THE BOARDROOM · REGULATORY ROUND-UP

The Compliance & Governance Round-Up

What changed for India's founders and private companies, and what to do before the windows close.

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SATYAMAYA & PARTNERS LLP

IN THIS EDITION

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This round-up covers developments to 14 June 2026. It is general information drawn from public sources and the firm's own work, not advice on any specific matter. Where a development is still a draft or a bill, we have said so plainly.

SECTION

I | Introduction

The cost of compliance is never lower than on the day the obligation arises. This was a period in which the State offered to prove it.

SATYAMAYA & PARTNERS

For the Indian private company, the first half of 2026 has been less about sudden shocks and more about a steady tightening, paired, unusually, with an open hand. The State has spent this period both widening the door to regularise old defaults and rewriting the rules that will govern the next decade of corporate life.

Three forces define the moment. The first is relief with a deadline: a one-time amnesty that lets defaulting companies clear years of pending filings at a fraction of the usual cost, but only until the middle of July. The second is reform in motion: a wide-ranging amendment bill, now before a parliamentary committee, that proposes to decriminalise routine lapses, lift the thresholds that define a small company, and at the same time draw a tighter ring around directors. The third is the quiet structural change, the kind that does not make headlines, such as the shift of director KYC from an annual ritual to a three-year cycle, and a Supreme Court ruling that clarifies exactly when a promoter's words become a guarantee.

Read together, these point in one direction. The registry is being cleaned, the penalties are being rationalised, and the responsibility is being pushed firmly onto the people who run the company. The window to fix the past cheaply is open now and will not stay open. The obligations that remain are becoming simpler to meet and more expensive to ignore.

This round-up offers a snapshot of that landscape and a guide to acting on it, by

WHAT THIS ROUND-UP DOES

(a) setting out the key regulatory developments of the period in plain terms, with their exact instruments and dates;

(b) assessing what each means in practice for founders, promoters, and the companies they run; and

(c) flagging the deadlines and the proposals still in motion, so that nothing material is met in arrears.

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A NOTE ON ACCURACY

Every regulatory development in this round-up has been checked against its primary source, with each instrument, citation, and date independently reviewed by Isha Gupta prior to publication. Where a measure remains a bill or a draft, that status is stated plainly in the text.

SECTION

II The amnesty window: CCFS-2026

A ninety percent discount on the price of delay, offered once, for ninety days.

ON THE COMPANIES COMPLIANCE FACILITATION SCHEME, 2026

MCA · GENERAL CIRCULAR NO. 01/2026

A one-time chance to clear the past, at a tenth of the cost

The single most actionable development of the period is also the one with the hardest deadline. The Companies Compliance Facilitation Scheme, 2026 lets defaulting companies regularise pending filings by paying only ten percent of the additional fee, a ninety percent waiver, and it closes on 15 July 2026.

Issued by the Ministry of Corporate Affairs under its powers in Section 460 read with Section 403 of the Companies Act, 2013, the scheme is a one-time facilitation window. For companies carrying years of unfiled annual returns and financial statements, the additional fee, which accrues at a fixed daily rate without a ceiling, often dwarfs the original obligation. CCFS-2026 condones that delay at a fraction of the cost, and grants immunity from penalty proceedings under Sections 92 and 137 where filings are completed before adjudication.

WHAT IT COVERS

The scheme applies to pending annual filings, principally the annual return and financial statements, and the related forms that companies most often let lapse. It also offers concessional routes out for companies that no longer wish to operate: dormant status at half the normal fee, and strike-off at a quarter of the filing fee. A small set of companies is excluded, chiefly those already facing final strike-off notices, those that have already applied for strike-off or dormancy, and those dissolved through amalgamation.

Instrument	**General Circular No. 01/2026**, dated 24 February 2026
Authority	Ministry of Corporate Affairs
Window	**15 April 2026 to 15 July 2026** (90 days, strictly time-bound)
Core relief	Pending filings at **10% of additional fee** (90% waiver)
Exit routes	Dormancy at 50% fee; strike-off at 25% of filing fee
After the window	Full additional fees resume; ROC may pursue enforcement and prosecution

WHAT THIS MEANS FOR YOU

Act before mid-July, not after. Any company carrying overdue annual filings should treat this as the cheapest year, and quite possibly the cheapest month, to become compliant. The arithmetic is rarely close: ten percent now against the full accumulated fee plus enforcement risk later. Equally, a company that has quietly gone dormant in practice can formalise that status, or exit cleanly, at a concessional cost that will not be offered again once the window shuts.

