Purple Insights on corporate secretarial laws

Edition: July 2026

Key highlights – July 2026

The July 2026 edition highlights important developments in the corporate affairs, securities law and regulatory compliances. This edition captures key updates, new initiatives and enforcement trends aimed at strengthening transparency, accountability and investor protection.

CFSS-2026 extended

The Companies Compliance Facilitation Scheme, 2026 (CCFS-2026), extended till 31 August 2026, providing an additional opportunity to regularise compliance defaults, complete pending filings and strengthen governance.

SEBI settlement helpdesk Introduced

SEBI has introduced a dedicated settlement helpdesk to offer guidance and streamline interactions for entities seeking the settlement of regulatory proceedings.

Strengthening compliance and investor protection

SEBI introduced amendments to the buy-back regulations and also operationalised the framework for freezing the holdings of promoters and the promoter group. SEBI further simplified and standardised the procedures relating to the transmission of securities under the LODR Regulations.

Enforcement and awareness in focus

SEBI continued its focus on investor protection and regulatory enforcement during July 2026. The regulator issued an advisory cautioning entities against the emerging “Boss Scam” fraud, while recent adjudication orders of the ROC and SEBI provided valuable insights into key compliance expectations, regulatory trends, and common governance lapses.

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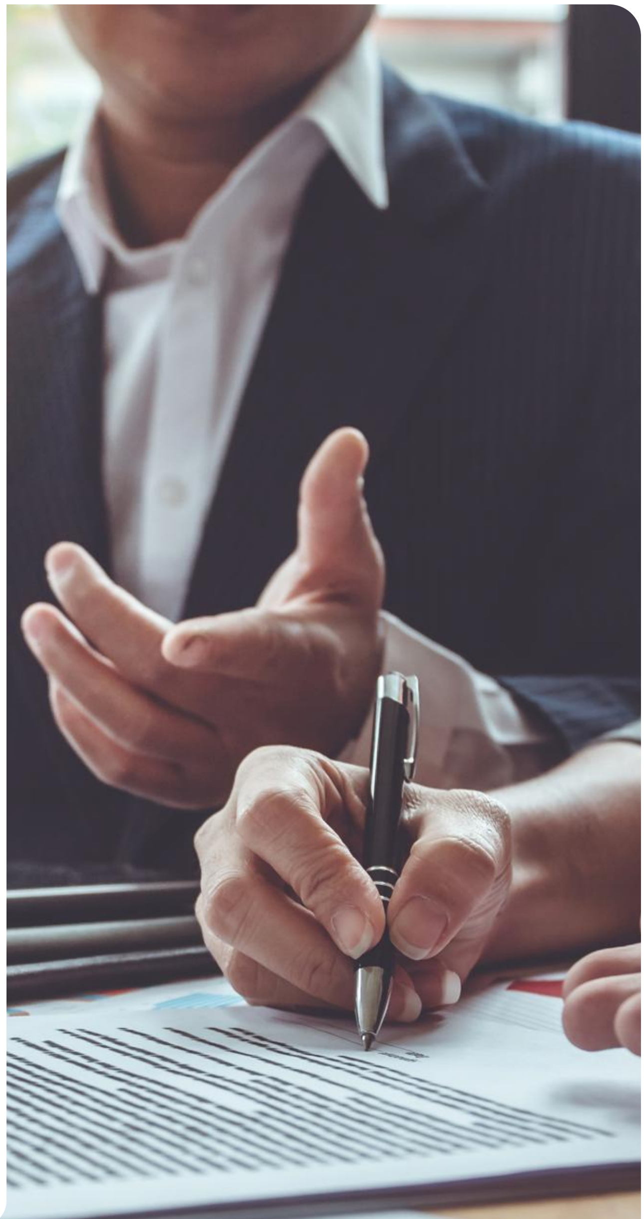
Company law updates

A. Extension of Companies Compliance Facilitation Scheme 2026 (CCFS-2026) up to 31 August 2026

Issued by: Ministry of Corporate Affairs

Date of publishing: 8 July 2026



Key highlights

The Ministry of Corporate Affairs (MCA) introduced the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026), to provide companies with an opportunity to complete pending statutory filings.

