

12th May

P G BHAGWAT LLP

Chartered Accountants | Since 1938

UPDATES

April

2026

Sinhagad Fort, located in the Western Ghats near Pune, Maharashtra, is known for its historical significance and strategic location. It was originally captured by Chhatrapati Shivaji Maharaj and is noted for the Battle of Sinhagad and its panoramic views.

Authored by: PGB LLP Technical Desk

NEXT



Updates

April 2026



P G BHAGWAT LLP (“PGB LLP”) is glad to release updates for the month of April 2026

The objective of these updates is to make you aware of the latest changes in auditing, accounting, taxes, labour laws etc.

We hope these updates are useful to you to stay on top of the development in your field.

“The greatest obstacle to discovery is not ignorance—it is the illusion of knowledge”

For detailed information and / or queries, please do get in touch with us at updates@pgbhagwatca.com.

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We compile only the most relevant & important updates and therefore urge to you go through them...

This edition contains the following: click on the content line to navigate

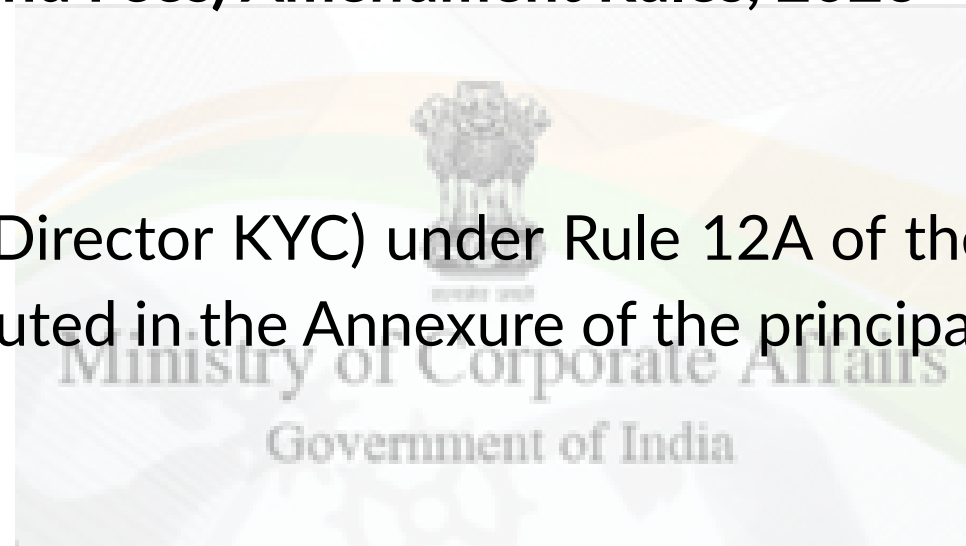


A. The Companies (Registration Offices and Fees) Amendment Rules, 2026 Reference: G.S.R. 300(E) | Ministry of Corporate Affairs | Dated: 21st April 2026

Summary of The Companies (Registration Offices and Fees) Amendment Rules, 2026

What's New?

The fee structure for filing Form DIR-3 KYC Web (Director KYC) under Rule 12A of the Companies (Appointment and Qualification of Directors) Rules, 2014 has been revised and substituted in the Annexure of the principal rules.



Detailed Explanation

Item VII of the Schedule to the Companies (Registration Offices and Fees) Rules, 2014 has been replaced with a new fee table governing the filing of Form DIR-3 KYC Web – the annual KYC form that every director holding a DIN must file.

Key Conditions:

1. If filed within the prescribed timeline under Rule 12A(1) – NIL fee
2. If filed after the prescribed timeline or for re-activation of a deactivated DIN – ₹5,000
3. If DIR-3 KYC Web is re-filed at any time due to a change in director details under Rule 12A(2) – ₹500 per filing



Practical Implications:

Directors who file DIR-3 KYC on time every year continue to pay nothing. Directors who miss the deadline or have a deactivated DIN will face a ₹5,000 fee for re-activation. Any mid-year changes to director details requiring re-filing of DIR-3 KYC Web will attract ₹500 per instance.

Implementation Deadlines:

The rules came into force on the date of publication in the Official Gazette, i.e., 21st April, 2026. There is no deferred implementation date.



