VERENDRA KALRA & CO LLP
CHARTERED ACCOUNTANTS

Communiqué

Corporate Law

August 2026

info@vkalra.com | www.vkalra.com

Communiqué

Corporate Laws

August 2026

VERENDRA KALRA & CO LLP
CHARTERED ACCOUNTANTS

Inside this edition

MCA Extension of Companies Compliance Facilitation Scheme, 2026 (CCFS2026)

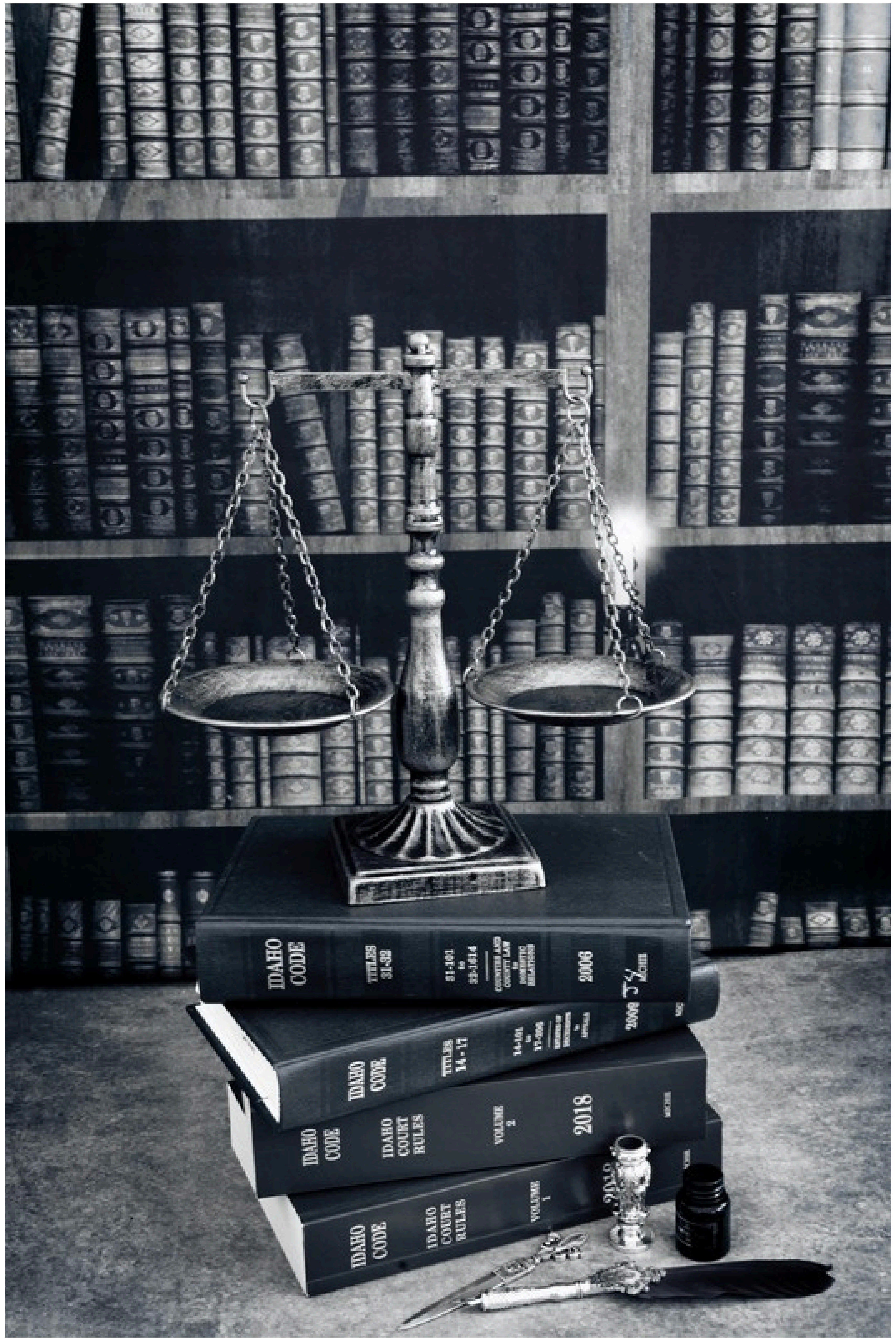
The Ministry of Corporate Affairs, vide General Circular No. 04/2026 dated 31st August 2026, has further extended, for the second time, the validity of the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026) up to 15th September 2026, following representations from corporate stakeholders seeking additional time.

