



**Sanjay Grover &
Associates**
Company Secretaries

**SGA CONNECT NEWSLETTER FOR THE MONTH OF
DECEMBER 2025**



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ABOUT US

Sanjay Grover & Associates is a Firm of Company Secretaries, established in 2001, whose constant endeavor is to craft a premier professional practice providing high quality services and integrating value added knowledge, for its people, clients and society as a whole.

The Organization is backed by a team of multi- disciplinary professionals who possess the inherent qualities of converting the challenges into opportunities by sincerity, passion and determination.

The dynamic professionals of the organization are very well exposed in dealing with various regulatory authorities like Registrar of Companies (ROC), Regional Director (RD), Ministry of Corporate Affairs (MCA), National Company Law Tribunal (NCLT), National Company Law Appellate Tribunal (NCLAT), Insolvency and Bankruptcy Board of India (IBBI), Competition Commission of India (CCI), Securities & Exchange Board of India (SEBI), Stock Exchanges, Reserve Bank of India (RBI) etc. The firm works with a progressive mindset and serves its clients with results and quality; it has the zeal and potential to handle challenging and wide range of assignments. For reference, our team profile is available [here](#).

Disclaimer: This Legal Newsletter for the month of December, 2025 has been prepared by team SGA (i.e. Sanjay Grover & Associates, Company Secretaries) solely for knowledge purpose and should not be construed as any professional advice or opinion. We expressly disclaim all liability for actions/inactions based on this newsletter.



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I. MINISTRY OF CORPORATE AFFAIRS

a) Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2025 ([Click here to view notification](#))

- The Ministry of Corporate Affairs on December 31, 2025, added second proviso to Rule 4 (Application for removal of name of Company) of Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016.
- As per the proviso, when a government-owned company or its subsidiary needs to file an indemnity bond (Form STK-3A), the directors appointed by the government don't have to sign it personally. Instead, a high-ranking official, specifically someone at the Under Secretary level or higher from the relevant Ministry, signs the bond on behalf of the company.
- Essentially, the government department takes responsibility for the bond rather than the individual directors.



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b) Companies (Appointment and Qualification of Directors) Amendment Rules, 2025 (effective March 31, 2026) ([Click here to view notification](#))

- The Ministry of Corporate Affairs on December 31, 2025, amended Rule 12A of Companies (Appointment and Qualification of Directors) Rules, 2014.
- As per the amendment, directors shall file KYC intimation in Form No DIR-3 KYC Web to the Central Government on or before the 30th June of the immediately following every third consecutive financial year instead of annually.
- While routine filing is now triennial, directors must update changes to mobile numbers, email, or addresses within **30 days** through Form DIR-3 KYC Web.



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c) Companies (Specification of definition details) Amendment Rules, 2025 ([Click here to view notification](#))

- On December 01, 2025, the Ministry of Corporate Affairs issued the Companies (Specification of definition details) Amendment Rules, 2025, further, to amend the Companies (Specification of definition details) Rules, 2014.
- Vide this amendment in rule 2(1)(t), the following clause shall be substituted: - For the purposes of sub-clause (i) and sub-clause (ii) of clause (85) of section 2 of the Act, paid up capital and turnover of the small company shall not exceed rupees ten crores and rupees one hundred crores respectively.
- This amendment aims to bring more companies under the small company definition, which provides them with benefits like simplified compliance and reduced burdens.



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d) MCA relaxation of additional fees and extension of time for Annual Filing ([Click here to view notification](#))

The Ministry of Corporate Affairs (MCA) has granted a significant extension for annual filings (Financial Statements & Annual Returns) for FY 2024-25, allowing companies to file without additional fees until **January 31, 2026**, under General Circular No. 08/2025 (following Circular 06/2025).

This relief applies to forms like AOC-4 (XBRL/CFS) and MGT-7/MGT-7A, acknowledging issues with the new MCA-21 V3 portal, but statutory AGM deadlines remain unchanged.