The Scheme was valid **up to 15 July 2026.** However, in view of the capacity enhancement/restoration activities being undertaken at the data centre following a fire incident on 5 June 2026, the MCA has extended the validity of the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026) until **31 August 2026.**

Grant Thornton Bharat insights:
More time, greater compliance flexibility. Companies can now complete pending statutory filings under CCFS-2026 up to 31 August 2026 and leverage the benefits offered under the scheme.

Securities law updates

A. SEBI introduces settlement helpdesk facility

Issued by: SEBI

Date of publishing: 1 July 2026

Key highlights

SEBI has set up a **settlement helpdesk facility** to facilitate applicants or prospective applicants in understanding or complying with the procedural requirements for filing settlement applications and aspects related thereto.

This will address queries related to the settlement process and will guide applicants on the procedural steps involved. Furthermore, this facility is intended to help applicants file settlement applications, compute the indicative amount as per the SEBI (Settlement Proceedings) Regulations, 2018, and inquire about the status of pending settlement applications.

A "User Manual for Settlement Helpdesk Facility" has been issued by SEBI, which is available on the SEBI website at:

USER MANUAL FOR SETTLEMENT HELPDESK FACILITY

Furthermore, any person can seek dedicated guidance by contacting SEBI's settlement helpdesk at email ID: settle-help@sebi.gov.in.

Grant Thornton Bharat insights: SEBI's new settlement helpdesk marks a positive step towards greater procedural clarity, offering applicants dedicated support throughout the settlement application process.

B. SEBI (Buy-Back of Securities) (Amendment) Regulations, 2026

Issued by: SEBI

Date of publishing in the gazette: 6 July 2026

Key highlights

- Open market buy-backs through the stock exchange route have been reintroduced **with effect from 1 August 2026.**
- The **buy-back size** through the stock exchange route **must be less than 15%** of the paid-up capital and free reserves, calculated on the lower of the standalone or consolidated financial statements.
- A **company cannot** undertake a **fresh buy-back until the expiry of the period prescribed** under the Companies Act, 2013, from the closure of the previous buy-back.
- A **buy-back cannot be undertaken** if it would result in non-compliance with the **minimum public shareholding** requirements.
- **Promoter and promoter group shareholding shall remain frozen during the buy-back period,** subject to specified exceptions.
- Intimation of an open market buy-back is required to be sent electronically to shareholders **within one working day** of the public announcement.
- Public announcement of the buy-back must be made **within two working days** from the date of approval of the buy-back.
- **Appointment of a merchant banker has been made optional,** with specified compliance responsibilities being assigned to the company and other designated professionals where no merchant banker is appointed.

Grant Thornton Bharat insights:
As buy-back processes become increasingly structured, proactive planning will be key. Timely alignment on certification, verification, and ISIN-level freezing requirements can help companies, promoters, and shareholders navigate regulatory expectations effectively and support seamless transaction execution.

C. Operationalisation of freezing of holdings of promoter and promoter group

Issued by: SEBI

Date of publishing: 21 July 2026

Key highlights

SEBI has operationalised the amendment to the SEBI (Buy-back of Securities) Regulations, 2018, which requires the holdings of the promoter and the promoter group, including their associates, to be frozen at the ISIN level during the buy-back process.

This freezing will apply from the date of the Board of Directors' or shareholders' (as applicable) approval of the buy-back and will continue until the buy-back offer closes.

Exceptions to the freeze (Permissible transactions)

Despite the freeze, the following transactions will be permitted:

- Tendering of shares in a buy-back conducted through the tender offer route.
- Invocation of encumbrances (such as pledges) that were created before the commencement of the buy-back period.

Timeline

The depositories shall ensure that the operational framework and the necessary system enhancements are put in place before 1 August 2026.

Grant Thornton Bharat insights:
The circular marks a significant enhancement to the buy-back framework by strengthening safeguards around promoter holdings during the buy-back period. The measures are designed to support the integrity of the process while allowing flexibility for permitted activities, such as share-tendering and invocation of pre-existing pledges.

