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Your Trusted Partner in Compliance & Corporate Governance

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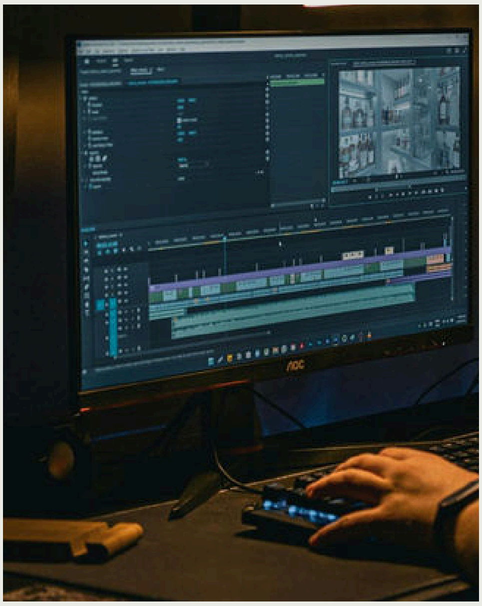

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EDITOR'S NOTE

CS SHIVAM RASTOGI
Managing Partner

In an era of intensifying oversight, the mandate for proactive governance and real-time compliance has evolved into a strategic imperative. Governance practitioners now serve as the critical interface between core organizational objectives and an increasingly complex web of multi-jurisdictional requirements.

As regulatory windows contract and legal risks escalate, the ability to synthesize verified regulatory intelligence is no longer elective; it is a fundamental prerequisite for discharging fiduciary duties. By integrating high-fidelity insights into the corporate framework, organizations can ensure long-term operational resilience while maintaining the highest standards of integrity against evolving global benchmarks.

Effective governance in a complex regulatory environment requires proactive engagement. This month's highlights are designed to equip you with the insights necessary to discharge your duties with certainty. Please review these updates to maintain statutory alignment and reinforce the integrity of our governance framework.

What's New This Month:

- Update on revised fee structure for DIR-3 KYC
- Relaxation in Minimum Public Shareholding Compliance Norms
- Extension of Compliance Deadline for Debenture Trustees
- New PAN Correction Form.

Discover this month's updates, thoughtfully curated to help you navigate ongoing change with confidence, strengthen your decision-making, and stay one step ahead in today's dynamic and increasingly complex business environment.

Ministry of Corporate Affairs

Revised Fee Structure for DIR-3 KYC Web

The Ministry of Corporate Affairs (MCA) has notified the Companies (Registration Offices and Fees) Amendment Rules, 2026. This update introduces a revised 3-tier fee structure for Form DIR-3 KYC Web

The New Fee Framework

Effective immediately, the following fees apply to every Director holding a DIN (Director Identification Number):

Filing Category	Condition	Revised Fee (INR)
Timely Filing	Filed within the prescribed timeline under Rule 12A.	**NIL**
Delayed Filing	Filed after the deadline or for Reactivation of DIN.	**Rs. 5,000**
Modification Filing	Re-filing the Web-KYC to update changes in details.	**Rs. 500 (per filing)**

Link: https://www.mca.gov.in/bin/dms/getdocument?mds=5wBuXrnw5F5hFYBugmtq1Q%253D%253D&type=openragraph text

Securities and Exchange Board of India

One time relaxation with respect to validity of SEBI Observations

Circular Ref.: HO/49/11/11(123)2026-CF-RAC-DIL2/I/8760/2026

Due to Middle East geopolitical tensions and market volatility, SEBI has announced a one-time relaxation for IPO/Rights Issue approvals.

The Key Change:

Eligibility: SEBI Observation Letters expiring between April 1, 2026 – Sept 30, 2026.

New Deadline: All such approvals are now extended until September 30, 2026.

Why it matters:

Issuers can now wait for a favorable market window without the fear of their approvals expiring. This prevents the need to re-file documents, saving both time and costs.

Note: Lead Managers must provide an undertaking confirming compliance with Schedule XVI of ICDR Regulations when submitting updated documents.

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

Relaxation in Minimum Public Shareholding Compliance Norms

Circular Ref.: HO/49/14/14(13)2026-CFD-POD2 /I/8772/2026

Recognized Stock Exchanges and Depositories have been advised to suspend penal actions against listed companies for non-compliance with MPS requirements during the specified period.