SECTION

III The law being rewritten

> *Fear of imprisonment is being traded for the certainty of a penalty, and the burden is moving onto the director.*
>
> ON THE CORPORATE LAWS (AMENDMENT) BILL, 2026

LOK SABHA · INTRODUCED 23 MARCH 2026 · BEFORE THE JOINT COMMITTEE

A bill that lightens the load and tightens the ring

The Corporate Laws (Amendment) Bill, 2026 is the most consequential proposal of the period. It is not yet law. Introduced in the Lok Sabha and referred to a Joint Parliamentary Committee, it sets the direction of travel for company and LLP regulation, and that direction has two faces.

The Bill amends both the Companies Act, 2013 and the LLP Act, 2008. Its headline theme is decriminalisation: a set of routine, technical offences would move from the criminal courts to civil penalties and electronic adjudication, removing the threat of imprisonment for procedural lapses such as a failure to furnish documents to the Registrar. For founders who have long carried a quiet fear of personal criminal exposure over paperwork, this is meaningful relief.

Alongside it sit several genuine easings. The thresholds that define a **small company** would rise sharply, with paid-up capital lifted to twenty crore rupees and turnover to two hundred crore rupees, bringing many more companies within the lighter regime. The CSR net profit trigger moves from five crore to ten crore rupees, and the Bill points toward virtual and hybrid general meetings and a framework for LLPs in International Financial Services Centres.

THE OTHER FACE

The same Bill draws a tighter ring around the people in charge. It is reported to expand the criteria for director disqualification, introduce a “fit and proper person” requirement, and require an active Director Identification Number throughout a director’s tenure. The NFRA would be restructured into a quasi-judicial regulator with greater independence. The message is consistent: lower the fear of routine error, raise the accountability for those who govern.

Status	**Not yet enacted.** Introduced 23 March 2026; before the Joint Parliamentary Committee
Amends	Companies Act, 2013 and LLP Act, 2008
Eases	Decriminalises routine offences; small-company limits to Rs 20cr / Rs 200cr; CSR trigger to Rs 10cr
Tightens	Wider director disqualification; “fit and proper” test; active DIN; NFRA made quasi-judicial

WHAT THIS MEANS FOR YOU

Watch, prepare, but do not pre-empt. Because the Bill is before a committee, its final shape may shift, so nothing here calls for action today. It does call for attention. Founders should expect a lighter touch on honest procedural slips and a heavier one on the conduct of directors. The sensible posture is to keep your own DIN and KYC active and your governance clean now, so that when the higher bar arrives, you are already standing above it.

MCA · G.S.R. 943(E) · EFFECTIVE 31 MARCH 2026

The annual ritual becomes a three-year cycle

One of the quietest changes of the period is also one of the most welcome. Director KYC, long an annual chore, has shifted to a three-year cycle, with a single important condition attached.

Through the Companies (Appointment and Qualification of Directors) Amendment Rules, 2025, notified by G.S.R. 943(E) dated 31 December 2025 and effective from 31 March 2026, the Ministry replaced annual DIR-3 KYC with a triennial filing. A DIN holder now files once every three consecutive financial years, by 30 June of the following year, rather than every September. The old DIR-3 KYC e-form and its web version have been merged into a single unified web form, and for a routine filing where nothing has changed, no digital signature or professional certification is required, verification is by one-time password alone.

The condition is in the detail. Under the amended Rule 12A(2), any change in a director's mobile number, email, or residential address must be intimated within thirty days of the change, independent of the three-year cycle, and that change-based filing does require certification. The relief, in other words, is for those whose particulars stay constant; the obligation to keep records current never went away.

Instrument	**G.S.R. 943(E)**, dated 31 December 2025; effective 31 March 2026
Rule	Substitutes Rule 12A, Companies (Appointment and Qualification of Directors) Rules, 2014
New cycle	Once every **three consecutive financial years**, by 30 June of the following year
Catch	Any change of contact or address must be filed within **30 days**, with certification
On default	Late fee and deactivation of the DIN until regularised

WHAT THIS MEANS FOR YOU

Less often, but never late. The relief is real, yet a deactivated DIN remains one of the most disruptive things that can happen to a company mid-transaction. Confirm where each director sits in the new cycle, diarise the next due date, and treat any change of a director's contact details as a thirty-day clock, not a someday task.