The CCFS-2026, which was originally valid up to 30th June 2026 and was first extended up to 31st August 2026, now stands further extended up to 15th September 2026. The Scheme provides an opportunity for companies to complete their pending statutory filings.

The Companies (Indian Accounting Standards) Amendment Rules, 2026

The **Ministry of Corporate Affairs, vide its notification G.S.R 725(E) dated 12 August 2026**, has notified the Companies (Indian Accounting Standards) Amendment Rules, 2026.

These amendments inter-alia impacts Ind AS 101 (**First-time Adoption of Indian Accounting Standards**) and Ind AS 107 (**Financial Instruments: Disclosures**). Ind AS 101 has been revised to incorporate Annual Improvements 2024, clarifying hedge accounting transitions and restricting retrospective designation of hedges that do not qualify under Ind AS 109. Ind AS 107 has been expanded to introduce new disclosure requirements relating to contracts dependent on electricity purchases. Entities must disclose risks, commitments, and performance impacts of such contracts, including unused electricity purchases, sales of unused electricity, and related costs.



Order for adjudication of penalty under section 454 of The Companies Act, 2013 ('The Act') for violation of section 135(7) Of The Companies Act, 2013.

The Ministry of Corporate affairs have issued this order dated 03/08/2026 bearing order id PO/ADJ/07-2026/MR/02612

Ministry of Corporate Affairs vide its Gazette notification number S.O. 698(E) dated 10/02/2026 appointed undersigned as Adjudicating Officer in exercise of the powers conferred by section 454 of the Companies Act, 2013 [herein after known as Act] read with Companies (Adjudication of Penalties) Rules, 2014 for adjudging penalties under the provisions of this Act.

In the matter relating to ROYAL FOODSTUFFS LIMITED CIN (U51101MH2012PLC239014)

Nature of Default

The company filed a suo-moto adjudication application with the Registrar of Companies (ROC) Mumbai-II on March 2, 2026, under Section 454 of the Companies Act, 2013.

The company failed to spend the mandated Corporate Social Responsibility (CSR) amount of Rs. 12,23,714 for the financial year 2020-21 and neglected to transfer the unspent funds to a Schedule VII-specified fund within the mandatory six-month window, violating Section 135(5).

The Company, Whole time Director and, Managing Director are person in default and therefore are liable for penalty under section 135 (7) of the Act.

Further, the company is directed to explain as to how the offence has been rectified.

