Purple Insights on corporate secretarial laws

Edition: August 2026

Key highlights – August 2026

The August 2026 edition of the Purple Insights highlights key regulatory developments across corporate affairs, securities laws, and compliance frameworks. This edition captures significant regulatory updates introduced by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI)

CCFS-2026 extended

The Companies Compliance Facilitation Scheme, 2026 (CCFS-2026), which was earlier extended till 31 August 2026, has now been further extended till 15 September 2026, providing the companies with an additional window to regularise defaults and reinforce good corporate governance.

FAQs on registration of foreign companies and Indian subsidiaries

The MCA has issued FAQs clarifying the regulatory framework relating to the registration and compliance requirements of foreign companies having a place of business in India, as well as the Indian subsidiaries of foreign body corporates. This covers MCA filings, RBI/FEMA approvals, name reservation, document authentication requirements (notarisation, apostille, and consularisation), and ongoing compliances.

SEBI simplifies FPI onboarding

SEBI has permitted the acceptance of digitally signed Powers of Attorney from foreign portfolio investors (FPIs), eliminating notarisation, apostillisation and consularisation requirements, thereby reducing onboarding timelines and enhancing the ease of doing business.

Cyber incident reporting portal aligned with global standards

SEBI has aligned its cyber incident reporting portal with Format for Incident Reporting Exchange (FIRE) framework, in order to protect the interests of investors in securities and to promote the development of and to regulate the securities market.

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Company law updates

A. FAQs on registration of foreign companies/subsidiary of foreign body corporate

Issued by: MCA

Date of publishing: 24 August 2026

Key highlights

The MCA has issued a comprehensive set of frequently asked questions (FAQs) regarding the registration and compliance requirements for foreign companies with a place of business in India, as well as the Indian subsidiaries of foreign body corporates. The FAQs provide practical guidance and clarity of the regulatory framework governing foreign entities operating in India under the Companies Act, 2013 ('Act'), and the regulatory framework under the Foreign Exchange Management Act, 1999 (FEMA), administered by the Reserve Bank of India (RBI). The key highlights of the FAQs are outlined below:

i. **Filing-related compliances:** The FAQs provide detailed guidance on filing requirements applicable to foreign companies, including registration, re-registration, reporting of changes, and annual compliances. It clarifies several procedural aspects that were not expressly addressed under the Act. Specifically, the MCA has clarified that foreign companies meeting the prescribed thresholds under Section 135 of the Companies Act, 2013, are also required to comply with CSR reporting requirements, including the filing of Form CSR-2.

ii. **Alignment of permissible activities with RBI regulations:** The FAQs align the activities permitted for LO, BO and PO in India with the RBI Master Direction governing their establishment and clarify the validity periods applicable to such entities.

iii. **Name reservation:** The FAQs provide clarity on the applicability of Rules 8 and 8A of the Companies (Incorporation) Rules, 2014 (i.e., rules for name reservation), to Indian subsidiaries of foreign body Page 1 of 2 corporates. They further address the issues concerning company name availability, trademark ownership, and parent company authorisation requirements.

iv. **Required documents and general clarifications:** The FAQs set out detailed documentation requirements for the registration of foreign companies in India, including guidance on notarisation, apostille, and consularisation formalities. They further clarify translation requirements for documents originally executed in languages other than English.

Grant Thornton Bharat insights:
The FAQs issued by the MCA are a welcome development for foreign investors and multinational groups looking to establish or expand their presence in India. By providing greater clarity on regulatory, procedural, and compliance-related aspects and aligning the Act's requirements with the FEMA framework, the FAQs are expected to reduce ambiguity, facilitate smoother regulatory compliance, and enhance the overall ease of doing business in India.

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B. Extension of Companies Compliance Facilitation Scheme 2026

