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Purple insights on corporate secretarial laws

October 2026



Key highlights: October 2026

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

Fee relief and extended timelines for filing financial statements and annual returns

The MCA has allowed companies to file financial statements until 31 December 2026 and annual returns until 31 January 2027 for the financial year (FY) 2025-26 without paying additional fees. The statutory deadline for holding the annual general meeting (AGM) remains unchanged.

Relaxation of additional fees and extension of timeline for filing Form CRA- 4 (cost audit report)

The MCA has granted companies additional time to file Form CRA-4 for FY 2025-26 without incurring additional fees until the specified date. The relaxation has been granted in light of representations received from stakeholders and allows eligible companies to file the form by 31 December 2026.

Relaxation of the mandatory merchant banker appointment requirement for certain privately placed debt issuances by listed entities

SEBI has granted a conditional exemption from the mandatory appointment of a merchant banker for certain private placements of debt securities and non-convertible redeemable preference shares with a face value of INR 10,000 by eligible listed issuers. The exemption is intended to streamline issuance and improve access to highly rated securities, while retaining investor-protection safeguards relating to regulatory oversight, listing track record, absence of defaults, security cover, and a minimum credit rating of AA.

Enhanced flexibility in structuring privately placed debt securities

SEBI has enhanced flexibility for privately placed debt issuances by increasing the maximum number of International Securities Identification Numbers (ISINs) permitted to mature in a financial year from 14 to 17. The revised limits are intended to facilitate fundraising and improve asset-liability management for issuers, while preserving the regulatory framework that limits market fragmentation and supports secondary-market liquidity.



Table of

Contents

A

Company law insights for October 2026

A. MCA grants fee relief and extends the annual filing timeline for FY 2025-26

B. MCA grants fee relief and extends the deadline for filing Form CRA-4 for FY 2025-26

B

Securities law insights for October 2026

A. Relaxation of the mandatory merchant banker appointment requirement for certain privately placed debt issuances by listed entities

B. Enhanced flexibility in structuring privately placed debt securities

C. Review of the closing auction session, market timings and derivatives settlement methodology

D. Balancing compliance and operational readiness: SEBI extends SBU transition timeline for debenture trustees

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Company law updates

A. MCA grants fee relief and extends the annual filing timeline for FY 2025-26

Issued by: MCA

Date of publishing: 24 October 2026

Spotlight: Fee relief and extended annual filing deadlines for FY 2025-26

The MCA has provided significant compliance relief by waiving additional fees for the delayed filing of annual financial statements and annual returns, permitting the filing of the AOC-4 series up to 31 December 2026 and the MGT-7/MGT-7A up to 31 January 2027 without paying any additional fees. However, the relaxation is limited to filing obligations and does not extend the statutory timelines for holding annual general meetings (AGMs).

Why the advisory matters

The relaxation provides companies with additional time to complete their annual filings accurately and efficiently without incurring additional filing fees. In particular:

- Provides companies sufficient time to compile, review and finalise their financial and statutory information before filing
- Facilitates the filing of Forms AOC-4, AOC-4 CFS, AOC-4 XBRL, MGT-7 and MGT-7A within the extended timelines without the payment of additional fees
- Reduces the financial burden arising from delayed annual filings
- Helps companies manage filing volumes and address technical or operational challenges that may arise on the MCA portal

Key investor takeaway

The extended timelines allow companies additional time to complete their annual filings accurately and comprehensively, thereby supporting improved transparency and more reliable financial and governance disclosures for investors.

Quick due diligence checklist

Before availing themselves of the filing relaxation, companies should consider:

- Ensuring that financial statements and annual returns are finalised accurately before filing.
- Reviewing pending annual compliance requirements to avoid last-minute filing challenges
- Confirming that the AGM was held within the prescribed timeline.
- Using the extended period to strengthen the quality and accuracy of statutory disclosures.

Current position

In response to stakeholder representations, the MCA has extended the fee-free filing window for AOC-4 series and MGT-7/MGT-7A forms until 31 December 2026 and 31 January 2027, respectively.