The Details:

Applicability: For entities whose MPS compliance deadline falls between April 1, 2026, and September 30, 2026.

Relief Measures: No levy of fines, freezing of promoter shareholding, or other consequential actions for non-compliance during this window.

Correction: Any penal actions already initiated for these cases since April 1, 2026, are to be withdrawn immediately.

LINK: 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

Ease of doing business -mechanism for lock-in of pledged shares

SEBI has introduced a new framework under the ICDR Regulations to simplify how "Pledged" shares are handled during the mandatory Lock-in period.

What is the Change?

Previously, recording a regulatory "Lock-in" on shares that were already "Pledged" (held as collateral for loans) was technically difficult for Depository systems.

The Solution:

Shares that are pledged but require a mandatory lock-in will now be marked as “Non-Transferable” by Depositories (NSDL/CDSL).

Action Points for Issuers

To implement this mechanism, companies must ensure:

AoA Updates: Incorporate necessary provisions in the company’s Articles of Association.

Lender Intimation: Formally notify the banks/lenders who hold the pledge.

Disclosures: Provide clear details about these "Non-Transferable" pledged shares in the IPO or Offer Documents.

LINK: 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

Review of requirement relating to registration for a Not for Profit Organization

Circular Ref.: HO/49/14/(10)2026-CFD-POD1 /I/9380/2026

SEBI has announced key relaxations to support Not-for-Profit Organizations (NPOs) and encourage social investing. These changes are designed to make fund-raising easier and more flexible for NGOs.

Extended Registration Validity

NGOs can now stay registered on the Social Stock Exchange for a longer period without the immediate pressure of raising funds.

Old Rule: 2 years.

New Rule: 3 years (2 years + 1-year extension subject to SSE approval).

Lower Minimum Subscription (ZCZP)

To prevent projects from failing due to slight under-subscription, SEBI has lowered the funding threshold for Zero Coupon Zero Principal (ZCZP) instruments.

The Change: The minimum subscription requirement has been slashed from 75% to 50%.

Condition: The Social Stock Exchange must verify that the project remains viable and "meaningful" even with only 50% of the proposed funds.

Transparency in Under-subscription

If an NGO doesn't get 100% funding (but hits the 50% or 75% mark), they must disclose in the fund-raising document:

- How they will arrange the remaining capital.
- The impact on their social goals if the balance isn't arranged.

Note: If they fail to hit even the 50% mark, all funds must be refunded to the donors.

LINK: 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.htmlraph text

Deadline Extended for Debenture Trustees

Circular Ref.: HO/(201)2026-DDHS-POD1 I/10421/2026

SEBI has granted an additional six-month extension to Debenture Trustees (DTs) to streamline their business operations and comply with new structural requirements.

The Core Requirement

Under the amended Regulation 9C, Debenture Trustees are required to segregate their activities:

- **Permitted Activities:** Core functions regulated by SEBI.
- **Non-Regulated Activities:** Any business outside SEBI's purview must be transferred to a separate business unit.

The New Timeline

- **Original Deadline:** April 2026.
- **Revised Deadline:** October 27, 2026.

Link: 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

Reserve Bank of India

Risk Management and Inter-Bank Dealings

RBI/2026-27/04 **April 01, 2026**

A.P. (DIR Series) Circular No. 03

To prevent speculative trading and ensure market stability, RBI has restricted the types of contracts Authorised Dealers (Banks) can offer:

Non-Deliverable Contracts (NDCs): Authorised Dealer shall not offer any non-deliverable derivative contracts involving INR.

Deliverable Contracts: Only contracts that lead to the actual delivery of foreign exchange are permitted for hedging requirements.

Offsetting Positions: Users are prohibited from holding non-deliverable positions that offset their deliverable foreign exchange contracts.

New Operational Rules

No Re-booking: If a foreign exchange derivative contract involving INR is cancelled, users are strictly prohibited from re-booking it.

Related Party Bar: Banks/Dealers are not allowed to undertake any INR derivative contracts with their 'Related Parties' (as defined under Ind AS 24 or equivalent standards).