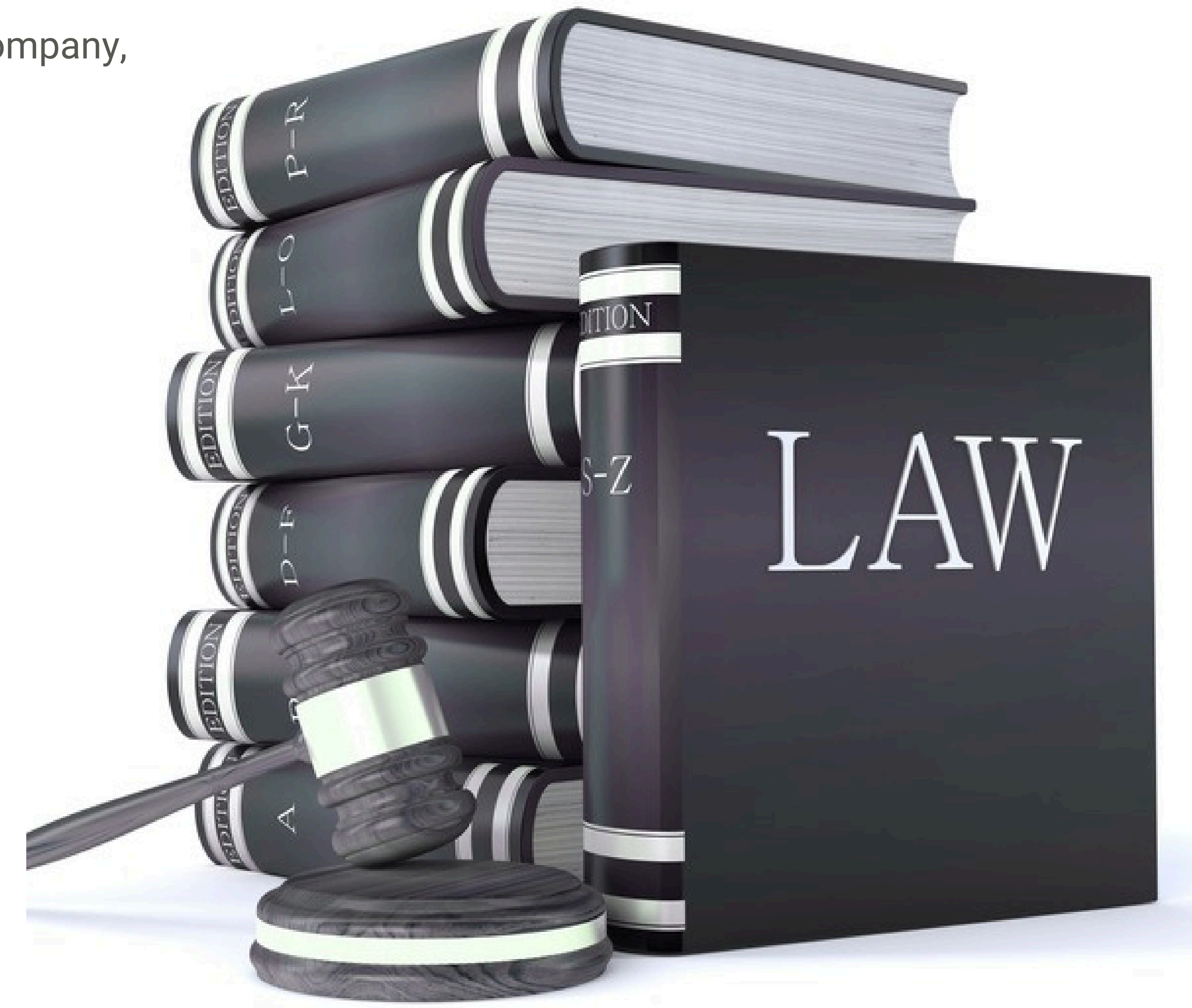
The noticees requested a personal hearing and authorized, Practicing Company Secretary, to represent them in the proceedings.

Proceedings, Findings & Penalty Imposition

An SCN was issued on May 22, 2026. The company and officers in default replied on June 5, 2026, citing administrative and procedural delays for the non-compliance.

An e-hearing was held on July 8, 2026, attended by the authorized representative, appointed by the Company He submitted proof that the default had been rectified by transferring the unspent amount to the PM CARES Fund on June 3, 2026 (Receipt No. PMCARES/HDFC/HGALP136DD0582200096). Consequently, penalties under Section 135(7) are applicable to both the company and all relevant officers in default.

A penalty of INR 1101839 has been imposed on the Company, along with INR 55092 each on officers in default.



Order for adjudication of penalty under section 454 of The Companies Act, 2013 (‘The Act’) for violation of section 450 of The Companies Act, 2013.

The Ministry of Corporate affairs have issued this order dated 19/08/2026 bearing order id PO/ADJ/08-2026/BL/02631

Ministry of Corporate Affairs vide its Gazette notification number S.O. 698(E) dated 10/02/2026 appointed undersigned as Adjudicating Officer in exercise of the powers conferred by section 454 of the Companies Act, 2013 [herein after known as Act] read with Companies (Adjudication of Penalties) Rules, 2014 for adjudging penalties under the provisions of this Act.