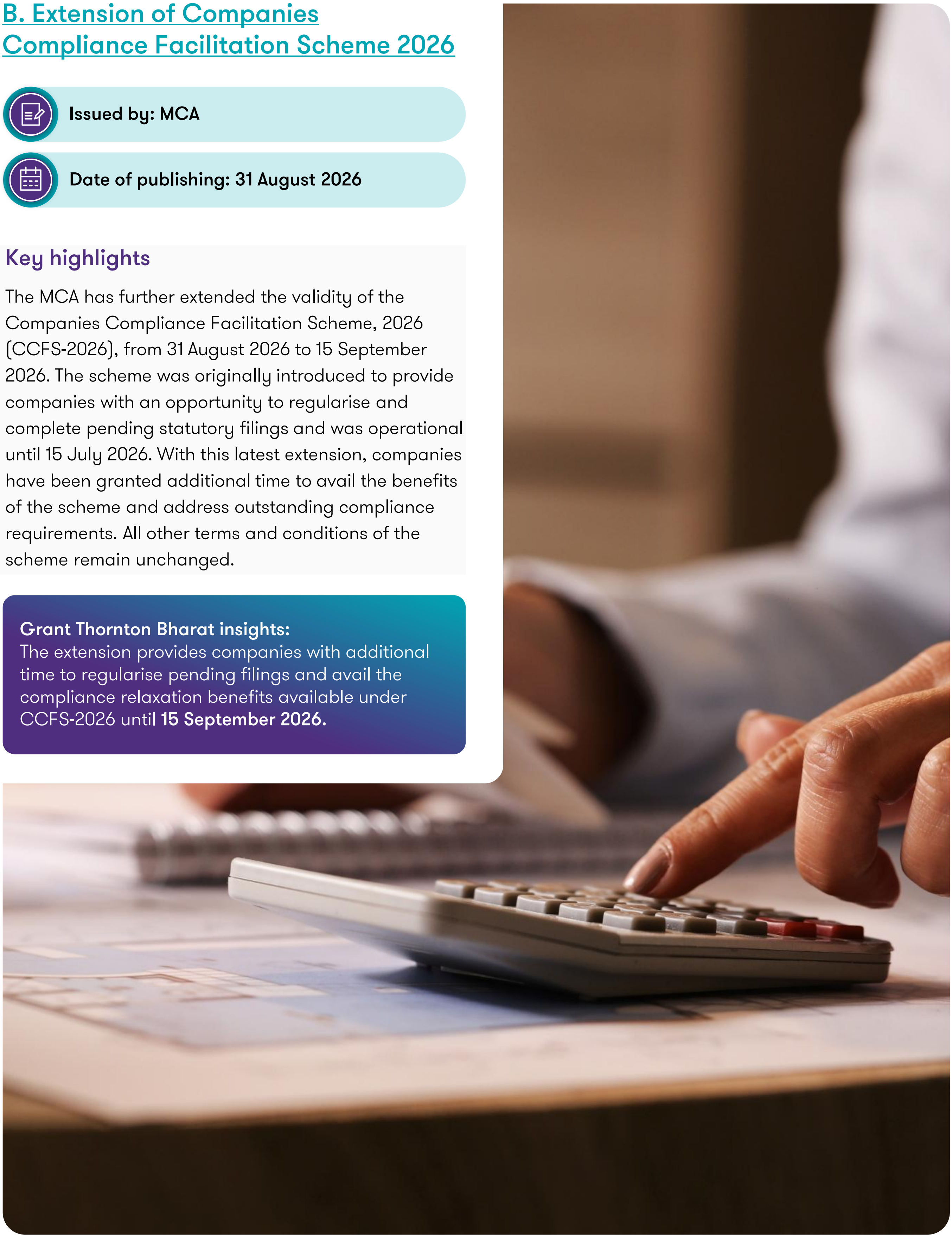
Issued by: MCA

Date of publishing: 31 August 2026

Key highlights

The MCA has further extended the validity of the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026), from 31 August 2026 to 15 September 2026. The scheme was originally introduced to provide companies with an opportunity to regularise and complete pending statutory filings and was operational until 15 July 2026. With this latest extension, companies have been granted additional time to avail the benefits of the scheme and address outstanding compliance requirements. All other terms and conditions of the scheme remain unchanged.

Grant Thornton Bharat insights:
The extension provides companies with additional time to regularise pending filings and avail the compliance relaxation benefits available under CCFS-2026 until **15 September 2026.**



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Securities law updates

A. SEBI eases regulatory framework for Online Bond Platform Providers (OBPPs)

Issued by: SEBI

Date of publishing: 14 August 2026

Key highlights

SEBI has introduced amendments to the regulatory framework governing Online Bond Platform Providers (OBPPs) to expand product offerings available through such platforms. The changes permit OBPPs to offer products and services regulated by the International Financial Services Centres Authority (IFSCA), as well as tax-saving bonds issued under Section 54EC of the Income-tax Act, subject to specified disclosures and safeguards. The circular also aligns the requirements for compliance officers for OBPPs with the framework applicable to stockbrokers under the SEBI (Stockbrokers) Regulations, 2026.

Grant Thornton Bharat insights:
The amendment broadens the scope of products that may be offered through OBPPs while reinforcing investor protection through enhanced disclosure and compliance requirements.