II. SECURITIES AND EXCHANGE BOARD OF INDIA

a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2025 ([Click here to view notification](#))

- Securities and Exchange Board of India on December 03, 2025, issued Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2025 (“**SAST Amendment**”).
- The amendment inserts a new definition of “valuer” aligned with Section 247 of the Companies Act, 2013, and replaces the role of acquirers and managers in determining valuation with an “independent registered valuer.”
- The effective date is January 2, 2026 (i.e. on the thirtieth day from the date of its publication in the Official Gazette)
- For share valuation under Regulations 8 and 9 (open offers) of SAST Amendment, an independent registered valuer must now conduct it, rather than the acquirer or manager.
- SEBI can now mandate an independent valuation at the acquirer's cost if pricing lacks clarity or trading volumes are low.
- Existing valuation assignments, started before the amendment, to be completed within nine months from the effective date.



b) SEBI (Share Based Employee Benefits and Sweat Equity) (Second Amendment) Regulations, 2025 ([Click here to view notification](#))

- The Securities and Exchange Board of India (SEBI) has amended the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”) by way of the SEBI (Share Based Employee Benefits and Sweat Equity) (Second Amendment) Regulations, 2025 (“SBEB Amendment”), further revising the 2021 framework governing ESOPs, share-based benefits, and sweat equity issuances.
- The effective date is January 2, 2026 (i.e. on the thirtieth day from the date of its publication in the Official Gazette)

The amendment, introduces significant changes focused on valuation standards.

- The definition of “valuer” in Regulation 2 of SBEB Regulations has been updated to align fully with Section 247 of the Companies Act, 2013, thereby shifting valuation responsibilities from merchant bankers to independent registered valuers.
- Regulation 34 has been amended to mandate that all new valuations be conducted only by registered valuers, while merchant bankers are permitted to complete only those valuation assignments already in progress, with a nine-month completion window from the effective date.
- Sub-regulations (2) and (3) of Regulation 34 of SBEB Regulations have been removed entirely. The changes aim to standardize valuation practices, enhance independence, and improve governance in share-based employee benefit schemes.



c) Securities and Exchange Board of India (Substitution of Registered Post with Speed Post) (Amendment) Regulations, 2025 ([Click here to view notification](#))

- Securities and Exchange Board of India on December 01, 2025, issued Securities and Exchange Board of India (Substitution of Registered Post with Speed Post) (Amendment) Regulations, 2025 amending multiple existing regulations across different SEBI frameworks.
- These amendments replace references to “Registered Post” or “Registered A.D.” with “Speed Post with Registration” or “Speed Post with Registration with Acknowledgment Due,” ensuring uniformity in modes of official communication.
- The changes apply to: -
 - The Collective Investment Schemes Regulations, 1999
 - The Prohibition of Fraudulent and Unfair Trade Practices Regulations, 2003
 - The Intermediaries Regulations, 2008
 - The Issue of Capital and Disclosure Requirements Regulations, 2018.

d) SEBI simplifies process for issuance of Duplicate Share Certificates ([Click here to view Circular](#))

SEBI has issued a circular dated **December 24th, 2025**, further simplifying and standardising the process for issuance of duplicate securities certificates. The changes are aimed at easing compliance for investors

- **Key changes introduced:**



SEBI has implemented several significant shifts to make the process more investor-friendly:

- **Threshold for simplified documentation doubled**

SEBI has increased the value threshold for simplified documentation from INR 5 lakhs to INR 10 lakhs (value of securities as on the date of application). Investors holding securities up to this revised limit can now follow a streamlined documentation process.

- **Standardised Affidavit-cum-Indemnity Format**

A uniform, SEBI-prescribed Affidavit-cum-Indemnity Bond (Annexure-A to circular) has now been mandated. This removes ambiguity, eliminates RTA-specific variations, and ensures consistency across the market.