Link: https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13363&Mode=0

Limits for investment in debt and sale of Credit Default Swaps by Foreign Portfolio Investors (FPIs)

RBI/2026-27/07
A.P. (DIR Series) Circular No. 05

April 06, 2026

RBI has finalized the investment limits for Foreign Portfolio Investors (FPIs) for the current financial year. The percentage of outstanding stocks remains unchanged:

Government Securities: 6% **Corporate Bonds:** 15%
State Government Securities: 2%

While percentages are the same, the absolute limits (in ₹ Crore) have been revised upwards for the two half-yearly periods:

Total Debt Limit (Apr-Sept 2026): ₹15,51,646 Crore.
Total Debt Limit (Oct-Mar 2027): ₹16,32,640 Crore.
Incremental G-Sec Limit: Allocation between 'General' and 'Long-term' sub-categories is retained at a 50:50 ratio.

Credit Default Swaps (CDS)

Limit: 5% of the outstanding stock of corporate bonds.
FY 2026-27 Cap: ₹3,30,464 Crore allocated for CDS sold by FPIs.

Link: https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13366&Mode=0

GST UPDATE

Solving the "NIL Demand" Appeal Block

GSTN has issued a crucial clarification for taxpayers who are unable to file appeals due to technical restrictions on the GST Portal.

The Problem: The "NIL" Demand Trap

Taxpayers often make payments during the Show Cause Notice (SCN) stage without admitting liability. However, if the Adjudicating Authority issues an order reflecting a "NIL" demand (assuming the liability is already discharged), the GST portal blocks the taxpayer from filing an appeal (Form APL-01).

- **The System Error:** "Disputed amount cannot be more than demand amount itself."

The Clarification

Right to Contest: GSTN clarifies that payment made during the SCN stage (without admission of liability) does not take away your right to file an appeal under Section 107

Portal Limitation: The system currently blocks appeals if the electronic Liability Ledger (DCR) shows zero outstanding demand.

The Mandatory Solution (Rectification)

If you are facing this "NIL" demand error, you cannot file an appeal directly. You must follow these steps:

Apply for Rectification: Approach the Adjudicating Authority via the GST portal to issue a Rectification Order.

Correct the Demand: The rectification order must reflect the actual demand amount (not NIL).

File Appeal: Once the portal updates the Demand ID with the correct value, you can proceed to file your appeal within the prescribed timelines.

New IMS Offline Tool for Simplified Invoice Matching

The GSTN has launched the IMS Offline Tool to enhance taxpayer convenience and streamline the process of managing inward supplies.

What is the Change?

Previously, actions like Accepting, Rejecting, or Pending invoices had to be done directly on the GST portal. To handle high volumes of data more efficiently, the GST system now provides an Excel-based offline utility

The Solution:

Taxpayers can now download their pending invoices into the offline tool, take necessary actions (Accept/Reject/Pending) in bulk within MS Excel, and upload the generated file back to the portal to update the records.

LINK: https://services.gst.gov.in/services/advisoryandreleases/read/658

Pre-deposit Percentage in the GST Portal

The GSTN has introduced a significant functional update on the GST portal to resolve long-standing issues faced by taxpayers during the appeal process.

What is the Change?

Previously, while filing an appeal in Form APL-01, the pre-deposit field was auto-populated at 10% (as per Section 107(6) of the CGST Act) and was non-editable. Effective from April 6th, 2026, this field has been made Editable.

The Solution:

This change allows taxpayers to manually modify the pre-deposit percentage and amount to reflect the actual liability or adjustments applicable to their specific case before submitting the appeal.

LINK: https://services.gst.gov.in/services/advisoryandreleases/read/656

INCOME TAX UPDATE

New Forms for PAN Corrections

The Director General of Income-tax (Systems) has notified a significant change in the procedure for updating or correcting PAN data. This is part of the new Income-tax Rules, 2026, aimed at improving data accuracy and processing speed.

Previously, there was usually a single common application for "Changes or Correction in PAN Data." Now, the department has bifurcated the process into two specific forms:

Form PAN CR-01: Exclusively for Individuals (Personal PAN updates).