B. SEBI proposes relaxation in KYC norms for persons resident outside India

Issued by: SEBI

Date of publishing: 14 August 2026

Key highlights

With the objective of facilitating seamless digital onboarding and improving access to the Indian securities market, SEBI has released a consultation paper proposing significant relaxations to know your client (KYC) requirements for individuals resident outside India (PROIs), i.e., non-resident Indians, overseas citizens of India, and foreign nationals. The key proposals under the consultation paper are outlined below:

- Digital KYC without physical presence: PROIs from FATF-compliant jurisdictions may complete KYC digitally without the need for physical presence in India.
- Enhanced KYC portability and reliance framework: Intermediaries may rely on the KYC conducted by other regulated financial sector entities, and the KYC records may become portable across securities market intermediaries.
- Simplified documentation and verification: The proposal expands the list of authorised document certifiers and prescribes safeguards for Video In-Person Verification (VIPV), including cyber security and fraud prevention measures.

Grant Thornton Bharat insights:
The proposed changes are expected to significantly simplify the onboarding process for overseas investors by reducing the duplication of KYC procedures, promoting digital verification mechanisms and enhancing operational efficiency across market intermediaries.

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C. Acceptance of digitally signed Power of Attorney from FPIs

Issued by: SEBI

Date of publishing: 20 August 2026

Key highlights

As part of its ongoing efforts to enhance ease of doing business and further digitalise the onboarding process for foreign portfolio investors (FPIs), SEBI has permitted the acceptance of digitally signed Powers of Attorney (POAs) from FPIs in accordance with the provisions of the Information Technology Act, 2000.

With effect from 20 August 2026, FPIs may submit digitally signed POAs to custodians specifying the address, without the requirement of notarisation, apostillisation, or consularisation. The amendment aligns with SEBI's broader initiatives to streamline registration processes, reduce documentation requirements, and facilitate faster onboarding of foreign investors in the Indian securities market.

Grant Thornton Bharat insights:
The amendment is a welcome step towards further digitalisation of India's capital markets ecosystem and enhancing the ease of doing business for foreign investors. By permitting FPIs to submit digitally signed POAs without the need for notarisation, apostillisation, or consularisation, SEBI has significantly simplified cross-border documentation requirements, reduced onboarding timelines and compliance costs, and enabled a faster and more efficient registration process.

D. Alignment of cyber incident reporting portal with FIRE framework

Issued by: SEBI

Date of publishing: 24 August 2026

Key highlights

To streamline and standardise cyber incident reporting across the securities market ecosystem, SEBI has aligned its cyber incident reporting portal with the Format for Incident Reporting Exchange (FIRE) framework developed by the Financial Stability Board (FSB).

The FIRE framework introduces a structured reporting mechanism through common data fields, standardised definitions, and consistent classification of incident attributes, enabling greater harmonisation and comparability of cyber incident data.

The key changes introduced through the circular are summarised below:

- Regulated entities (REs) will now be required to submit cyber incident reports through SEBI's cyber incident reporting portal.
- REs are required to take necessary measures to implement the revised reporting mechanism, including amendments to internal processes, systems, rules, bye-laws, and regulations, wherever applicable.

Grant Thornton Bharat insights:
SEBI's alignment of its cyber incident reporting portal with the FSB's FIRE framework is a significant step towards strengthening cyber resilience in India's securities market. The introduction of a standardised and globally aligned reporting framework is expected to improve the quality, consistency, and timeliness of cyber incident reporting.

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Important orders

Final order in the matter of Debock Industries Limited

Key issue

Whether Debock Industries Limited, its Managing Director and certain connected persons had engaged in a fraudulent scheme involving fictitious sales and purchases, circuitous transactions, inflation of financial statements, fraudulent preferential allotments, bonus issues, rights issue transactions, diversion of rights issue proceeds, and unlawful offloading of shares to public investors, thereby misleading investors and violating securities market laws.

Takeaways

SEBI concluded that Debock Industries, along with its Managing Director and certain connected persons, orchestrated a fraudulent scheme by artificially inflating the company's financial performance through fictitious transactions and circular fund movements. The regulator further found diversion of a substantial portion of rights issue proceeds and unlawful gains arising from the sale of shares obtained through fraudulent issuances.

Consequently, SEBI imposed market access restrictions, directed the disgorgement of unlawful gains, ordered the restoration of diverted funds, and levied monetary penalties. The order reiterates that the manipulation of financial statements, misuse of capital-raising mechanisms, and diversion of investor funds constitute serious violations of securities laws and will attract stringent regulatory action to safeguard market integrity and investor interests.