D. SEBI (LODR) (Second Amendment) Regulations, 2026

Issued by: SEBI

Date of publishing in the gazette: 14 July 2026

Key highlights

SEBI has amended the SEBI (LODR) Regulations, 2015, to streamline the regulatory framework governing the transfer and transmission of securities by removing detailed procedural requirements from the regulations and empowering SEBI to prescribe such requirements through circulars and directions issued from time to time.

Regulation 40(7) has been substituted to require the listed entities to comply with all transfer and transmission procedures specified by SEBI from time to time.

Regulation 61(4) has been amended to replace references to specific procedural requirements under Schedule VII with procedures prescribed by SEBI from time to time.

Clause C of Schedule VII, which contained transmission-related procedural requirements, **has been omitted.**

These amendments came into force on 14 July 2026, the date of publication in the Official Gazette.

Grant Thornton Bharat insights:
SEBI has shifted the procedural requirements for transfer and transmission of securities from the SEBI (LODR) Regulations to circulars and directions issued from time to time. This gives SEBI greater flexibility to update and simplify the process quickly, enabling faster implementation of investor-friendly reforms without frequent regulatory amendments in the regulations.

E. Simplification and standardisation of the framework for transmission of securities

Issued by: SEBI

Date of publishing: 23 July 2026

Key highlights

SEBI has operationalised the amended provisions of the SEBI (LODR) (Second Amendment) Regulations, 2026, by introducing a harmonised, standardised, and risk-based framework for the transmission of securities, aimed at making the transmission process more efficient and investor-friendly.

A new category, Quick Transmission Processing (QTP), has been introduced for low-value transmission claims, enabling faster processing with simplified documentation requirements.

