

# *Niti*

*Developments in Corporate Laws  
December, 2025*



*"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 (Specification of definition details) Amendment Rules, 2025**

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NTk3MTc2NzQz&docCategory=Notifications&type=open>

The MCA notified Companies (Specification of Definitions Details) Rules, 2025 on December 1, 2025 and the same is applicable with immediate effect.

By this amendment the definition of the Small Company has been revised and now - Small Companies mean a company, other than a public company which has (i) Paid up share capital of not more than Rs. 10 crore (previously Rs. 4 crores) **and** Turnover not more than Rs. 100 (previously Rs. 40 crores). The notification clarifies that both criteria i.e. Paid-up capital and turnover must fall within the prescribed limits simultaneously.

#### **B. Relaxation of additional fees and extension of time for filing of Financial Statements and Annual Returns under the Companies Act, 2013**

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjExNDE5MzU5&docCategory=Circulars&type=open>

The MCA issued a circular on December 30, 2025 extending the due-date for filing financial statements and annual returns for FY 2024-25 without payment of additional fees until January 31, 2026.

This relief covers e-forms - MGT-7, MGT-7A, AOC-4, AOC-4 CFS, AOC-4 (XBRL), and NBFC-specific AOC forms. These forms for financial year 2024-25 can now be filed up to January 31, 2026 without any additional fees. This relief aims to ease the compliance burden and mitigate penal consequences arising from delays in annual filings. Importantly, all other



conditions and provisions specified in General Circular No. 06/2025 dated October 17, 2025 remain unchanged.

**C. Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2025**

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjExMzk4OTEz&docCategory=Notifications&type=open>

The MCA on December 31, 2025 issued a notification to introduce the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2025. The said Rules modify Form STK-3A under Section 248 of the Companies Act, 2013.

The notification revises the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016, specifically Form STK-3A for government companies. Previously, indemnity requirements posed procedural hurdles in the strike-off process. Now, an authorized representative from Central or State Government (rank of Under Secretary or equivalent) can execute the reqd bond directly in the strike-off process. This eliminates delays in ROC removal for defunct entities, promoting administrative efficiency.

**D. Companies (Appointment and Qualification of Directors) Amendment Rules, 2025**

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjExMzk5Mzk2&docCategory=Notifications&type=open>

MCA notified the Companies (Appointment and Qualification of Directors) Amendment Rules, 2025 on December 31, 2025 which will be effective from March 31, 2026. These changes simplify the director KYC compliance, reduce filing frequency, and mandate DIR-3 KYC-Web for all updates.

The amendments revise Rule 11 and introduce Rule 12A in the 2014 Rules shifting authority references to the Regional Director. It mandates exclusive use of DIR-3KYC-Web, eliminating



parallel e-forms options to streamline processes. Director must now file KYC once every third financial year by June 30 based on DIN status as of March 31, replacing annual filing requirement. Additionally, any change in a director's mobile number, email address, or residential address must be reported through DIR-3 KYC-Web within 30 days with applicable fees.

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

### A. **SEBI BOARD MEETING**

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjExNDE5MzU5&docCategory=Circulars&type=open>

The SEBI has in its board meeting held on December 17, 2025, approved significant regulatory reforms across the capital market regime aimed at simplifying compliance, enhancing clarity, and promoting ease of doing business amongst other things. The approved measures will be implemented through subsequent notifications. Key highlights of the proposed amendments include the following:

#### 1. **SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018:**

SEBI approved key reforms to ICDR Regulations, easing IPO lock-in and prospectus norms. Amendments to Regulation 17 accommodate pre-IPO pledged shares via depository marking, while introducing draft abridged prospectus at DRHP stage. These changes simplify compliance and boost ease of doing business.

#### **Lock-in requirements in Initial Public Offer**

The requirement of lock-in of shares at the time of Initial Public Offer (“IPO”) pursuant to Regulation 17 of the SEBI ICDR Regulation. This regulation stipulates mandatory lock in of six-month on the pre-issue share capital held by non-promoter shareholders (other



than exempt categories), The update addresses pledged shares that cannot be locked-in, authorizing depositories to mark them "non-transferable" during the period. This resolves practical hurdles for issuers with encumbered capital pre-IPO.

### **Prospectus Reforms**

SEBI has approved the introduction of a draft abridged prospectus at the Draft Red Herring Prospectus (“**DRHP**”) stage, in addition to the requirement of an abridged prospectus at the Red Herring Prospectus (“**RHP**”) stage.

## **2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

SEBI has approved certain specific amendments to SEBI LODR Regulations to ease compliance for listed entities, RTAs, and investors as under

- a. Regulation 39 of SEBI LODR has been amended and has dispensed the requirement of issuance of Letter of Confirmation (**LoC**) in respect of investor service requests involving cases where securities certificates are held in physical form. Pursuant to the amendment, subject to due diligence, Registrars and Share Transfer Agents (“**RTAs**”) or listed entities, shall directly credit the securities to the investor’s demat account bypassing LoC requirement. This will accelerate investor service requests and reduces paperwork.
- b. Regulation 40 of SEBI LODR has been amended to facilitate transfer of Physical Securities. According to the Regulation 40, transfer of securities held in physical mode was discontinued with effect from April 1, 2019. SEBI has approved allowing holders of original physical share certificates and the original transfer deeds (executed prior to April 1, 2019) to lodge the securities during a specified window, subject to conditions set by the SEBI and due diligence by RTAs/ listed companies.