- **Simplification for small-value Investors:** For securities with a value up to INR10,000, SEBI has:

- Done away with notarisation, and
- Allowed submission of a simple undertaking on plain paper

- **Rationalised requirements for high-value investors:** For securities exceeding INR 10 lakh, additional safeguards continue to apply:

- Submission of FIR / police complaint / court documents with full security particulars; and
- Newspaper advertisement by the listed company regarding loss of securities
- Further, SEBI has clarified that the processing timeline will begin only after complete documentation and advertisement, bringing certainty to service-request timelines.



SEBI Board Meeting on December 17, 2025

SEBI approved key amendments to the Issue of Capital and Disclosure Requirements (ICDR) Regulations

At its meeting held on December 17, 2025. The approved measures will be implemented through subsequent notifications.

The key highlights of the proposed amendments include the following:

- **Automated Lock-in for Pledged Shares:** For non-promoter pre-issue shares that are already pledged, the depositories will mark them as "non-transferable" for the required lock-in period (typically **six months**). This ensures the lock-in is system-enforced and continues automatically if the pledge is invoked or released, resolving practical difficulties for issuers.
- **Abridged Prospectus at DRHP Stage:** A focused, concise, and standardized abridged prospectus must now be available at the Draft Red Herring Prospectus (**DRHP**) stage, in addition to the RHP stage. This measure, which may replace the separate offer document summary, aims to provide retail investors with key information earlier in the IPO process.
- **Aligning the timeline for transfer of unclaimed amount by an entity having listed non-convertible securities with Companies Act**

Presently, unclaimed amounts are transferred to IEPF/IPEF after 7 years of remaining unclaimed. To enable ease of doing business, the SEBI has now approved a proposal for amending the SEBI (LODR) Regulations, 2015, on aligning the timeline for transfer of unclaimed interest/dividend/redemption payment entities having listed non-convertible securities to the Investor Education and Protection Fund (IEPF)/ Investor Protection and Education Fund (IPEF) with the Companies Act.

Accordingly, issuers of non-convertible securities will now need to transfer the unclaimed amounts only once after completion of 7 years from the date of maturity of the security, instead of multiple transfers when interest/dividend/redemption payment becomes due.



Regulation 40 – Special Window for Transfer of Physical Securities:

- SEBI has approved an amendment to Regulation 40 of SEBI LODR to permit a specified window for lodging transfer deeds with original physical certificates for investors who purchased physical securities before April 01st 2019 but never lodged transfer deeds to register transfers.
- Lodgement will be allowed subject to the availability of original certificates and transfer deeds, during a window notified by SEBI. Cases involving excluding disputes/ frauds are excluded.

For clarity with regard to the applicability of this proposal, matrix below may be referred to:

Execution Date of Transfer Deed	Lodged before 01-04-2019?	Original Share Certificate Available?	Allowed in the proposed window?
Before 01-04-2019	No (it is fresh lodgement)	Yes	Yes
Before 01-04-2019	Yes (it was rejected/ returned earlier)	Yes	Yes
Before 01-04-2019	Yes	No	No
Before 01-04-2019	No	No	No



III. RESERVE BANK OF INDIA

a) **COMPARATIVE CHART FOR RBI CONSOLIDATION OF DIRECTIONS APPLICABLE TO NBFCs**

S.No	Name of Regulations	Corresponding earlier applicable regulation
1.	Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025	Relevant chapters under the Scale Based Regulations including Chapter I, XII, XVI etc
2.	Reserve Bank of India (Non-Banking Financial Companies – Acquisition of Shareholding or Control) Directions, 2025	Provisions pertaining to acquisition/transfer of control of NBFC under the Scale Based Regulations and the Housing Finance Directions
3.	Reserve Bank of India (Non-Banking Financial Companies – Voluntary Amalgamation) Directions, 2025	Provisions pertaining to acquisition/transfer of control of NBFC under the Scale Based Regulations
4.	Reserve Bank of India (Non-Banking Financial Companies – Branch Authorisation) Directions, 2025	Relevant provisions under the Scale Based Regulations applicable for opening of branches as contained in Chapter V.
5.	Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) Directions, 2025	Relevant provisions under the Scale Based Regulations pertaining to investment in AIF, guidelines for entry into insurance business, distributions of mutual funds.
6.	Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025	Provisions as contained under Chapter XI of the Scale Based Regulations.
7.	Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025	Provisions pertaining to prudential norms under the Scale Based Regulations.