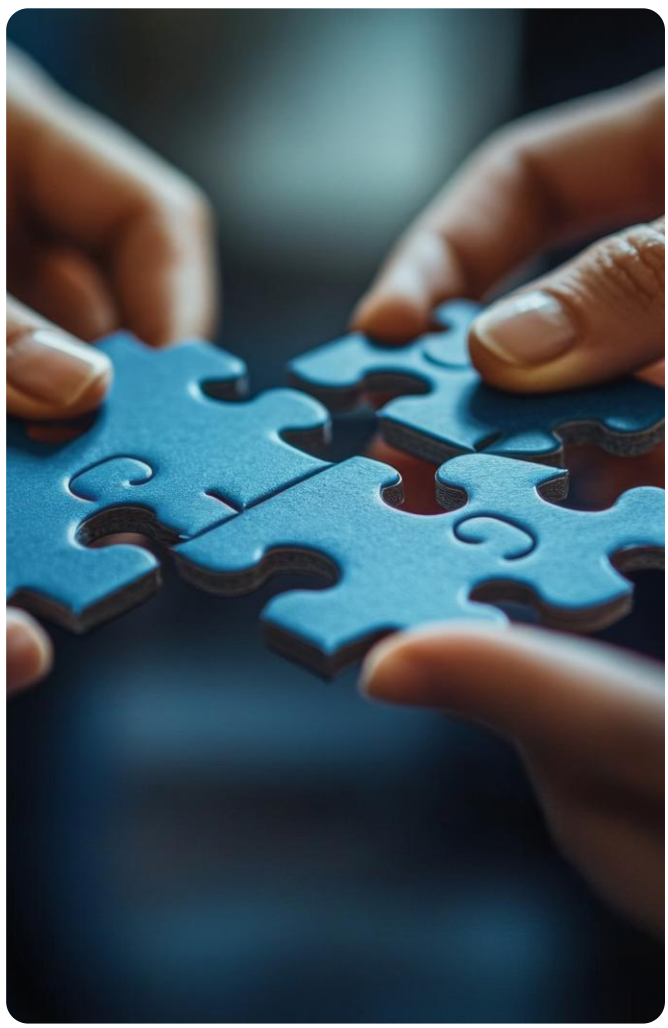
Major simplifications introduced

- **Probate of will is no longer mandatory,** aligning the framework with recent succession law reforms.
- **A single affidavit-cum-NOC** replaces the separate affidavit and NOC requirements, reducing documentation.
- **QR-code-enabled death certificates** are now accepted for verification.
- **Expanded verification options for foreign death certificates,** including certification through overseas branches of Indian banks and select foreign banks.
- **Standardised forms, documentation and procedures** have been prescribed common forms, document templates and processing requirements across all market participants.
- **Online submission and claim-tracking facilities** may be offered to enhance investor convenience and transparency
- **Transmission requests to be processed within 21 calendar days** of the receipt of complete documentation.
- **Only a death certificate is generally required for surviving joint holders,** with no additional KYC, indemnities or undertakings.
- **Physical securities will be directly credited to the claimant's demat account,** supporting greater dematerialisation.

Revised monetary thresholds

Category	Physical securities	Demat securities
QTP (Low-value claims)	Up to INR 10,000	Up to INR 30,000
Simplified documentation	Up to INR 10 lakh	Up to INR 30 lakh

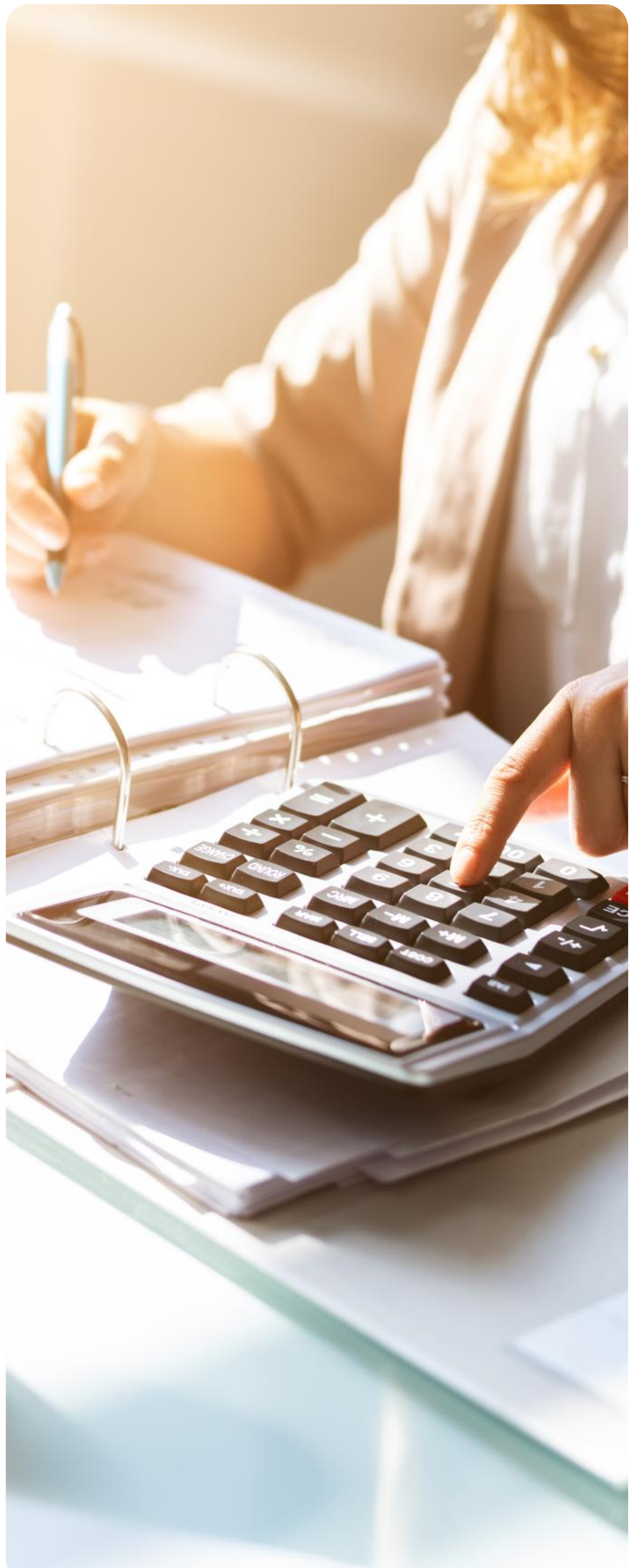
Grant Thornton Bharat insights:
SEBI's revised transmission framework simplifies claim processing through risk-based categorisation, reduced documentation, standardised procedures, and defined timelines, enabling a more efficient and investor-friendly experience.



