

Niti

Developments in Corporate Laws
April, 2026



*"Krishna controls the Finite and the Infinite with inconceivable supernatural transcendental force.
This is the power of inner energy."*

.....Bhagavad Gita



SECTION I – CORPORATE LAWS

I. Ministry of Corporate Affairs (“MCA”) Notifications, Circulars and Press Releases

A. Companies (Appointment and Qualification of Directors) Rules, 2014

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjQ1ODUwMDEw&docCategory=Notifications&type=open>

The MCA vide its Notification dated April 21, 2026 (G.S.R. 300(E)), has amended the Companies (Registration Offices and Fees) Rules, 2014, revising fees for DIR-3 KYC Web filings under Rule 12A of the Companies (Appointment and Qualification of Directors) Rules, 2014. Effective immediately these changes substitute Item VII in the Annexure to the Rules to emphasize prompt director compliance.

Key Amendments

The MCA has substituted Item VII in the Annexure, prescribing revised fee structure for filing DIR-3 KYC Web under Rule 12A of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Particulars	Fees (INR)
Filing within the prescribed timeline	Nil
Filing after due date or for DIN reactivation	₹5,000
Filing for updating changes (subsequent filing)	₹500 per filing

The recent amendment by the MCA reinforces the importance of timely compliance with DIR-3 KYC requirements. While on-time filing remains free, delayed submissions or DIN reactivation now attract a substantial fee, along with a nominal charge for subsequent updates.

The amendment comes into force from the date of its publication in the Official Gazette, i.e., 21st April, 2026.



II. Securities and Exchange Board of India (“SEBI”) Notifications, Circulars and Press Release

A. SEBI Grants One-Time Compliance Relief for adhering to Minimum Public Shareholding norms (MPS)

<https://www.sebi.gov.in/legal/circulars/apr-2026/relaxation-from-the-applicability-of-sebi-master-circular-for-compliance-with-the-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-on-non-compliance-with-the-100787.html>

The SEBI, vide Circular dated April 7, 2026, has provided a one-time relaxation from the applicability of penal provisions under the SEBI Master Circular on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated July 11, 2023, in relation to non-compliance with the Minimum Public Shareholding (MPS) due to capital market volatility from Middle East geopolitical tensions. The relief halts fines, promoter shareholding freezes, and other actions, effective immediately for all listed entities, stock exchanges, and depositories.

Background

The SEBI Master Circular prescribes strict actions for non-compliance with MPS norms, including:

- Levy of fines
- Freezing of promoter shareholding
- Other consequential regulatory actions

However, representations from industry bodies highlighted challenges faced by listed entities in meeting MPS requirements due to capital market volatility, particularly arising from geopolitical tensions in the Middle East.

Key Relaxation Provided

- No penal action shall be taken by stock exchanges and depositories for non-compliance with MPS requirements
- Applicable for entities whose compliance due date falls between: April 1, 2026 to September 30, 2026
- Penal actions already initiated during this period (from April 1, 2026 till date) shall be withdrawn



B. SEBI Extends Validity of Observations for Public Issues

https://www.sebi.gov.in/legal/circulars/apr-2026/one-time-relaxation-with-respect-to-validity-of-sebi-observations_100786.html

SEBI's circular grants a one-time relaxation under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, extending validity of observation letters expiring between April 1 and September 30, 2026, to September 30, 2026. This addresses delays in public issues (Regulations 44(1) and 59C timelines) caused by Middle East geopolitical tensions and low investor sentiment, helping issuers avoid withdrawals or redundant filings. Effective immediately, it applies upon Lead Manager undertaking for Schedule XVI compliance and updated offer documents.

Background

- As per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, public issue must be opened within:
 - 12 months (Regulation 44(1))
 - 18 months (Regulation 59C)from the date of issuance of SEBI observations.

Due to geopolitical tensions in the Middle East and subdued investor participation, many issuers faced challenges in accessing capital markets, leading to delays, deferments, or withdrawal of issue plans.

Key Relaxation Provided

- Validity of SEBI observation letters expiring between April 1, 2026 and September 30, 2026 has been extended up to September 30, 2026
- Extension is subject to submission of an undertaking by the Lead Manager confirming compliance with Schedule XVI of ICDR Regulations
- Updated offer documents must be submitted to SEBI accordingly



C. SEBI Eases Lock-In for Pledged Shares via Non-Transferable Tagging

https://www.sebi.gov.in/legal/circulars/apr-2026/ease-of-doing-business-mechanism-for-lock-in-of-pledged-shares-under-sebi-issue-of-capital-and-disclosure-requirements-regulations-2018_100826.html

SEBI vide Circular dated April 8, 2026, has introduced a framework to facilitate lock-in of pledged shares under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as part of its ease of doing business initiatives.

