



**Sanjay Grover &
Associates**
Company Secretaries

S G A C O N N E C T

Monthly Legal Newsletter

ISSUE — APRIL 2026

April

Regulatory Updates • Adjudication Orders • Compliance Calendar

Sanjay Grover & Associates

Company Secretaries | Established 2001

About Us

Sanjay Grover & Associates

Sanjay Grover & Associates is a Firm of Company Secretaries, established in **2001**, whose constant endeavour 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.

OUR PRACTICE

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.

MEET OUR TEAM

For our complete team profile, visit cssanjaygrover.in/team

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DISCLAIMER

This Legal Newsletter for the month of April 2026 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.

Knowledge. Compliance. Excellence.

I. Ministry of Corporate Affairs

MCA Updates — April 2026

Amendment in Companies (Registration Offices and Fees) Rules, 2026

[Click here to view the amendment](#)

DATE OF APPLICABILITY

These rules shall come into force from the date of publication in the Official Gazette (i.e., 21st April, 2026).

Brief on Notification

- ▶ The Ministry of Corporate Affairs (MCA), vide notification dated 21st April, 2026, has amended the Companies (Registration Offices and Fees) Rules, 2014.
- ▶ The amendment substitutes Item VII of the Annexure relating to fees for filing Form DIR-3 KYC Web under Rule 12A of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Revised Fee Structure for DIR-3 KYC Web

Filing Scenario	Fee
Filed within prescribed timeline	Nil
Filed after due timeline / for DIN reactivation	Rs. 5,000
Filed for any change in particulars under sub-rule (2) of Rule 12A	Rs. 500 per filing

- ▶ This amendment aims to streamline compliance requirements for directors and prescribe a clear fee mechanism for delayed filings, DIN reactivation, and updation of KYC details.

FAQs on the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026)

[Click here to view the FAQs](#)

- ▶ The Ministry of Corporate Affairs (MCA) has issued a detailed set of Frequently Asked Questions (FAQs) on the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026) to provide greater clarity and practical guidance to stakeholders.
- ▶ The FAQs aim to address various queries relating to the Scheme, including its applicability, timelines, procedural aspects, and key benefits, thereby enabling companies to better understand and effectively avail the Scheme.

- ▶ This initiative reflects MCA's continued focus on enhancing ease of compliance and ensuring better regulatory clarity for corporates.
- ▶ The detailed FAQs can be accessed through the link provided above.

II. Securities and Exchange Board of India

SEBI Updates — April 2026

Relaxation from applicability of SEBI Master Circular for non-compliance with Minimum Public Shareholding (MPS) requirements

[Click here to access the notification](#)

DATE OF APPLICABILITY

This circular shall be applicable with immediate effect.

Background

- ▶ As per the **SEBI Master Circular (January 30, 2026)**, listed entities failing to meet MPS norms are subject to:
 - Monetary penalties
 - Freezing of promoter shareholding
 - Other enforcement actions
- ▶ Industry participants highlighted challenges in meeting MPS norms due to capital market volatility and geopolitical tensions in the Middle East.

Key Relaxation Provided

- ▶ SEBI has granted a **one-time relaxation** from penal provisions under the Master Circular for listed entities whose MPS compliance deadline falls between **April 1, 2026 and September 30, 2026**.
- ▶ Any penal actions taken by stock exchanges or depositories against such listed entities for MPS non-compliance from April 1, 2026 onwards shall be **withdrawn**.

IMPACT

The circular provides short-term regulatory flexibility and stability to listed entities, while maintaining the long-term objective of public shareholding compliance.

Ease of Doing Business — Mechanism for Lock-in of Pledged Shares under SEBI (ICDR) Regulations, 2018

[Click here to access the notification](#)

DATE OF APPLICABILITY

This circular shall be applicable with immediate effect.

Background

- ▶ SEBI, vide notification dated March 21, 2026, amended the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 to provide a mechanism for lock-in of pledged shares.
- ▶ The amendment enables securities, where lock-in cannot be created, to be marked as "**non-transferable**" by Depositories for the duration of the lock-in period.

Key Provision Introduced

- ▶ Depositories have prescribed an operational framework for implementation, including:
 - Incorporation of suitable provisions in the Articles of Association by issuers.
 - Intimation to lenders / pledgees regarding such lock-in.
 - Adequate disclosures in offer documents.
- ▶ Depositories have made necessary system and process changes to facilitate the mechanism.
- ▶ Stock Exchanges, Depositories, Merchant Bankers, and issuers are required to ensure compliance with the prescribed framework.

