

Editorial

For years, "Sd/-" served as a convenient stand-in for signatures in corporate documents, but that practice no longer holds. The Companies Act, 2013 mandates valid wet-ink signatures or Digital Signature Certificates for MCA filings. Regulators have tightened enforcement, with penalties now being imposed for non-compliance.

Further, in February 2026, the ICAI Disciplinary Committee classified such certification practices as Professional Misconduct, extending liability to professionals themselves. In this newsletter, we examine what this shift means and how organizations can proactively align with the evolving compliance landscape.

Please share your feedback on this newsletter with us at contact@cimplyfive.com, we eagerly look forward to it.

Happy Reading,
Team CimplyFive
April 02, 2026

What's more in this month's issue…

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OPINION:

What is Hot in Company Law?

Our free to use website www.ca2013.com has the unique distinction of providing an integrated view of the Companies Act, 2013 ("Companies Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 ("SEBI (LODR)") and Insolvency and Bankruptcy Code, 2016 ("IB code"). Our website has crossed **62 million page-views** as on date and attracts about 15,000 users accessing around 45,000 pages a day. List of the most viewed sections in the Companies Act, SEBI (LODR) and IB Code in the month of March 2026 here is based on visitors to our website is as follows:

For the Month of March, 2026
Companies Act, 2013 Top 5 Chartbusters

Rank in Jan	Change in Rank	Rank in Feb	Section	Section Title
2	↑	1	62	Further Issue of capital
3	↑	2	179	Powers of Board
1	↓	3	188	Related Party Transactions
4	↔	4	186	Loans and Investments
5	↔	5	149	Company to have Board of Directors

There have been no new changes in the rankings for the month of March 2026.

SEBI (LODR) Top 5 Chartbuster Regulations

Rank in Jan	Change in Rank	Rank in Feb	Regulation	Regulation title
1	↔	1	30	Disclosure of Events or Information
2	↔	2	23	Related party transactions
3	↔	3	17	Board of Directors
N	↑	4	16	Definitions
N	↑	5	7	Share Transfer Agent

Regulations 29 and 6 has been replaced with Regulation 16 and 7 for the month of March 2026 respectively.

IB Code Top 5 Chartbusters

Regulation 29 has been replaced with Regulation 6 for the month of March 2026.

Rank in Jan	Change in Rank	Rank in Feb	Section	Section Title
1	↔	1	5	Part 2- Chapter 1 Definitions
N	↑	2	6	Persons who may initiate corporate insolvency resolution process.
3	↔	3	3	Part 1 Definitions
2	↓	4	7	Initiation of corporate insolvency resolution process by financial creditor.
5	↑	5	53 and 33	Distribution of assets; Initiation of liquidation.

Article: The Legal Validity of "Sd/-" on Corporate Documents

Introduction

The notation "Sd/-" (denoting "Signed") has been widely used in corporate documentation in India for decades. Whether in board resolutions, financial statements, or supporting documents to statutory filings, its prevalence has been such that its legal validity was seldom questioned. That question, however, can no longer be deferred.

Under the current regulatory framework, documents filed with the Ministry of Corporate Affairs (MCA), including attachments to e-forms submitted to the Registrar of Companies (ROC), are required to bear a valid signature. This may take the form of a physical (wet-ink) signature or a valid Digital Signature Certificate (DSC) affixed in accordance with law. A mere notation of "Sd/-", irrespective of past usage, does not satisfy this requirement

From Accepted Practice to Zero Tolerance: The Regulatory Shift

It is important to admit that "Sd/-" wasn't always a bad practice. Under the earlier regime of the Companies Act, 1956, corporate filings were largely paper-based and operational practices evolved around efficiency and volume. In many cases, original documents were duly signed, while copies, especially those scanned or annexed for filing carried the notation "Sd/-" to indicate that the original bore a signature.

Within that ecosystem, the practice developed a degree of informal acceptance. However, its legal basis was always limited and context dependent.