Background

Pursuant to SEBI's notification dated March 21, 2026, amendments were made to the ICDR Regulations to allow securities, where lock-in cannot be directly created, to be marked as "non-transferable" in the depository system for the duration of the lock-in period.

Key Features of the Framework

- **Non-transferable Tagging:** Securities under pledge, where lock-in is applicable, can now be recorded as non-transferable by depositories
- **Operational Framework by Depositories:**
 - Incorporation of necessary provisions in the Articles of Association (AoA)
 - Issuance of intimations to lenders/ pledgees
 - Appropriate disclosures in offer documents
- **System Enhancements:** Depositories to update their systems and processes to implement the mechanism

D. SEBI Mandates NISM Certification for Social Impact Assessors

https://www.sebi.gov.in/legal/circulars/apr-2026/nism-certification-for-social-impact-assessors_100911.html

SEBI vide Circular dated April 13, 2026, has mandated certification requirements for Social Impact Assessors under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Key Requirements

- Social Impact Assessors are required to obtain certification from the National Institute of Securities Markets (NISM) - "NISM Series XXIII – Social Impact Assessors Certification Examination"



- For renewal of certification, assessors must:
 - Either reappear and qualify the NISM Series XXIII Certification Examination, or
 - Successfully complete the NISM Series XXIII – eCPE (Continuing Professional Education) Program

This move aims to enhance the credibility, standardization, and professional competence of Social Impact Assessors, thereby strengthening the integrity of the Social Stock Exchange framework and ensuring greater investor confidence.

E. SEBI Eases Social Stock Exchange Norms for NPOs

https://www.sebi.gov.in/legal/circulars/apr-2026/review-of-requirement-relating-to-registration-for-a-not-for-profit-organization-on-social-stock-exchange-and-minimum-subscription-requirement-for-issuance-of-zero-coupon-zero-principal-instruments_100935.html

SEBI vide Circular dated April 15, 2026, has introduced relaxations under the Social Stock Exchange (SSE) framework to facilitate fundraising by Not-for-Profit Organizations (NPOs).

Key Changes

- **Registration Validity Extended:** NPOs can remain registered without fundraising for up to 3 years (earlier 2 years), subject to SSE approval.
- **Lower Subscription Requirement:** Minimum subscription for Zero Coupon Zero Principal (ZCZP) Instruments reduced from 75% to 50%, subject to due diligence by SSE.
- **Disclosure Requirements:** NPOs must disclose plans for fund shortfall, impact on objectives, and refund conditions in case minimum subscription is not met.

F. SEBI Introduces Net Settlement Framework for FPIs in Cash Market

https://www.sebi.gov.in/legal/circulars/apr-2026/framework-for-net-settlement-of-funds-for-transactions-done-by-foreign-portfolio-investors-fpis-in-cash-market_101090.html

SEBI vide Circular dated April 24, 2026, has introduced a framework permitting net settlement of funds for Foreign Portfolio Investors (FPIs) in the cash market.

Under the earlier framework, FPIs were required to settle all transactions on a gross basis at the custodian level, leading to higher liquidity requirements and operational inefficiencies. Based on industry representations, SEBI has now allowed netting of funds for outright transactions, i.e., where only purchase or only sale is undertaken in a security during a settlement cycle.



As per the revised framework, only such outright buy or sell transactions will be eligible for net settlement, while transactions involving both purchase and sale in the same security will continue to be settled on a gross basis. Further, where purchases exceed sales, the balance amount must be funded by the FPI, and excess sale proceeds cannot be adjusted against other obligations.

It is clarified that settlement of securities will continue on a gross basis, and applicable levies such as STT and stamp duty will remain unchanged.

G. SEBI (Debenture Trustees) Regulations, 1993

https://www.sebi.gov.in/legal/circulars/apr-2026/extension-of-timeline-for-compliance-with-terms-and-conditions-by-debenture-trustees-for-carrying-out-activities-outside-the-purview-of-sebi_101152.html

SEBI had, on October 27, 2025, amended the Debenture Trustees Regulations to require debenture trustees to separate activities outside SEBI's regulatory purview into distinct business units within six months, i.e., by April 27, 2026. SEBI then issued an operational framework on November 25, 2025, to explain how those segregation requirements would work in practice.

Vide the above circular SEBI has granted a further extension of six month for debenture trustees to comply with requirements related to transferring non-SEBI regulated activities into separate business units. The new deadline is October 27, 2026, providing additional time to complete the operational segregation introduced through the October 27, 2025 amendments and the November 25, 2025 circular.

The extension comes after industry representations highlighted implementation challenges. This relief gives debenture trustees more time to adjust systems, align internal structures, and ensure smooth compliance with SEBI's framework for activities outside its regulatory purview.