IMPACT

The circular streamlines the process for implementing lock-in on pledged shares and provides clarity on handling cases where direct lock-in is not feasible. It strengthens regulatory oversight while safeguarding investor interests and enhancing transparency in the securities market.

III. Reserve Bank of India

RBI Updates — April 2026

Amendment Directions on "Non-Banking Financial Companies — Branch Authorisation Directions"

DATE OF APPLICABILITY

This circular shall be applicable with immediate effect.

Background

The RBI has amended the Non-Banking Financial Companies — Branch Authorisation Directions, 2025 issued on November 28, 2025, through a notification dated April 15, 2026.

Key Changes

- ▶ **Scope of Applicability:** The previous directions applied broadly to all categories of NBFCs, with less specificity. The new amendments clearly specify which provisions apply to different types of NBFCs, such as NBFC-D, NBFC-ICC, and others.
- ▶ **Branch Opening Approval:** Previously, NBFCs required RBI approval to open branches, with conditions for specific categories (e.g., deposit-taking NBFCs). Now, NBFCs are generally allowed to open branches without prior approval from RBI, unless specifically restricted.
- ▶ **Branch Opening Criteria for Deposit-taking NBFCs:** New clear criteria based on Net Owned Funds (NOF) and credit rating are now specified:
 - If the NOF is **up to Rs. 50 crore** or a **credit rating below AA**, it is allowed to open branches **only within the state** where its registered office is located.
 - If the **NOF is more than Rs. 50 crore** and the credit rating is **AA or above**, the NBFC is now permitted to open branches **anywhere in India**.
 - For NBFCs with NOF greater than Rs. 50 crore and a **credit rating below AA**, branch opening is restricted **within the state** where the registered office is located.
- ▶ **Amendment in Paragraph 13:** The reference to CICs and HFCs has been removed, meaning they no longer have to face the same requirements for opening representative offices abroad.
- ▶ **Amendment in Paragraph 15:** Instead of advising CICs to wind up operations, the language has been changed to state that the approvals for the branch will be reviewed or recalled in case of non-compliance.

IMPACT

The amendment increases accountability for both banks and borrowers, strengthens enforcement of late submission fees, and streamlines the reporting and payment process for operational efficiency.

IV. Key ROC Adjudication Orders

Recent enforcement actions

Order 1 — ROC Bangalore: Non-Compliance with Section 188

Penalty for non-compliance with Section 188 of the Companies Act, 2013 ([Click here to access the order](#))

Date of Order	26 March, 2026
Authority	Registrar of Companies, Bangalore
Nature of Order	Adjudication of Penalty under Section 454 of the Companies Act, 2013
Violation	Clause (ii) of Sub-section 5 of Section 188 of the Companies Act, 2013

Facts of the Case

- ▶ M/s. Sana Lifestyles Limited ("the Company") carried out large related party transactions but, instead of taking fresh approvals for new transactions, relied on an old board resolution — in violation of Sections 188 and 184 of the Companies Act, 2013.
- ▶ Disclosures given in Form AOC-2 were incomplete and did not clearly state the salient terms of the contract; no omnibus approval was given by the Board for the ongoing related party transactions.
- ▶ As the value of the related party transactions was material, the Board of Directors was directed to submit a transfer pricing audit report along with necessary supporting proofs to demonstrate the transactions were at arm's length basis.
- ▶ The Company and the officers in default did not reply in the e-module for the hearing.

Findings

- ▶ The Adjudicating Authority found the Company to be in violation of Section 188 of the Companies Act, 2013.
- ▶ Required disclosures were incomplete, no omnibus approval was granted by the Board, and directors failed to properly update their interest declarations (MBP-1) — making the transactions non-compliant despite claims of being at arm's length.
- ▶ The transactions were material (exceeding 10% of turnover in multiple years), so updated approvals and proper documentation were mandatory.
- ▶ Since the company and its directors did not respond to notices or attend the hearing, the authority issued an ex-parte order imposing penalties as per the Companies (Adjudication of Penalties) Rules, 2014.

Penalty Imposed

Person Penalised	Designation	Amount
Mr. Shubha Sunil	Director (Officer in Default)	Rs. 5,00,000
Mr. Sunil Suresh	Director (Officer in Default)	Rs. 5,00,000
Mr. Aboothahir Khan Saleem	Director (Officer in Default)	Rs. 5,00,000

Directions Issued

- ▶ The Company and officers in default shall rectify the default and pay the penalty within 90 days of receipt of the order.
- ▶ Penalty shall be paid through the MCA e-Adjudication portal — the amount shall be paid by the directors from their personal source of income.
- ▶ Appeal may be filed before the Regional Director, Bangalore within 60 days from receipt of the order in Form ADJ, accompanied by a certified true copy of the order.