F. Caution to regulated entities and listed companies – Boss Scam

Issued by: SEBI

Date of publishing: 17 July 2026



Key highlights

The Indian Cyber Crime Coordination Centre ('I4C') has intimated SEBI about an emerging trend in cybercrime referred to as the "Boss Scam" or CEO/ MD impersonation fraud.

Fraudsters are targeting CEOs or high-ranking officials via email or WhatsApp by impersonating them. The communication through email/WhatsApp/Microsoft Teams/other social media platforms with their subordinates or counterparts, directs them to carry out instructions given to them, resulting in the transfer of funds to fraudsters.

What does SEBI advise the regulated entities and listed companies?

- Remain cautious and cross-check requests received through WhatsApp/email/social media platforms by calling their seniors.
- Do not transfer funds solely on the basis of instructions received on any social media platforms.
- Do not install executables without verifying the identity of the sender or verifying through a call if received from a known sender.
- Log out any WhatsApp Web sessions that are not being actively used.
- Report any fraudulent applications or any scam incident immediately to **'1930'** or 'www.cybercrime.gov.in.'

Grant Thornton Bharat insights:
In an evolving risk landscape, organisations can significantly reduce exposure by fostering a culture of vigilance, supported by strong internal controls and disciplined verification processes.

Recent ROC adjudication orders

Delayed MR-1 filing results in INR 2.38 lakh penalty

ROC Coimbatore Order (Ref. ID: PO/ADJ/07-2026/CB/02541)

ROC Coimbatore observed that **Veejay Lakshmi Engineering Works Limited** filed Form MR-1 pertaining to the re-appointment of D. Ranganathan as a whole-time Director with a delay of 78 days. While the form was required to be filed by 23 August 2022, it was actually filed on 9 November 2022.

Observations

The adjudicating officer held that the delayed filing of Form MR-1 constituted a contravention of Section 196 of the Companies Act, 2013. Since Section 196 does not prescribe a specific penalty for such non-compliance, the adjudicating officer invoked the residuary penal provisions under Section 450. After considering the submissions made during the physical hearing, the ROC concluded that the contravention had been established and warranted a penalty.

Penalty imposed

A total penalty of INR 2,38,000/- was levied, with the company penalised INR 88,000 and the officers in default INR 50,000 each, being the maximum penalty permissible for officers in default under Section 450.

Takeaways

The absence of an express penalty does not dilute compliance obligations. The ROC's invocation of Section 450 reinforces that procedural lapses, including delayed statutory filings, can attract enforcement action and financial consequences.

Inaccurate board's report disclosures attract INR 4.5 lakh penalty

ROC Bangalore order (Ref. ID: PO/ADJ/07-2026/BL/02593)

ROC Bangalore observed that **Aliferous Technologies Private Limited** incorrectly disclosed the dates of its board meeting and Extraordinary General Meeting (EGM) in the Board's Report for FY 2021-22 and also failed to attach the duly signed ESOP annexure. The company voluntarily admitted the non-compliance through an adjudication application.

Observations

The adjudicating officer held that the company had violated Sections 134(3)(b) and 134(3)(q) of the Companies Act, 2013, by disclosing incorrect meeting dates in the Board's Report and omitting the signed ESOP annexure. The company contended that the errors were inadvertent and sought the benefit available to small companies; however, the ROC determined that the company was a holding company, and therefore, did not qualify as a small company under Section 2(85). Consequently, the benefit of reduced penalties under Section 446B was not available. Furthermore, the ROC directed the company to file Form GNL-1 and subsequently submit a revised AOC-4 to rectify the defects in the Board's Report for FY 2021-22.