In the matter relating to FYLE TECHNOLOGIES PRIVATE LIMITEDCIN (U74900KA2016PTC086218)

Nature of default

The company and its officers in default have admitted to violating Section 29 of the Companies Act, 2013, read with Rule 9B(4)(a) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, by filing a suo motu adjudication application. Specifically, the Board of Directors approved a share transfer on 24.07.2025 without ensuring that the transferring shareholders had dematerialized their securities prior to the transfer, contrary to the mandatory requirement that all securities be dematerialized by 30.06.2025 for non-small companies. Although the company obtained its ISIN on 08.07.2025, the transfers were executed while the shares were still in physical form. As no hearing was requested or granted, the order was finalized based on the written application and replies received, rendering the company and its officers liable for penalties under Section 450 of the Companies Act, 2013.

Proceedings, Findings & Penalty Imposition

A Show Cause Notice was issued on 16.07.2026. In their reply on 28.07.2026, the notices stated that the physical transfer was approved due to transaction exigencies without any mala fide intent, undue advantage, company gain, or loss to any party. No personal hearing was requested or granted. The Company is directed to dematerialized the shares and provide the details of dematerialized shares and submit the proof of documents for the same by way of filing e-form GNL-1 within 30 days from the date of this order.

A penalty of INR 10,000 has been levied on the Company and each of the officers in default.

SEBI permits digitally signed Power of Attorney for FPI onboarding)

The Securities and Exchange Board of India (SEBI) issued a circular on August 20, 2026, **streamlining the Foreign Portfolio Investor (FPI) onboarding process** by permitting the submission of **digitally signed Power of Attorney (PoA)** in accordance with the Information Technology Act, 2000.

Designed to enhance the ease of doing business and reduce processing times, this update modifies Para 9(B)(iv) of Part B of the FPI Master Circular dated May 30, 2024. Crucially, the use of a valid digital signature eliminates the mandatory requirement for notarization, apostillisation, or consularization, significantly expediting compliance for FPI applicants.

The provisions of this circular shall come into force with effect from August 20, 2026.

Amendment To SEBI (issue and listing of Municipal Debt Securities) Regulations, 2015 (“ILMDS Regulations”)

The Securities and Exchange Board of India (SEBI) issued a circular on 11 August 2026. SEBI formed a Working Group to review the regulatory framework for municipal debt securities. Following its recommendations and public feedback, SEBI notified the SEBI (Issue and Listing of Municipal Debt Securities) (Amendment) Regulations, 2026 on July 8, 2026, and issued this circular to outline key operational changes.

1. Face Value of Privately Placed Municipal Debt Securities

The face value for privately placed securities can be either Rs. 1 Lakh or Rs. 10 thousand. Securities issued at a face value of Rs. 10 thousand must have a fixed maturity and cannot have structured obligations. The trading lot on the stock exchange must always equal the security's face value. These face value rules apply only to private placements, not public issues.

2. Two-Step Escrow Account Mechanism (for Pooled Finance Vehicles/SPVs)

Account Maintenance: Constituent municipalities and the SPV must maintain corresponding accounts (including an "Interest payment account" and a "Sinking fund account").

The SPV must maintain an amount equivalent to a one-year interest obligation in its interest payment account throughout the tenure. SPVs may use tools like additional cash collateral, state government program equity, state finance commission devolutions, or guarantees from high-rated development/multilateral institutions to boost ratings.

3. Relaxed Timelines for Financial Results

To ease practical challenges related to data collection and interdepartmental coordination, SEBI extended the reporting deadlines for municipalities:

Half-Yearly Unaudited Results: Extended from 45 days to 60 days from the end of the first half-year.

Annual Audited Results: Extended from 60 days to 90 days from the end of the financial year (along with the audit report).

The provisions outlined in this circular shall come into force with immediate effect.

Let's Connect

+91.135.2743283, +91.135.2747084

3rd Floor, MJ Tower, 55, Rajpur Road, Dehradun - 248001

E: info@vkalra.com | W: vkalra.com

Follow us on

For any further assistance contact our team at kmt@vkalra.com