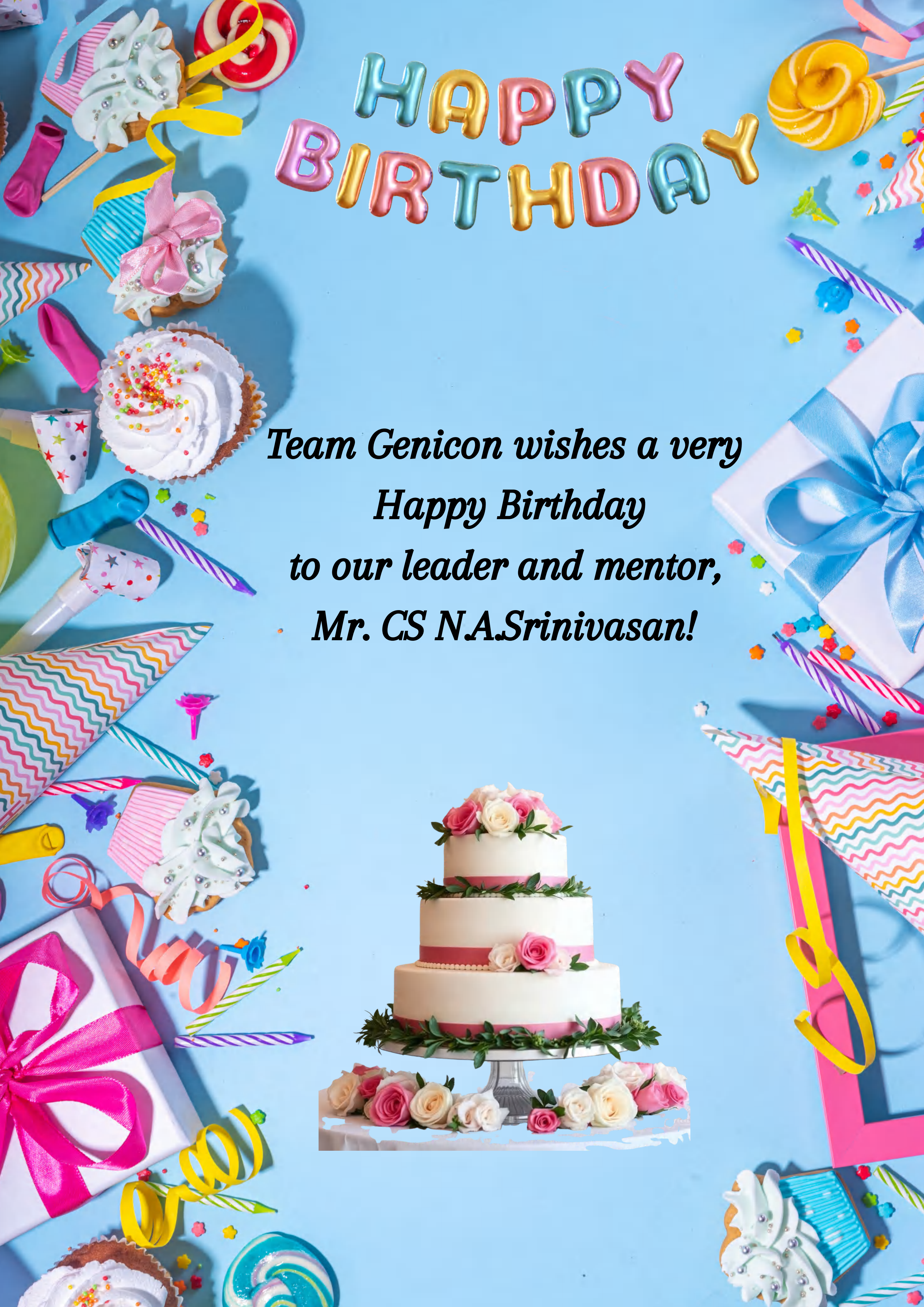
The master replied, “Give up suffering.“

COMPLIANCE CALENDAR

Due Date	Form	Description
18.04.2026	CMP-08	Statement-cum-challan for Composition Taxpayers (Jan-Mar 2026)
20.04.2026	GSTR-3B	Monthly summary return for March 2026 (Monthly filers)
20.04.2026	GSTR-5A	Return for OIDAR service providers for March 2026
21.04.2026	Reg 31(1)(b)	Disclosure of shareholding pattern for listed entities (within 21 days of quarter end)
22.04.2026	GSTR-3B	Quarterly summary return (QRMP) for Jan-Mar 2026

COMPLIANCE CALENDAR

Due Date	Forms	Description
28.04.2026	GSTR-11	Statement of inward supplies for UIN holders (refund claimants) for March 2026.
30.04.2026	MSME	Half-yearly return for dues to MSME suppliers (Oct 2025 – March 2026).
30.04.2026	GSTR-4	Annual Return for Composition taxpayers for FY 2025-26.
30.04.2026	MSC-3	Return of Dormant Company for the Financial Year 2025-26(Within 30 days from the end of the financial year)
30.04.2026	Unspent CSR	Transfer of unspent CSR funds for FY 2025-26 to a separate bank account
30.04.2026	Form 26QB/QC/QE	Challan-cum-statement for TDS on Property/Rent/VDA for March 2026



Team Genicon wishes a very
Happy Birthday
to our leader and mentor,
Mr. CS N.A.Srinivasan!

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