Penalty imposed

Total penalty of INR 4,50,000/- was levied, wherein the company was penalised INR 3,00,000 for non-compliance with the requirements of Sections 134(3)(b) and 134(3)(q) of the Companies Act, 2013, while the officers in default were penalised INR 50,000 each under Section 134(8).

Takeaways

Accuracy in the Board's Report disclosures is not merely a reporting formality, but it is a governance imperative. Even inadvertent disclosure lapses can trigger regulatory scrutiny and monetary penalties.

Significant beneficial ownership non-compliance leads to INR 4.5 lakh penalty

ROC Delhi order (Ref ID: PO/ADJ/07-2026/DL/02538)

ROC Delhi observed that **Narains Infrastructure Private Limited** failed to file Form BEN-2 within the prescribed 30-day timeline after the receipt of Form BEN-1 from the Significant Beneficial Owner (SBO). While BEN-1 was received on 6 May 2021, BEN-2 was filed only on 7 September 2023, resulting in an 826-day delay.

Observations

The adjudicating officer held that the company had violated Section 90(4), read with the Companies (Significant Beneficial Owners) Rules, 2018, by not filing BEN-2 within the statutory timeline. The company did not respond to the show-cause notice or seek a hearing. Considering that the company qualified as a small company, the benefit of reduced penalties under Section 446B was extended.

Penalty imposed

Total penalty of INR 4,50,000/- was levied, wherein the company was penalised INR 2,50,000, while as officers in default were penalised INR 50,000 each under Section 90(11) of the Companies Act, 2013.

Takeaways

Timely disclosure of significant beneficial ownership is a key regulatory obligation. Even where the default is subsequently rectified, prolonged delays in filing BEN-2 can attract substantial penalties and regulatory scrutiny.

Delay in appointment of company secretary attracts INR 11.19 lakh penalty

ROC Mumbai order (Ref. ID: PO/ADJ/07-2026/MH/02517)

ROC Mumbai observed that **Chheda Jewellers Limited** failed to fill the vacancy of its whole-time company secretary within the prescribed six-month period under Section 203(4) of the Companies Act, 2013. Following the resignation of the existing company secretary on 31 March 2024, the company was required to appoint a replacement by 1 October 2024. However, a new company secretary was appointed only on 1 August 2025, resulting in a 303-day delay.

Observations

The adjudicating officer held that the company had contravened Section 203(4) by failing to fill the vacancy for a key managerial personnel (KMP) within the statutory timeline. The company contended that the lapse arose from the resignation of the previous company secretary and sought relief for the CFO, arguing that he was not in office when the default commenced. However, the ROC observed that non-compliance continued during the CFO's tenure; therefore, the liability under Section 203(5) extended to him for the period during which the default remained unrectified.