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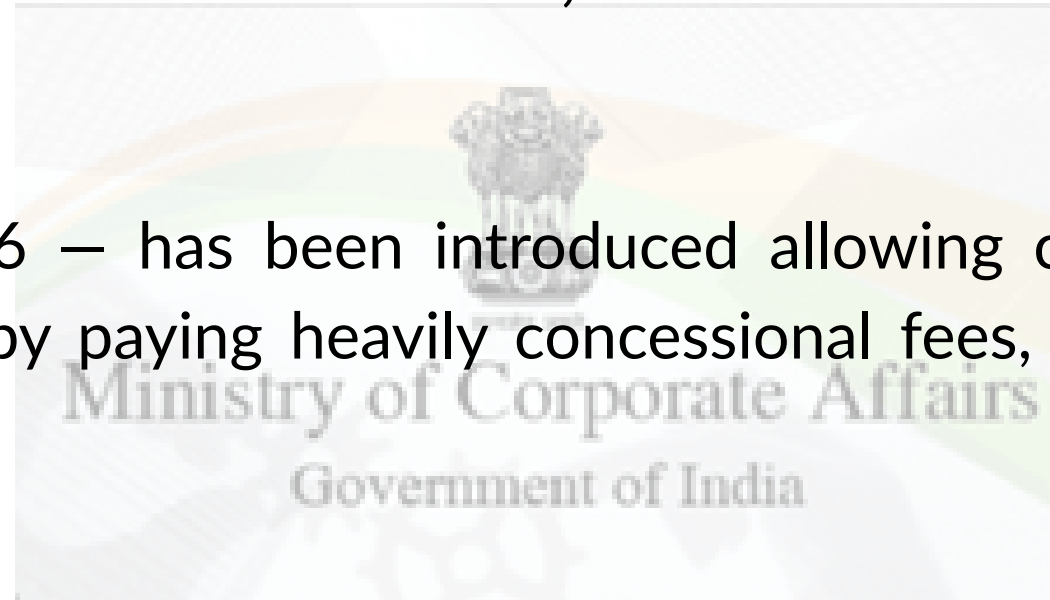
B. FAQs on the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026)

Issued by: Ministry of Corporate Affairs | Dated: April 2026

Summary of FAQs on the Companies Compliance Facilitation Scheme, 2026

What's New?

A one-time amnesty-style scheme – CCFS-2026 – has been introduced allowing companies to file overdue annual returns, financial statements, and certain other e-forms by paying heavily concessional fees, with an option to also apply for dormant status or strike-off at reduced fees.



Detailed Explanation

CCFS-2026 aims to improve overall corporate compliance levels and reduce the accumulated additional fee burden on defaulting companies. It covers a wide range of overdue e-forms including annual returns and financial statements. Companies filing during the scheme period need to pay only 10% of the normal additional fee. The scheme also provides immunity from penalty in many cases and allows companies to regularize multiple pending filings in one go.



Key Conditions:

1. Only 10% of the applicable additional fee is payable for delayed filing of annual returns and financial statements during the scheme period.
2. For dormant status (e-form MSC-1), only 50% of the normal filing fee is payable.
3. For strike-off (e-form STK-2), only 25% of the applicable filing fee is payable.
4. No concession is available on the normal filing fee – only the additional/late fee is reduced.
5. Accounts must be audited and a valid UDIN obtained before filing overdue financial statements under the scheme.

Additional Conditions:

1. The following companies are excluded from the scheme: companies against which final strike-off action has been initiated, companies that have already applied for strike-off, companies that applied for dormant status before the scheme commenced, companies dissolved pursuant to amalgamation, and vanishing companies.
2. Immunity from penalty is available for MGT-7/7A and AOC-4 related forms if filed before issuance of a show cause notice or within 30 days of such notice, and where no adjudication proceedings have been initiated.
3. No separate form is required to claim immunity – it is automatic upon filing.
4. Immunity is not available against default of Section 96 (AGM-related defaults).
5. Multiple pending filings can be regularized under a single scheme window.