- c. SEBI has amended provision related to transfer to Investor Education and Protection Fund (IEPF) by companies having listed non-convertible securities. Entities with listed non-convertible securities are now required to transfer unclaimed amounts to IEPF after seven years from maturity, matching Companies Act, 2013 timelines for uniformity.
- d. **Amendment in framework of High Value Debt Listed Entities:** SEBI has approved changes to the regulatory framework governing High Value Debt Listed Entities (“HVDLEs”). The proposed amendment includes:
- The threshold for identification as an HVDLE has been increased from ₹1,000 crore to ₹5,000 crore of outstanding listed non-convertible debt.
  - Regulation 62L(1) has been amended by replacing the term “income” with “turnover” for determining material subsidiaries.
  - Shareholder approval for sale or disposal of assets by a material subsidiary to another subsidiary within the same group has been dispensed with.
  - Entities emerging from the corporate insolvency resolution process are permitted three-month time to fill key managerial personnel vacancies, subject to the presence of at least one full-time key managerial personnel.

### **3. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021:**

SEBI in its board meeting held on December 17, 2025, approved amendments to SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021 (“**NCS Regulations**”). These amendments permit offering to investor incentives (in form of additional interest or a discount) by the issuer in the public issues of debt securities. These incentives can only be provided to specified investors (retail, senior citizens, women, armed forces personnel and their widows/widowers). These Incentives apply only to the initial allottee and do not continue on transfer or transmission.



**4. SEBI (Stock Brokers) Regulations, 1992:**

SEBI has in its board meeting approved the replacement of the SEBI (Stock Brokers) Regulations, 1992 (“Initial Public Offer ”) with the SEBI (Stock Brokers) Regulations, 2025 (“**SB Regulations 2025**”). The new regulations will consolidate provisions, update key definitions under Regulation 2(1) of the 1992 Regulations, including clearing member, professional clearing member, proprietary trading member, proprietary trading and designated director. Further, the SB Regulations 2025 also permits electronic maintenance of records, provides for joint inspections, removes obsolete provisions, and position stock exchanges as first-line regulators.

**5. SEBI (Mutual Funds) Regulations, 1996:**

SEBI approved the replacement of the SEBI (Mutual Funds) Regulations, 1996 with the SEBI (Mutual Funds) Regulations, 2026 (“**MF Regulations 2026**”). The revised framework will consolidate provisions on eligibility of mutual fund sponsors, roles and responsibilities of asset management companies and trustees, prudential investment limits, and valuation norms. The Total Expense Ratio (“**TER**”) framework has been restructured by introducing a Base Expense Ratio (“**BER**”), which excludes statutory and regulatory levies. Brokerage limits have been rationalised and delinked from statutory levies. Further, the additional five basis points expense allowance linked to exit loads has been withdrawn.

**6. Measures for regulation of activities of Credit Rating Agency (“CRA”):**

SEBI has amended the Credit Rating Agencies Regulations, 1999 (“CRA Regulations”) to allow CRAs to rate financial instruments regulated by other financial sector regulators (“**FSR**”) even without specific rating guidelines. Any net worth requirements imposed by other FSRs are in addition to SEBI’s requirements, and CRAs must maintain separate grievance mechanisms for activities under different regulators.



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

<b>Particulars</b>		<b>Due Date</b>
<b>Payment of</b>	Tax Deducted at Source for the month of December, 2025	7 <sup>th</sup> January, 2026
	Provident Fund (includes EDLI) for the month of December, 2025	15 <sup>th</sup> January, 2026
	ESIC for the month of December, 2025	15 <sup>th</sup> January, 2026
<b>Filing of</b>	GSTR- 1 for December, 2025 (turnover of more than or less than Rs. 5 crores)	11 <sup>th</sup> January, 2026
	GSTR-8 for December, 2026 [return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST]	10 <sup>th</sup> January, 2026
	GSTR-7 for December, 2025 [return to be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST]	10 <sup>th</sup> January, 2026
	GSTR - 3B for December, 2025 (turnover of more than Rs. 5 crores)	20 <sup>th</sup> January, 2026
	GSTR - 3B for December, 2025 (turnover up to Rs. 5 crores, depending on the state)	22 <sup>nd</sup> January, 2026
	TDS Return for Quarter 3	31 <sup>st</sup> January, 2026
	AOC-4 Annual Accounts (further extended)	31 <sup>st</sup> January, 2026
	Form MGT-7 Annual Return (further extended)	31 <sup>st</sup> January, 2026
	Shareholding Pattern Regulation 31(1)(b) of SEBI (LODR) Regulations	21 <sup>st</sup> January, 2026



<b>Particulars</b>		<b>Due Date</b>
	Report on Corporate Governance – Regulation 13(3) of SEBI (LODR) Regulations	30 <sup>th</sup> January, 2026
	Report on Redressal of Investor Grievance – Regulation 27(2) of SEBI (LODR) Regulations	30 <sup>th</sup> January, 2026
	Reconciliation of share capital audit report	30 <sup>th</sup> January, 2026
	Annual Return – POSH	31 <sup>st</sup> January, 2026



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