Penalty imposed

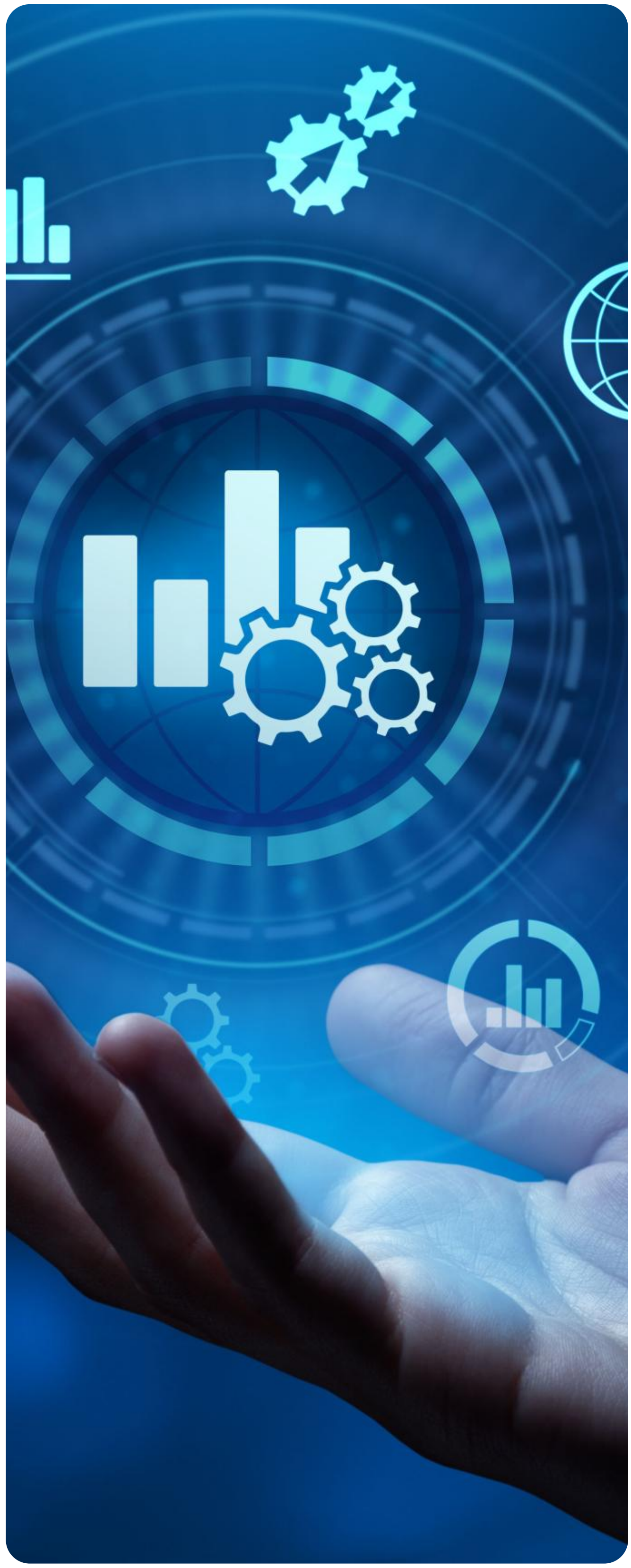
A total penalty of INR 11,19,000/- was levied, with the company penalised INR 5,00,000, while the Managing Director and the CFO were penalised INR 3,52,000 and INR 2,67,000, respectively, for the continuing default under Section 203(5).

Takeaways

Vacancies in KMP positions must be filled within the prescribed statutory timeline. Continuing non-compliance can result in significant penalties not only for the company but also for KMPs who hold office during the period of default.

Recent SEBI adjudication order

Delayed GST disclosures cost Madhav Copper INR 10 Lakh: SEBI cracks down on LODR non-compliance



SEBI adjudication order in the matter of Madhav Copper Limited (Order No. Order/AK/GN/2026-27/32511)

SEBI observed that Madhav Copper Limited failed to make timely disclosures of material GST-related regulatory actions, including a GST search conducted on 7 July 2021, provisional attachment of assets and bank accounts by GST authorities, non-disclosure of cancellation of the GST registration, and failure to provide periodic updates on the matter. Certain disclosures were made only after stock exchange queries, resulting in a delay of approximately 15 days.

Observation

The adjudicating officer held that the GST search and subsequent regulatory actions constituted material events requiring disclosure under Regulation 30 of the SEBI (LODR) Regulations, 2015. SEBI noted that the alleged GST evasion amounted to INR 137 crore, which was significant relative to the company's turnover and net worth and therefore met the materiality thresholds prescribed under the company's disclosure policy. The company also failed to provide reasons for the delayed disclosures, did not provide continuous updates on the GST proceedings, and omitted disclosure of the cancellation of its GST registration. Accordingly, the violations of Regulations 30(3), 30(4), 30(6), 30(7) and Schedule III of the LODR Regulations were established.

Penalty imposed

SEBI imposed a monetary penalty of INR 10,00,000 on Madhav Copper Limited under Section 15A(b) of the SEBI Act, 1992, for failure to make timely and adequate disclosures of material information to the stock exchanges.

Takeaways

Material regulatory actions cannot await final adjudication. This order reiterates that listed entities must promptly disclose significant regulatory developments, explain any delays, and provide regular updates until closure, thereby reinforcing SEBI's focus on transparency and informed investor decision-making.

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