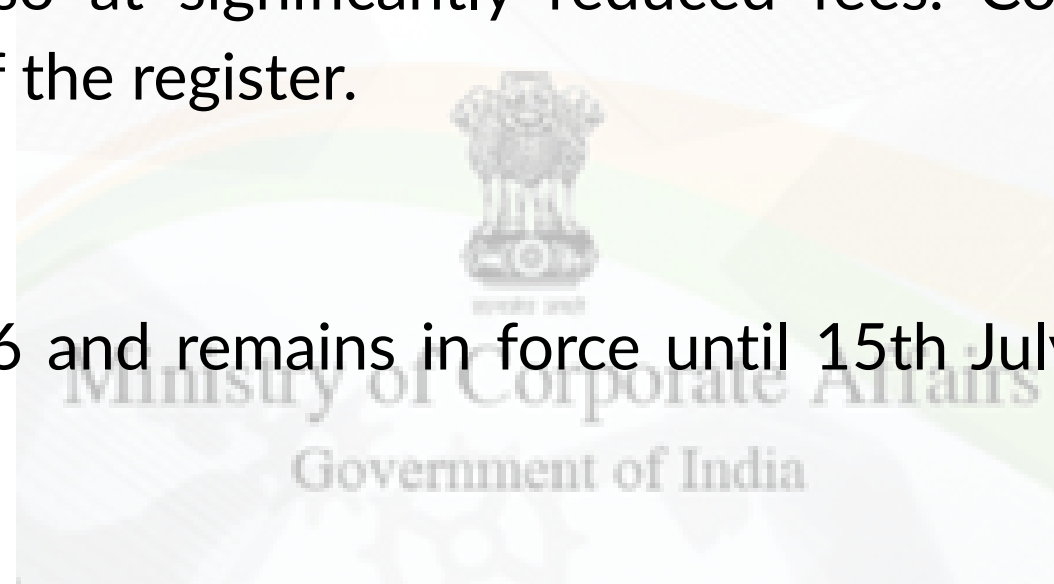


Practical Implications:

Companies with years of pending annual filings can clear their backlogs at a fraction of the usual cost. For example, a 300-day delayed filing that would normally attract ₹30,000 in additional fees will cost only ₹3,000 under the scheme. Companies intending to close or go dormant can do so at significantly reduced fees. Companies that do not avail the scheme risk enforcement action, including being struck off the register.

Implementation Deadlines:

The scheme commenced on 15th April, 2026 and remains in force until 15th July, 2026. Companies must complete all filings within this window to avail the benefits.



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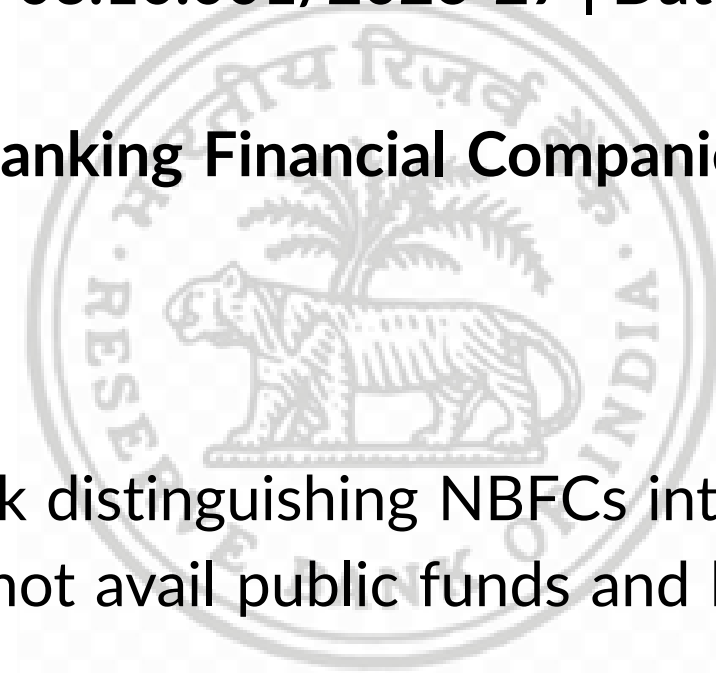
A. Reserve Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Amendment Directions, 2026

Reference: RBI/2026-27/43 | DOR.FIN.REC. No.67/03.10.001/2026-27 | Dated: April 29, 2026

Summary of Reserve Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Amendment Directions, 2026

What's New?

RBI has introduced a formal classification framework distinguishing NBFCs into Type I, Type II, and Unregistered Type I NBFCs, with a key relief measure allowing smaller NBFCs that do not avail public funds and have no customer interface to seek exemption from RBI registration requirements, subject to conditions.





Detailed Explanation:

The amendment modifies the principal Directions dated November 28, 2025 to clarify the regulatory framework for NBFCs that operate without public funds and without any customer interface. Three new categories are formally defined – Type I NBFC (registered, no public funds/customer interface), Type II NBFC (all other registered NBFCs), and Unregistered Type I NBFC (exempt from registration under Sections 45IA and 45IC of the RBI Act, 1934). A new paragraph 65A is inserted setting out the conditions for exemption from registration. Eligible NBFCs may apply for deregistration, and consequential amendments have been made across 13 other NBFC Directions to replace the older descriptive phrase with the new standardised term "Type I NBFC."