H. SEBI Operationalises PaRRVA Framework

<https://www.sebi.gov.in/legal/circulars/apr-2026/operationalisation-of-past-risk-and-return-verification-agency-parrva-101185.html>

SEBI vide Circular dated April 29, 2026, has operationalised the Past Risk and Return Verification Agency (PaRRVA) framework with an objective to enhance credibility, transparency, and standardisation in the reporting of performance by market intermediaries.

Pursuant to this, Care Ratings Limited has been recognised as the PaRRVA, while National Stock Exchange of India Limited will function as the PaRRVA Data Centre (PDC). The framework will become fully operational from May 4, 2026, post completion of the pilot phase.



Investment Advisers (IAs) and Research Analysts (RAs) intending to communicate certified past performance data (including pre-PaRRVA period data) are required to enrol with PaRRVA within three months, i.e., by August 3, 2026. Failure to enrol within the prescribed timeline will restrict their ability to share such performance data with clients. Additionally, such intermediaries will be permitted to use pre-PaRRVA performance data only up to May 3, 2028, after which only PaRRVA-verified risk and return metrics can be disclosed.

The circular also introduces changes to the Oversight Committee structure, allowing representation from PaRRVA, the Data Centre, intermediaries, investor associations, and mandating an independent chairperson with significant regulatory experience. The committee must have a minimum of five members, with independent members forming the majority to ensure unbiased oversight.

The operationalisation of PaRRVA marks a significant step towards improving investor confidence and ensuring uniform, verified performance disclosures across intermediaries in the securities market.

I. SEBI Introduces Fast-Track Mechanism for AIF Placement Memorandum

https://www.sebi.gov.in/legal/circulars/apr-2026/fast-track-mechanism-for-processing-of-placement-memorandum-of-aifs-filed-with-sebi_101213.html

SEBI vide its April 30, 2026 circular introduces a fast-track mechanism for processing Placement Memoranda of Alternative Investment Funds. The framework applies to Angel Funds and non-LVF AIF schemes (LVF), allowing schemes to be launched and the Private Placement Memorandum (PPM) to be circulated after 30 days from filing with SEBI, unless otherwise advised. For a first scheme, launch is permitted only after SEBI registration or after 30 days, whichever is later, and the first close must be completed within 12 months.

The circular places clear responsibility on the merchant banker and AIF manager for the accuracy and completeness of disclosures. It also requires filing of supporting documents such as the due diligence certificate, declarations, and investor-related details, along with a standard disclaimer in the PPM.



III. Reserve Bank of India/ Foreign Exchange Laws/ Regulations.

A. Reporting under Foreign Exchange Management Act, 1999 – Returns pertaining to Foreign Exchange Management (Guarantees) Regulations, 2026

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13358&Mode=0>

The Reserve Bank of India, vide Circular dated April 1, 2026, has introduced revised reporting requirements for guarantees under the Foreign Exchange Management Act, 1999 read with the Foreign Exchange Management (Guarantees) Regulations, 2026.

Under the revised framework, specific reporting formats have been prescribed for different types of guarantee transactions. ‘Form GRN Issue’ is to be used for reporting issuance of guarantees, ‘Form GRN Modification’ for any subsequent changes such as amount, tenure or closure, and ‘Form GRN Invocation’ for reporting invocation of guarantees. These forms are to be submitted to the Authorised Dealer (AD) bank, which will further report the same to RBI.

The AD banks are required to submit these returns to RBI within 30 days from the end of the relevant quarter through the Centralised Information Management System (CIMS). Additionally, for every guarantee reported, AD banks must generate a Unique Guarantee Transaction Number to ensure proper tracking and monitoring.

The circular also clarifies the computation of late submission fees. In case of delayed reporting of invocation, the fee will be based on the amount of liability arising on invocation, whereas for delayed reporting of issuance and modification, the amount will be treated as nil since these do not involve fund flows.

IV. Department for Promotion of Industry and Internal Trade Gazette Notification/ Publications/ Press releases.

A. Amendments to UNNATI Scheme, 2024 for North-Eastern Region

<https://www.dpiit.gov.in/static/uploads/2026/04/edeaebbb08cb8827fbb0c789cae1a5c5.pdf>

The Department for Promotion of Industry and Internal Trade, under the Ministry of Commerce and Industry, has notified amendments dated April 1, 2026 to the Uttar Poorva Transformative Industrialization Scheme (UNNATI), 2024, aimed at boosting industrial development in the North-Eastern Region.



The amendment extends key timelines under the Scheme. The application period for registration has been extended from March 31, 2026 to September 30, 2026, while the validity for grant of registration has been extended up to March 31, 2027, providing additional time for eligible units to participate.

A significant change has been introduced allowing substantial expansion of manufacturing units at the same or different locations within the North-East, subject to conditions such as continuation of the same business, operation under the same GSTIN, and meeting prescribed investment thresholds. Incentives in such cases will depend on the location category of the expanded unit.