8.	Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025	Master Directions for Acceptance of deposits 2016.
9.	Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025	Provisions pertaining to digital lending, gold lending, project finance as contained in the Scale Based Regulations.
10.	Reserve Bank of India (Non-Banking Financial Companies – Credit Cards: Issuance and Conduct) Directions, 2025	Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022
11.	Reserve Bank of India (Non-Banking Financial Companies – Credit Information Reporting) Directions, 2025	Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025 issued on January 06, 2025
12.	Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025	Relevant provisions pertaining to credit risk management under the Scale Based Regulations such as loans and advances to directors, senior officials, relatives of directors etc.
13.	Reserve Bank of India (Non-Banking Financial Companies – Concentration Risk Management) Directions, 2025	Relevant provisions as contained in Chapter V of the Scale Based Regulations pertaining to Credit/investment concentration norms for NBFCs
14.	Reserve Bank of India (Non-Banking Financial Companies – Transfer and Distribution of Credit Risk) Directions, 2025	Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Updated as on December 28, 2023) - Reserve Bank of India (Co-Lending Arrangements) Directions, 2025 as issued on August 06, 2025.
15.	Reserve Bank of India (Non-Banking Financial Companies – Securitisation Transactions) Directions, 2025	Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 (Updated as on December 05, 2022)
16.	Reserve Bank of India (Non-Banking Financial Companies – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025	Relevant provisions pertaining to accounting for investment as contained under Chapter IV of the Scale Based Regulations.



17	Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025	Relevant provisions under the Scale Based Regulations pertaining to liquidity risk management.
18	Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025	Relevant provisions under the Scale Based Regulations under Chapter IV pertaining to income recognition, asset classification etc.
19	Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025	Relevant provisions under the Scale Based Regulations governing the resolution of Stressed Assets such as the framework for compromise and settlement and technical write offs.
20	Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025	Relevant provisions under the Scale Based Regulations pertaining to treatment of Wilful Default and Large Defaulters.
21	Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025	Relevant provisions under the Scale Based Regulations governing the presentation of financial statements such as the relevant disclosures as contained in Chapter IV para 27.
22	Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025	Relevant provisions under the Scale Based Regulations governing dividend declaration.
23	Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025	Master Direction - Know Your Customer (KYC) Direction, 2016 (Updated as on August 14, 2025)
24	Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025	Relevant provisions under the Scale Based Regulations governing the business conduct, fair practice etc.
25	Reserve Bank of India (Non-Banking Financial Companies – Managing Risks in Outsourcing) Directions, 2025	Relevant provisions under the Scale Based Regulations governing the outsourcing framework.
26	Reserve Bank of India (Non-Banking Financial Companies – Climate Finance and Management of Climate Change Risks) Directions, 2025	Relevant provisions under the Scale Based Regulations governing the green deposits.



b) NOTE ON DIGITAL PERSONAL DATA PROTECTION ACT FOR AYE FINANCE LIMITED

The Digital Personal Data Protection Act 2023 (DPDPA) is India's first comprehensive data protection legislation and will regulate the collection, use, and disclosure of personal data. Although, in the financial sector space- the entities being a repository of financial confidential information, the RBI has laid down various guidelines pertaining to regulating such data. However, the promulgation of the DPDPA and the subsequent rules issued thereof- will certainly add to the existing regulatory framework for financial sector entities.

Before delving into the key highlights of the legislation, it is imperative to understand certain key terms to understand the compliance framework.