SUPREME COURT OF INDIA · 2026 INSC 14

A promoter is not a guarantor by accident

In a ruling that matters to every promoter who has ever signed a support undertaking, the Supreme Court has drawn a clear line between a promise to help and a contract of guarantee.

In **UV Asset Reconstruction Company Limited v. Electrosteel Castings Limited** (2026 INSC 14, decided 6 January 2026), the Court considered whether a promoter's undertaking to arrange or infuse funds into a borrower, triggered if the borrower breached its financial covenants, amounted to a contract of guarantee under Section 126 of the Indian Contract Act, 1872. A creditor had sought to treat the promoter as a guarantor and pursue it for the borrower's debt on that basis.

The Court held that it did not. An undertaking to infuse funds, even one triggered by a covenant breach, is not a guarantee unless it contains a clear promise to the creditor to discharge the borrower's liability upon default. The promoter's obligation to arrange funds was a distinct commitment, not a suretyship, and the bench, comprising Justices Sanjay Kumar and Alok Aradhe, declined to read one into the other.

> *A promise to support a company is not a promise to pay its creditors. The difference lives in the words, and the words are now decisive.*

WHAT THIS MEANS FOR YOU

Read what you sign, and say what you mean. For promoters, the ruling is protective: a support or comfort undertaking will not silently convert you into a guarantor. But the protection cuts both ways. Because liability now turns on the precise language, a document intended only as comfort must avoid the words of guarantee, and a creditor who truly wants a guarantee must say so expressly. Before signing any undertaking tied to a group company's borrowing, have the obligation it actually creates examined, not the one it is assumed to create.

Also moving, and worth watching

GST RECLASSIFICATION OF BEVERAGES · EFFECTIVE 1 MAY 2026

By Notification No. 01/2026-Central Tax (Rate) dated 30 April 2026, amending the September 2025 rate notification, the CBIC realigned the classification of non-alcoholic beverages under tariff heading 2202, with parallel IGST and UTGST notifications. This is a classification correction rather than a new levy, separating categories into the 5 percent and 40 percent slabs. Any company manufacturing, distributing, or retailing beverages should confirm its HSN classification and update billing and invoices, as a misclassification now risks wrong tax, denied input credit, or audit exposure.

DRAFT COMPANIES (INCORPORATION) AMENDMENT RULES, 2026 · CONSULTATION CLOSED 9 MAY 2026

The Ministry placed draft amendments to the incorporation rules out for public comment, with the consultation period closing on 9 May 2026. The proposals point toward simpler, more consolidated incorporation forms and smoother conversions. These remain **a draft, not enacted law**, and should be watched for a final notification rather than acted on.

The dates that matter

ITEM	WHAT & WHO	DATE
CCFS-2026	Pending annual filings at 10% additional fee; dormancy or strike-off at concession	**Closes 15 Jul 2026**
GST 2202 rates	Revised beverage classification in effect; update HSN and invoices	**In force 1 May 2026**
DIR-3 KYC	Triennial cycle live; change of contact details filed within 30 days	**Effective 31 Mar 2026**
MGT-7 / AOC-4	Annual return and financial statements for FY 2025-26 (standard cycle)	**Per FY-end timeline**
Amendment Bill	Corporate Laws (Amendment) Bill before the Joint Committee; monitor	**In progress**
Incorporation Rules	Draft amendments; await final MCA notification	**Consultation closed 9 May**

A CLOSING WORD

If only one line of this round-up is acted upon, let it be the first. The amnesty closes in July, and almost everything else here rewards a company that keeps its record current. The cheapest year to be compliant is the one you are already in.

SATYAMAYA & PARTNERS
ENTERPRISE ADVISORS & CONSULTANTS

Have a question this round-up *raises for your company?*

Satyamaya & Partners works alongside founders and promoters on exactly these matters: regularising filings, structuring governance, and reading the documents before they are signed. If any development on these pages is live for you, bring it to us while it is still cheap to act on.

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