

Communiqué

Corporate Law

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Adjudication order against absolute projects (India) limited for violation of section 178(8) Of The Companies Act, 2013.

The Ministry of Corporate Affairs, through Gazette Notification S.O. 831(E) dated 24 March 2015, appointed the undersigned as Adjudicating Officer under Section 454 of the Companies Act, 2013, read with the Companies (Adjudication of Penalties) Rules, 2014.

Nature of Default

In FY 2017-18, the company crossed the financial threshold by achieving a turnover of INR 307.49 crores. Under Sections 177 and 178 of the Companies Act, 2013, this turnover legally required the company to:

- Constitute an Audit Committee.
- Constitute a Nomination and Remuneration Committee.
- Establish a Vigil Mechanism and publish its policy on the company website.

The company failed to implement any of these requirements starting **01.04.2018**.

The company finally corrected the non-compliance by establishing the committees and the Vigil Mechanism on 01.01.2025. The total duration of the default spanned 2,831 days.

The company voluntarily applied for the adjudication of penalties via e-form GNL-1 (SRNs: AB6397614 and AB6397850) on 09.01.2025 and 09.09.2025.

Due to clear evidence of prolonged non-compliance, the Adjudicating Officer has issued a notice requiring the company and its officers-in-default to explain why financial penalties should not be imposed under Section 178(8) of the Act.

Neither the company nor its officers have requested a formal hearing to contest the matter.

Proceedings, Findings & Penalty Imposition

An electronic Show Cause Notice (e-SCN) was issued on February 12, 2026, to the Company and its officers for failing to constitute an Audit Committee (Section 177) and a Nomination & Remuneration Committee (Section 178) under the Companies Act, 2013.

The company admitted to the default—which lasted for 2,831 days (from April 1, 2018, until the committees were finally formed on January 1, 2025)—but pleaded for leniency due to a lack of professional guidance.

This request was denied because the law does not allow penalty relaxations for bona fide conduct.

Consequently, separate penalties under Section 178(8) are being levied on both the Company and its officers-in-default for each distinct violation, covering only these specific offenses while leaving any other potential non-compliances for separate legal action.



Adjudication of penalty proceeding against Amyra Foods Private Limited for violation of Section 92(5) of the Companies act, 2013

The Ministry of Corporate Affairs has issued this order dated 18/05/2026, bearing Order ID: PO/ADJ/05-2026/CH/02229.

The Ministry of Corporate Affairs, through Gazette Notification S.O. 831(E) dated 24 March 2015, appointed the undersigned as Adjudicating Officer under Section 454 of the Companies Act, 2013, read with the Companies (Adjudication of Penalties) Rules, 2014.

Nature of Default

The company has not filed Annual Returns for the Financial Year 2017-18 to 2022-23. Therefore, the company and its officers have violated the provisions of section 92 of the Companies Act, 2013 and the Company and its directors are liable for penalty under section 92(5) of the Companies Act, 2013.

Proceedings, Findings & Penalty Imposition

1. There is a Violation of Companies Act 2013
2. The penalty imposed on the company, officers in default and others.
3. The notified officers in default/noticee shall rectify the default mentioned above and pay the penalty, so applicable within 90 days of receipt of the order.

The Companies (Corporate Social Responsibility Policy) Amendment rules, 2026

The ministry of corporate affairs has notified **The Companies (Corporate Social Responsibility Policy Amendment Rules, 2026** dated 27th May 2026 they shall come into force on the date of publication in the Official Gazette.

The Amendment allows Companies to fulfill part of their Corporate Social Responsibility (CSR) obligations by investing in Zero Coupon Zero Principal (ZCZP) instruments issued by registered Not-for-Profit Organizations (NPOs). A company can route its CSR funds through ZCZP instruments, but this expenditure **cannot exceed 10%** of the company's total CSR budget for that financial year.

Companies are **exempt** from doing impact assessments for these projects. NPOs must utilize the funds and complete the project within **3 financial years** from the date the ZCZP instrument was issued.

If the ZCZP instrument is delisted and there are remaining unspent funds, the NPO must transfer that money to a government fund specified in **Schedule VII** of the Companies Act and report compliance to SEBI.

Standard CSR implementation rules still apply to these instruments, with the exception of specific oversight provisions (sub-rules 5 and 6 of Rule 4).



SEBI introduces framework for 'Significant Indices' under SEBI (index providers) Regulations, 2024

SEBI, through its Circular dated 5 May 2026, has operationalised the framework for 'Significant Indices' under the SEBI (Index Providers) Regulations, 2024, with immediate effect to strengthen transparency and governance in index administration.

An index based on listed Indian securities will qualify as a Significant Index if the daily average cumulative AUM tracking or benchmarking the index across domestic mutual fund schemes **exceeds ₹20,000 crore**, assessed on a half-yearly basis.

Index providers managing such indices must apply for SEBI registration by 5 November 2026 and may continue operations while their applications are under process. Further, SEBI-regulated entities administering Significant Indices departmentally are required to transfer such activities to a **separate legal entity** by 5 May 2028.

SEBI has initially identified **48 major benchmarks, including the Nifty 50, BSE Sensex, Nifty Bank and Nifty 500, as Significant Indices under the new framework.**



The Securities Exchange Board Of India Circular Discontinuation Of Irra Platform

The SEBI has issued a circular effective May 07, 2026, announcing the **Immediate discontinuation of the Investor Risk Reduction Access (IRRA) Platform.**

The IRRA platform was introduced in December 2022 and operationalized in October 2023. It was designed to provide stockbrokers with an alternative trading access point during technical disruptions.

The Stock exchanges informed SEBI that the IRRA platform has become structurally redundant and has **never been accessed by stockbrokers** since its inception. This is due to:

- Implementation of **robust business continuity requirements**, including BCP-DR frameworks, enhanced Cyber Security, and the Market Security Operations Centre (M-SoC).
- Technological advancements allowing **seamless transitions** to alternate sites and independent cold sites.
- The active use and availability of the stock exchanges' own **Contingency Pool Trading facility**, which allows brokers to square off open positions physically via dedicated terminals during disruptions.

The IRRA platform is **discontinued with immediate effect.**

Stock exchanges are advised to disseminate this information to brokers and may review the Contingency Pool Trading facility to further strengthen it.

This **circular supersedes the previous SEBI circular dated December 30, 2022.**

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