That context has been entirely swept away by the Companies Act, 2013 and the delegated legislation made under it. The Companies Act, 2013 Act did not merely reform the 1956 framework but completely replaced it.

- Section 134(1) of the Companies Act, 2013 mandates that chairperson or two directors (including the Managing Director, if one is appointed) must sign the financial statements, along with the CEO, CFO and Company Secretary. The word "signed" does not have a more casual meaning. It means an original, verifiable act of authentication.

- Rule 6 of the Companies (Accounts) Rules, 2014 makes this duty stronger at the stage of preparation and authentication. When read together, both rules make it clear that "Sd/-" is not a compliant way to sign.

For electronic filings, the MCA system requires authentication through a valid Digital Signature Certificate issued in accordance with the **Information Technology Act, 2000**. A DSC is a secure, verifiable, and person-specific credential that ensures integrity and authenticity. In this framework, a typed or scanned notation such as "Sd/-" does not, by itself, constitute a valid signature or equivalent authentication.

MCA Enforcement: From Rule to Reality

The Ministry of Corporate Affairs has moved beyond issuing guidance and has initiated adjudication proceedings and levied penalties in cases where documents uploaded to the MCA portal — including attachments to Form AOC-4 and other statutory e-forms — do not bear proper physical or valid digital signatures and carry only "Sd/-" in their place.

On 10 February 2026, the Disciplinary Committee of the ICAI ruled that filing documents marked "Sd/-" in place of actual signatures — including attachments to Form AOC-4 and other MCA e-forms — constitutes **Professional Misconduct** under the Chartered Accountants Act, 1949.

It means that the consequences of using "Sd/-" in statutory filings are no longer limited to company-level penalties under the Companies Act,2013. The certifying professional — the Chartered Accountant or Company Secretary who certifies or attests a document bearing only "Sd/-" — may face personal disciplinary proceedings before their respective professional body.

The Judicial Record: What the Courts Have Actually Held

The decision in *Hari Chand K. Khanna v. Commissioner of Central Excise* (2002) 150 ELT 1323 (Tri-LB) is often cited in discussions on the validity of "Sd/-". However, its scope is frequently misunderstood.

The Tribunal did not hold that "Sd/-" is a valid substitute for a signature. Rather, it observed that a document may not be invalidated merely because a copy bears the notation "Sd/-", provided that:

- A duly signed original exists and

- The copy is traceable to such an authenticated original

The ruling does not extend to situations where:

- No signed original exists, or

- The document itself is required to be authenticated at the point of filing

Importantly, the case arose in the context of central excise law and cannot be directly applied to filings under the

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Companies Act, 2013, which operates within a distinct statutory and technological framework, particularly in relation to digital authentication.

Sr.No.	The Rule	What It Means in Practice
1	"Sd/-" has no legal standing under the Companies Act, 2013	It cannot substitute a signature on any document filed with or attached to an MCA e-form — under any circumstance
2	All attachments must be properly signed before upload	Every document must carry a wet-ink physical signature or valid DSC authentication. Scanning a document that bears only "Sd/-" does not make it a signed document
3	Certifying without verifying is itself a misconduct	A professional who attests or certifies a document without confirming the underlying original is properly signed faces independent disciplinary action — regardless of the company's own liability
4	Penalties are actively being levied	This is live enforcement by the MCA — not a theoretical risk. Companies and professionals treating "Sd/-" as acceptable are directly in the enforcement crosshairs
5	The law today governs and not past practice	Workflows inherited from the Companies Act, 1956 create no legal defence under the Companies Act,2013. The compliance obligation runs from the Act's commencement, without qualification

Conclusion: Authentication Is Not Symbolic — It Is the Law

The legislature, the MCA, the ICAI, and the courts have all spoken — and the answer is the same: "Sd/-" is not a signature and has no legal standing under the Companies Act, 2013. The older, more permissive regime of the Companies Act, 1956 is history, and it cannot be used as a shield against obligations that have existed since 2013.