Key Conditions:

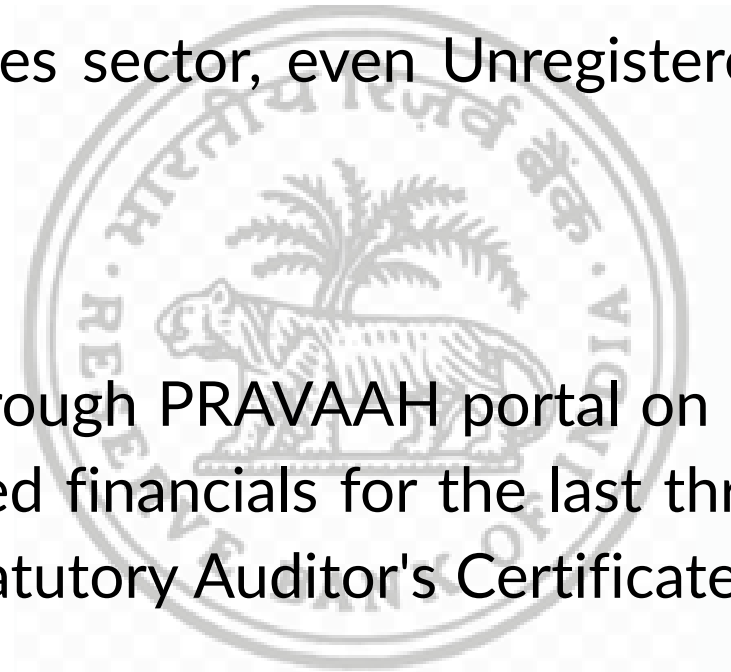
1. An NBFC qualifies as an Unregistered Type I NBFC (i.e., exempt from RBI registration) only if it operates without public funds and without customer interface as its conscious and long-term business model, its asset size is less than ₹1,000 crore as per the latest audited balance sheet, it passes an annual Board Resolution at the beginning of each financial year confirming it will not avail public funds or have customer interface during that year, and it discloses its status as an Unregistered Type I NBFC in the Notes to Accounts of its financial statements.



2. NBFCs with asset size of ₹1,000 crore or above (without public funds/customer interface) must register as Type I NBFC – they are not eligible for the unregistered exemption.
3. If an Unregistered Type I NBFC intends to access public funds or have customer interface in the future, it must seek registration as a Type II NBFC.
4. For overseas investment in the financial services sector, even Unregistered Type I NBFCs must obtain RBI registration and prior approval.

Additional Conditions:

1. Application for deregistration must be made through PRAVAAH portal on company letterhead, accompanied by: original Certificate of Registration (to be submitted physically), audited financials for the last three financial years, a statement on status of public funds and customer interface for the last three years, Statutory Auditor's Certificate, Board Resolution, and an undertaking to disclose status in Notes to Accounts.
2. In the case of multiple Unregistered Type I NBFCs in a Group, their asset sizes shall be aggregated. If the aggregate crosses ₹1,000 crore, all must register as Type I NBFCs.
3. Statutory Auditors of both Type I and Unregistered Type I NBFCs must submit an Exception Report to RBI in case of any violation of public funds or customer interface conditions.





4. Unregistered Type I NBFCs remain subject to other provisions of Chapter IIIB of the RBI Act and RBI retains the right to issue specific instructions or take penal action against them if concerns arise.
5. Existing NBFCs without registration as Type I NBFC are ineligible for the relaxed regulatory requirements available to Type I NBFCs.

Practical Implications:

Smaller NBFCs (below ₹1,000 crore assets) operating purely as internal investment or holding vehicles without any borrowing from the public or customer-facing activity can now seek formal exemption from RBI registration, significantly reducing their compliance burden. Existing Type I NBFC certificate holders and those meeting exemption criteria need to assess whether to retain registration or apply for deregistration by December 31, 2026. All NBFCs must also update their terminology across internal documents and board resolutions to align with the new Type I / Type II / Unregistered Type I classification.

Implementation Deadlines:

Amendment Directions effective from July 01, 2026.

Eligible NBFCs wishing to apply for deregistration must do so within six months of July 01, 2026, i.e., by December 31, 2026.

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