Grant Thornton Bharat insights:

The MCA's one-time relaxation provides valuable compliance relief by allowing companies to file annual financial statements and annual returns within the prescribed extended timelines without incurring any additional fees. However, the relief is strictly limited to the waiver of additional filing fees and does not dilute the underlying compliance framework. Filings made after the extended deadlines will attract applicable additional fees and consequences, calculated from the original statutory due date, underscoring the importance of utilising the relaxation window effectively.

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Company law updates

B. MCA grants fee relief and extends deadline for filing Form CRA-4 for FY 2025-26

Issued by: MCA

Date of publishing: 27 October 2026

Spotlight: Fee relief and extended timeline for filing Form CRA-4 for FY 2025-26

The MCA has provided significant compliance relief by waiving additional fees for the delayed filing of Form CRA-4, the cost audit report in XBRL format, until 31 December 2026.

Why the advisory matters

The relaxation provides companies with additional time to complete their cost audit reports accurately and efficiently without incurring additional filing fees. In particular:

- More time to prepare, review and finalise cost audit reports.
- Ability to complete the applicable filing by 31 December 2026 without the payment of additional fees.
- Lower compliance costs and a reduced administrative burden arising from timeline-related challenges.
- Sufficient time to ensure the accuracy and completeness of the information reported.

Key investor takeaway

The relaxation allows companies additional time to ensure accurate and complete cost audit filings, thereby strengthening regulatory compliance and improving the reliability of cost-related information available to investors.

Quick due diligence checklist

Before availing the filing relaxation, companies should consider:

- Ensuring that the cost audit report has been finalised and approved.
- Verifying Form CRA-4 and the supporting documents.
- Completing the filing by 31 December 2026 to avail themselves of the fee waiver.
- Assessing the potential implications of additional fees for filings beyond the extended timeline.

Current position

In response to representations from stakeholders, the MCA has permitted companies to file Form CRA-4 by the extended deadline without additional fees.

Grant Thornton Bharat insights:

The MCA's relaxation acknowledges the challenges that companies and cost auditors face in meeting cost audit compliance requirements within the prescribed timelines. By extending the filing window, the measure provides meaningful compliance relief and enables companies to regularise pending Form CRA-4 filings. Companies should use the extended timeline proactively, as filings made after 31 December 2026 will attract additional fees calculated from the original statutory due date.

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Securities law updates

A. Relaxation of the mandatory merchant banker appointment requirement for certain privately placed debt issuances by listed entities

Issued by: SEBI

Date of publishing: 7 October 2026

Key highlights

SEBI has conditionally exempted eligible listed issuers from appointing a merchant banker for specified private placements, while continuing all applicable disclosure and investor-protection requirements.

What has changed?

Earlier position: Listed entities undertaking private placements of debt securities were required to appoint a merchant banker to manage the issuance process.

Current position: SEBI has exempted eligible listed entities from appointing a merchant banker for specified privately placed debt issuances, subject to prescribed eligibility and investor-protection requirements.

Exempt from disclosure

- Eligible listed entities regulated by SEBI, RBI, IRDAI, or PFRDA
- Senior secured debt securities carrying a credit rating of AA– or above

Disclosure requirements continue to apply

The exemption is limited to the requirement of appointing a merchant banker. Eligible issuers must continue to comply with all applicable disclosure, due diligence, listing, credit rating, security creation, and other regulatory requirements under the SEBI framework.

Grant Thornton Bharat insights:

The exemption is a positive step towards streamlining private placements and reducing the issuance costs for eligible listed issuers, while preserving key disclosure and investor-protection safeguards.

B. Enhanced flexibility for structuring privately placed debt securities

Issued by: SEBI

Date of publishing: 7 October 2026

Key highlights

SEBI has increased the maximum number of ISINs permitted to mature in a financial year from 14 to 17, enabling issuers to structure privately placed debt more flexibly and manage maturity profiles more efficiently.