Form PAN CR-02: Exclusively for Non-Individuals (Companies, Firms, Trusts, LLPs, etc.)

Submission Mode: Available via both Online (Service provider websites) and Physical (Authorized PAN centers) modes.

Guidelines: Strictly follow the field-specific instructions in Annexure-1 to avoid application rejection.

LINK: https://www.incometaxindia.gov.in/documents/d/guest/order-for-specifying-procedure-for-pan-correction-pdf

GST DUE DATES

S. No.	Due Dates	Form Name	Compliance Particulars
1	10.05.2026	GSTR-7	GSTR-7 Return Filing for Tax Deductors for the period of March 2026
2.	11.05.2026	GSTR-1	Registered Person, With aggregate turnover or less then INR 5 crores
3.	13.05.2026	GSTR 5	Furnishing of Return for Non-resident taxable person for the month of March 2026
4.	13.05.2026	GSTR 6	(New) Statment for Composition Dealers for the Jan-Mar 2026 quarter
5.	18.04.2026	CMP-08	Quarterly statment cum challan for payment of self-assessed tax by composition taxpayers
6.	20.05.2026	GSTR-3B	Taxpayers with an annual turnover of up to or more than Rs. 5 crores.
7.	20.05.2026	GSTR-5A	Return for Online Information and database access or retrieval services by non-resident taxable person.
8.	20.05.2026	GSTR-3B	Quarterly Return (QRMP) for category 1 state (South/West India)

SEBI LODR DUE DATES

S. No.	Due Dates	Form Name	Compliance Particulars
1	15.05.2026	Reg. 32(6)	Monitoring Agency Report (For issues > ₹100 Cr, within 45 days of quarter end).
2.	30.05.2026	Reg. 32(1)	Statement of Deviation(s) or Variation(s) (Utilization of proceeds for Q4)
3.	30.05.2026	Reg. 33(3)(d)	Audited Financial Results (Standalone & Consolidated for the FY ended March).
4.	30.05.2026	Reg. 24A	Annual Secretarial Compliance Report (Issued by a Practicing CS).
5.	30.05.2026	-	Annual Disclosure - Large Entities (Final disclosure regarding incremental borrowings)
6.	31.05.2026	Reg. 43A	Dividend Distribution Policy (For top 1000 listed entities, update on website)

OTHER DUE DATES

S. No.	Due Dates	Form Name	Compliance Particulars
1.	15.05.2026	ESI Return	Payment and filing of ESIC Return for the month of March 2026
2.	15.05.2026	EPF Return	Payment and filing of PF Return for the month of March 2026

MCA DUE DATES

S. No.	Due Dates	Form Name	Compliance Particulars
1.	30.05.2026	Form PAS-6	Reconciliation of share capital (for demat-enabled companies)
2.	30.06.2026	DPT-3	Return of Deposits
3.	30.06.2026	DIR-3 KYC	Director KYC verification
4.	30.05.2026	LLP- FORM 11	Annual Return
5.	30.10.2026	LLP- FORM 08	Statment of Account & Solvency
6.	30.10.2026	AOC-4	Filing of Audited Financial Statements (within 30 days of the AGM).
7.	29.11.2026	MGT-7/7A	Filing of Annual Return (within 60 days of the AGM).

INCOME TAX DUE DATES

S. No.	Due Dates	Form Name	Compliance Particulars
1.	07.05.2026	-	Due date for deposit of Tax deducted/collected (TDS/TCS) for the month of April, 2026.
2.	07.05.2026	-	Declaration under Section 394(2) by a buyer for obtaining goods without tax collection for April, 2026.
3.	15.05.2026	TDS Certificate	Issue of TDS Certificates for tax deducted under sections 194-IA, 194-IB, and 194M for March, 2026.
4.	15.05.2026	Compliance Statement	Statement by recognized associations regarding modified client codes for April, 2026.
5.	30.05.2026	TCS Certificate	Issue of TCS certificates for the 4th Quarter of the Financial Year 2025-26.
6.	30.05.2026	Section 285B	Furnishing of statement required under Section 285B for the previous year 2025-26.
7.	30.05.2026	Challan-cum-Statement	Challan-cum-statement of TDS under section 393(1) for April, 2026 (Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)).