- **Data:** It has been defined as a representation of information, facts, concepts, opinions, or instructions in a manner suitable for communication, interpretation or processing by human beings or by automated means;
- **Data Fiduciary:** It has been meant as a person who alone or in conjunction with other persons determine the purpose and means of processing of personal data.
- **Personal Data:** It has been meant to as data about an individual who is identifiable by or in relation to such data.
- **Processing:** in relation to personal data, means a wholly or partly automated operation or set of operations performed on digital personal data, and includes operations such as collection, recording, organisation, structuring, storage, adaptation, retrieval, use, alignment or combination, indexing, sharing, disclosure by transmission, dissemination or otherwise making available, restriction, erasure or destruction

NBFCs in most cases being classified as a data fiduciary shall take note of certain key highlights from a compliance point of view which would include:

- **Data Mapping:** Company shall be required to establish processes and review internal policies for identifying and further segregating the data based on sensitivity- such data may also be in possession of the Company's IT partners having access to such systems- thus it is imperative for the Company to first and foremost identify its data map.



- **Restructuring of Consent Management:** Although the existing KYC Guidelines, encompass a consent requirement, however the same is a generic consent- with the introduction of the DPDPA a specific and explicit consent requirement would arise which would eventually mandate the Company to render such consent not just from its borrowers, but also from its vendors, employees any other such stakeholder whose personal data is accessed by the Company.
- **Laying down outsourcing practices:** Being a middle layer entity, the Company would certainly have outsourced some of its functions not limited to IT and financial services- therefore acting in the capacity of Data Fiduciary- the Company shall be responsible for any data processing by any of its service providers- thereby mandating monitoring their Data Processors for (a) system resilience, (b) seeking of consent for new personal data from existing customers, and (c) erasure of data from Data Processor systems if Data Principals withdraw consent.
- **New Prior Notice Practice:** Although processing of borrower data pursuant to the RBI guidelines falls under the exception of 'processing of personal data for legitimate purpose'- however in the event the Company being a Data Fiduciary processes the data collated for any other purpose- it would be required to issue a specific notice that inter alia shall be clear in a plain language with an itemised description of personal data which would be processed by the Company. Moreover, the Notice shall also require the means by which the borrower can withdraw the consent and exercise any other statutory right.
- **Significant Data Fiduciary:** Similar to the RBI Scale Based Regulatory Framework, the DPDPA also distinguishes Data Fiduciary and Significant Data Fiduciary on the basis higher regulatory oversight- i.e., the Significant Data Fiduciary would be subject to higher level of regulatory oversight. The Central Government has been authorized to designate any organization as a Significant Data Fiduciary based on the volume and sensitivity of the data processed.
- **Website Compliance:** The DPDPA act requires the contact information of the Data Protection Officer on its website and any other such business communication made. Such obligation can be complied by the GRO or the Grievance Redressal Officer of the Company which inter alia be obligated to respond and answer the questions.

Conclusion

Although there has been prescribed a provision based enforcement timeline as prescribed in the [notification dated November 13, 2025](#) , however the Company being subject to large amount of data in its ordinary course of business- it would be imperative for it to align themselves with the additional practices and compliance requirements to ensure that they have systems in place within the timelines prescribed.



IV. COMPLIANCE CALENDER FOR THE MONTH OF JANUARY 2026

<u>S. No</u>	<u>Particulars of the Compliance</u>	<u>Due date of Compliance</u>
<u>Filing to be made with Stock Exchange</u>		
1.	Intimation of Closure of Trading Window	2 days prior to end of quarter
2.	Integrated Governance disclosure to Stock Exchange	On or before January 30, 2026
3.	Shareholding Pattern disclosure to Stock Exchange	On or before January 21, 2026
4.	Reconciliation of Share Capital Audit Report ("CR Audit Report")	On or before January 30, 2026
5.	Regulation 74(5) of SEBI (Depositories and Participants) Regulations 2018 to be disclosed to stock exchange	Within 15 days from receipt certificate from RTA
6.	Submission of Declaration pertaining to Non-applicability of Corporate Governance Provisions	Within the first month of the quarter.



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Filing with MCA		
7.	Filing of MGT-7/7A	On or before January 31, 2026
8.	Filing of AOC-4	On or before January 31, 2026