KEY TAKEAWAY

Boards must approve every related party transaction with proper disclosures to shareholders; for material transactions, shareholder approval is required under Section 188. Mandatory disclosures (AOC-2), omnibus approvals, and yearly interest declarations (MBP-1) must be followed in full. Where transactions exceed 10% of turnover, stricter governance and formal approvals are essential.

Order 2 — ROC Mumbai: Non-Compliance with Section 12(3)(a)

Penalty for non-compliance with Section 12(3)(a) of the Companies Act, 2013 ([Click here to access the order](#))

Date of Order	02 September, 2025
Authority	Registrar of Companies, Mumbai
Nature of Order	Adjudication of Penalty under Section 454 of the Companies Act, 2013
Violation	Section 12(8) for contravention of Section 12(3)(a) of the Companies Act, 2013

Facts of the Case

- ▶ M/s. Coelho Hotels and Estates Pvt. Ltd. ("the Company") was subjected to inquiry pursuant to directions issued by the Ministry of Corporate Affairs under Section 206(1) of the Companies Act, 2013.

- ▶ During inquiry, it was observed from E-form INC-22A that the name board affixed at the registered office of the Company was not displayed in the local language as required under Section 12(3)(a) of the Companies Act, 2013.
- ▶ Show Cause Notice dated 08.04.2025 was issued to the Company and its officers in default.
- ▶ No reply was received from the Company or the officers in default and no e-hearing was requested.

Findings

- ▶ The Adjudicating Authority found that the Company failed to comply with Section 12(3)(a) by not affixing its name board in local language at the registered office.
- ▶ Hence, the Company and every officer in default became liable for penalty under Section 12(8) of the Companies Act, 2013.
- ▶ Since the Company qualified as a Small Company under Section 2(85), benefit of reduced penalty under Section 446B was considered applicable.
- ▶ Accordingly, penalty was imposed after considering the facts and circumstances of the case.

Penalty Imposed

Person Penalised	Designation	Amount
Coelho Hotels and Estates Pvt. Ltd.	Company	Rs. 1,000
Christopher Mascarenhas	Officer in Default	Rs. 1,000
Esther Christopher Mascarenhas	Officer in Default	Rs. 1,000

Directions Issued

- ▶ The noticees shall rectify the default by affixing the name board of the Company at the registered office in local language.
- ▶ Penalty amount shall be paid within 90 days from receipt of the order through the MCA e-Adjudication portal.
- ▶ Penalty imposed on officers in default shall be paid from their personal sources / income.
- ▶ Appeal against the order may be filed before the Regional Director, Mumbai within 60 days in Form ADJ along with a certified copy of the order.

KEY TAKEAWAY

Every company must display its name board at the registered office in English and in the local language, as mandated under Section 12(3)(a). Even minor non-compliance relating to registered office disclosures can attract adjudication proceedings and monetary penalty. Small Companies may benefit from lesser penalties under Section 446B, but the compliance obligation itself remains mandatory.

V. Compliance Calendar

Key compliance dates for May 2026

Listed below are the key statutory compliance deadlines applicable for the month of May 2026. Companies are advised to plan their filings well in advance to avoid last-minute delays.

S.No.	Particulars of Compliance	Relevant Section / Regulation / Rule	Due Date
1	Integrated Filing — Financials to Stock Exchange	Regulation 23(9), 30, 33(3) of SEBI (LODR) Regulations, 2015 read with SEBI Circular dated December 31, 2024	30 May 2026
2	Filing of Secretarial Compliance Report to Stock Exchange	Regulation 24A of SEBI (LODR) Regulations, 2015	30 May 2026
3	Financial Results along with Auditor's Report	Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015	30 May 2026
4	Filing of PAS-6 to Registrar of Companies (for Unlisted Public & Private Companies)	Sub-rule (8) of Rule 9A, Companies (Prospectus and Allotment of Securities) Rules, 2014	30 May 2026

NOTE

Each of the above due dates falls within 60 days of the end of the quarter. Listed entities should plan internal review timelines, board approvals, and auditor sign-offs accordingly so that filings are submitted before 30 May 2026.

Thank you for reading SGA Connect

We welcome your feedback and queries.

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