Potential benefits

- Greater flexibility in structuring issuances and maturity schedules
- Improved ease of fundraising and asset-liability management
- Reduced operational constraints associated with the earlier ISIN limits

Way forward

- Review the existing ISINs and maturity profiles.
- Reassess future debt issuance and refinancing strategies.
- Implement the revised limits in coordination with stock exchanges and depositories.

Grant Thornton Bharat insights:

The revised ISIN framework provides issuers with greater flexibility to align debt issuances with funding requirements and maturity profiles. Issuers should reassess their borrowing and refinancing strategies to use the enhanced limits effectively while maintaining prudent asset-liability management.

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C. Review of closing auction session, market timings and derivatives settlement methodology

Issued by: SEBI

Date of publishing: 15 October 2026

Key highlights

- The framework aims to strengthen closing-price discovery and ensure orderly functioning of the cash and derivatives markets.
- Market timings and the expiry-day settlement methodology for stock and index derivatives have been revised.
- Stock exchanges and clearing corporations must implement the revised framework and update their systems and procedures.

CAS reference-price methodology

The CAS reference price will be based on the volume-weighted average price (VWAP) of trades executed during the final 15 minutes of the continuous trading session. This provides a broader and more representative basis for determining the reference price. It also reduces the impact of individual trades or short-term price fluctuations.

Derivatives settlement methodology

- On the expiry day: Expiring index derivatives will be settled using the underlying index value calculated based on the 30-minute VWAP of the constituent securities.
- Expiring stock derivatives will be settled using the 30-minute VWAP of the underlying stock across stock exchanges.

Strengthened market framework

- Supports transparent and efficient closing-price discovery.
- Aligns cash and derivatives market timings.
- Provides greater clarity and consistency in expiry-day settlement.
- Promotes efficient and orderly market operations.

Implementation

The revised provisions will take effect on 7 December 2026. However, the provisions governing the transition of unexecuted limit and iceberg orders will take effect on 8 February 2027.

Operational and settlement improvements

By introducing VWAP-based pricing, a random auction-closure mechanism, and a more robust derivatives settlement methodology, the revised framework seeks to improve price reliability, enhance transparency and strengthen confidence in closing prices and expiry-day settlement outcomes.

Technical clarification: The CAS reference price is based on the 15-minute VWAP, while expiry-day settlement prices for stock and index derivatives are based on the 30-minute VWAP of the underlying stock or index constituents during the continuous trading session.

Grant Thornton Bharat insights:

SEBI's revised framework is expected to strengthen closing-price discovery and improve consistency between cash-market activity and derivatives settlement. Market participants should review their trading, execution, risk-management and settlement processes to ensure operational readiness for the revised CAS and VWAP-based methodology.



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D. Balancing compliance and operational readiness: SEBI extends SBU transition timeline for debenture trustees

Issued by: SEBI

Date of publishing: 27 October 2026

Key highlights

Six-month extension granted

- SEBI has extended the SBU compliance timeline for debenture trustees by six months, from 27 October 2026 to 27 April 2027.
- The extension addresses operational challenges associated with transferring activities outside SEBI's regulatory purview to separate business units.
- All other requirements under the existing SBU framework remain unchanged.

Separate business unit (SBU) requirement

The SBU framework requires debenture trustees to segregate activities outside SEBI's regulatory purview into separate business units. This ring-fencing seeks to mitigate potential conflicts of interest, strengthen operational independence and accountability, and facilitate more effective regulatory oversight and compliance monitoring.

Expert working group review

SEBI's expert working group is conducting a comprehensive review of the regulatory framework governing debenture trustees, including the SBU framework and related implementation challenges. Pending the completion of this review, the compliance timeline has been extended by six months to 27 April 2027.

Grant Thornton Bharat insights:

The extension gives debenture trustees more time to address operational challenges and align their systems and processes with the SBU framework. Debenture trustees should use the extended period to assess their business activities, establish appropriate segregation and governance mechanisms, and ensure readiness for compliance by 27 April 2027.



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