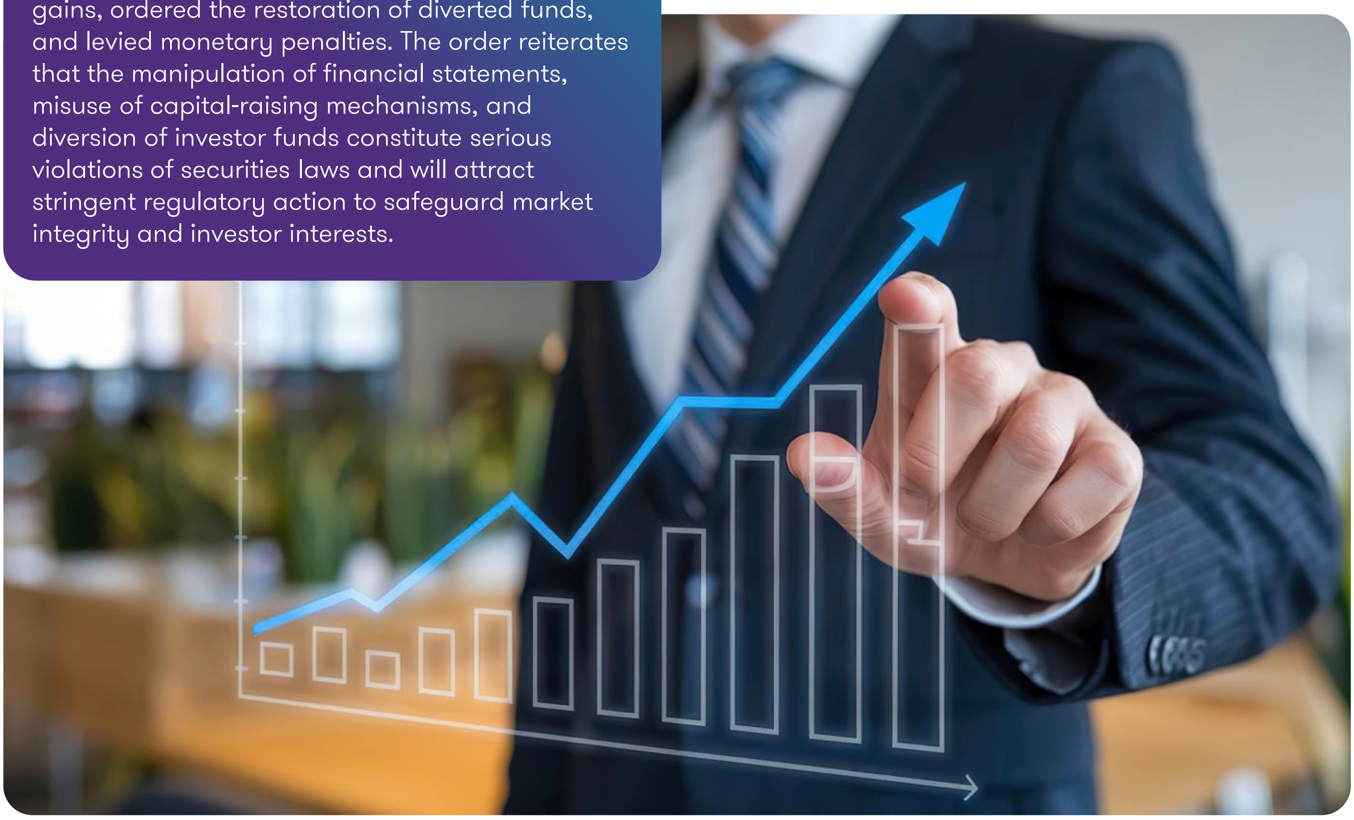
ROC imposes a penalty on Space Link Consultancy Private Limited ("Company") and its directors for non-filing of financial statements

Key issue

The company failed to file its financial statements for FY 2021-22 within the prescribed timeline under the Companies Act, 2013. While the directors attributed the default to management disputes, non-approval of financial statements, non-holding of AGMs, and ongoing NCLT proceedings, the adjudicating officer held that such internal disputes do not exempt the company or its officers from statutory compliance obligations. As the financial statements remained unfiled even on the date of adjudication, the default was treated as a continuing contravention.

Takeaways

This order reiterates that statutory filing obligations are mandatory and cannot be deferred due to internal management disputes, shareholder disagreements, governance deadlocks, or pending legal proceedings. Companies are expected to ensure compliance with filing requirements irrespective of challenges in management or decision-making processes.



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