The scheme also revises the eligible service sectors, with inclusion of areas such as cruise ship and houseboat services, data centres (under IT/ITeS), EV charging stations, and ropeways/amusement parks, while removing sectors like education, fintech, BPO, and primary healthcare/agriculture from eligibility.

Further, flexibility has been introduced by allowing units to avail additional support from State Governments, subject to disclosure of benefits under UNNATI. Changes have also been made to Capital Investment Incentive (CII) provisions, including allowing entities with multiple GST registrations to apply (subject to a ₹250 crore cap per state) and permitting limited deviations in project cost.

Additionally, the State Bank of Sikkim has been recognised as an eligible institution for interest subvention benefits under the scheme.

B. Startup India Fund of Funds 2.0 Launched with ₹10,000 Crore Corpus

<https://www.dpiit.gov.in/static/uploads/2026/04/d02f1b35bcc661c31e8cb2229dcd9475.pdf>

The Department for Promotion of Industry and Internal Trade, under the Ministry of Commerce and Industry, vide Notification dated April 13, 2026, has announced the launch of the Startup India Fund of Funds 2.0 (FoF 2.0) with a total corpus of ₹10,000 crore to boost venture capital funding for startups.

The scheme aims to enhance access to capital across sectors and stages, with a special focus on deep-tech, innovation-driven manufacturing, and early-stage startups. Similar to the earlier fund, investments will be routed through SEBI-registered Alternative Investment Funds (AIFs), which will further invest in eligible startups and provide mentorship support.



A key feature of FoF 2.0 is its segmented approach, targeting areas such as deep-tech, micro venture capital funds, manufacturing-focused startups, and sector-agnostic investments. The scheme also introduces operational flexibility, including support for larger and longer-duration funds, higher contributions in capital-intensive sectors, and relaxed investment conditions to attract more participation.

The implementation will be led by Small Industries Development Bank of India, along with other selected implementing agencies. An Empowered Committee (EC) will oversee the scheme, ensuring proper monitoring, governance, and alignment with policy objectives.

Additionally, up to 5% of returns may be utilised for ecosystem development activities such as capacity building, mentorship, and infrastructure support, with the remaining returns being credited back to the Consolidated Fund of India.

**Section II – Some Reminders for May, 2026**

Particulars		Due Date
Payment of	Tax Deducted at Source for the month of April, 2026	7 th May, 2026
	Provident Fund (includes EDLI) for the month of April, 2026	15 th May, 2026
	ESIC for the month of April, 2026	15 th May, 2026
Filing of	GSTR- 1 for April, 2026 (turnover of more than or less than Rs. 5 crores)	11 th May, 2026
	GSTR-8 for April, 2026 [return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST]	10 th May, 2026
	GSTR-7 for April, 2026 [return to be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST]	10 th May, 2026
	GSTR - 3B for April, 2026 (turnover of more than Rs. 5 crores)	20 th May, 2026
	GSTR - 3B for April, 2026 (turnover up to Rs. 5 crores, depending on the state)	20 th May, 2026
	Filing of TDS Return for 4 th Quarter of FY 2025-26	31 st May, 2026 15 th May, 2026
	Filing of TCS Return for 4 th Quarter of FY 2025-26(Form 27EQ)	31 st May, 2026
	Statement of Financial Transaction (SFT) – Form 61A for FY 2025-26.	31 st May, 2026
Issuance of Certificates	TDS Certificates (March 2026) (Sections 194-IA (Property), 194-IB (Rent), and 194M (Contractors))	15 th May, 2026
	TCS Certificates (Q4 FY 25-26) (Form 27D)	30 th May, 2026
SEBI / Listed Entity Compliances	Annual Disclosure requirements for large entities	15 th May, 2026
	Regulation 24A - Secretarial Compliance Report	30 th May, 2026
	Regulation 33 (3) (d) - Financial Results along with Auditor's Report	30 th May, 2026
	Integrated Filing – Audited Financial Results (Q4/ Full Year FY26), Regulation 23(9) Disclosure of Related Party Transactions and Regulation 32 (1) Statement of deviation(s) or variation(s)	30 th May, 2026



Particulars		Due Date
Companies/ LLP Act	PAS-6 (Reconciliation of Share Capital Audit Report) (Oct 2025 – Mar 2026)	30 th May, 2026
Compliances	LLP Form 11 (Annual Return)	30 th May, 2026



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Compiled by: Ms. Arti Ansal and Mr. Kiran Mankodi

For more information, please feel free to write to us at:

Innergize Solutions Private Limited,

A-2, 1st Floor, A Wing, Barodawala Mansion,

81, Dr. Annie Besant Road,

Worli, Mumbai 400025, India.

Tel: +91-22-6662 1392

Email: arti.ansal@innergize.in , kiran.mankodi@innergize.in

Or visit www.innergize.in