The fundamental point is this: a signature is not a symbol of a transaction that has occurred. It is the transaction itself and — the act by which a person binds themselves, professionally and legally, to the contents of a document. "Sd/-" is an abbreviation. It is not a binding act. The two are not interchangeable, and the law under which we now operate has made that distinction enforceable.

As compliance standards continue to evolve, reliance on informal practices carries increasing legal and professional risk. The emphasis today is not on what was once convenient, but on what is legally valid and demonstrably compliant.

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BLISS Tips for the Month

BLISS Tips #339: Manage External User Access with Customized View Rights

BLISS allows admins to grant restricted access to external users such as Auditors, and Due Diligence teams to view specific records like Agenda, Minutes, Registers, and Returns. Admins can control the access scope, validity period, and download permissions, ensuring secure sharing of information. This helps organizations facilitate audits and reviews efficiently while maintaining transparency and strong data security.

BLISS Tips #340: Boost Compliance Visibility with MIS Report Scheduler

With MIS Scheduler, Admin users can now schedule MIS reports to be automatically shared as E mails with management by setting frequency, selecting companies, choosing compliance modules (including threshold-based), and defining the compliance period (30/60/90 days). This ensures timely updates, proactive escalations, and improved compliance transparency making compliance management more efficient with minimal manual effort.

Test your Gray Matter!! Take our Quiz to find out!

1. Under Regulation 19(1) of SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee (NRC) must comprise at least how many directors, and what minimum proportion must be independent?

A. Two non-executive directors, majority being independent
B. Three non-executive directors, at least one-half being independent
C. Three directors, at least two-thirds being independent
D. Four directors, majority being independent

2. Under the Model Code of Conduct in Schedule B of SEBI (PIT) Regulations, 2015, the 'contra-trade' restriction prevents a designated person from taking an opposite trade for how long after executing a trade?

A. 30 days
B. 60 days
C. 6 months
D. 12 months

3. Under Section 152(6) of the Companies Act, 2013, at every Annual General Meeting, what fraction of the directors liable to retire by rotation must vacate office?

A. One-fourth
B. One-third
C.One-half
D. Two-thirds

4. Which of the following acquisitions is exempt from the mandatory open offer obligation under Regulation 10(1) of SEBI (SAST) Regulations, 2011?

A. A bulk deal taking the acquirer's holding above 25%
B. Acquisition pursuant to a rights issue by the target company
C. Acquisition through a preferential allotment at a premium to market price
D. Secondary market purchase taking holding from 20% to 26%

5. Under Section 197(1) of the Companies Act, 2013, the total managerial remuneration payable by a public company to its directors (including MD and WTD) and manager in any financial year shall not exceed what percentage of the company's net profits?

A. 5%
B. 10%
C. 11%
D. 15%

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Board Leaders Integrated Software Solution

BLISSPLUS

BLISSPLUS is a Cloud hosted software that automates the routines, provides an e-repository, timely alerts, and a real-time dashboard, all aimed at ensuring compliance and good corporate governance. By doing so, it provides complete peace of mind to the Board of Directors and assurance to professionals by providing them with real-time compliance status with respect to the Companies Act, 2013. It also has multiple premium features like Directors view, facility to store past Secretarial records, automated compliance tracker for size- based compliance under the Companies Act, 2013.

BLISSLISTED

BLISSLISTED is an advanced variant of BLISSPLUS for Listed Companies with Companies Act,2013 and SEBI's LODR 2015 compliances integrated to provide a single point compliance automation, risk manager & e-repository for secretarial records including past secretarial records.

BLISSDOCS

BLISSDOCS is an Android/IOS based Board app for Directors which provides secure access to Board documents on Tablets/mobile phones, enhancing Directors productivity and making the Board meetings efficient & effective

CIMPLYBEST

CimplyBest is a tailormade software for Indian Corporates in conducting Corporate Board Evaluation which will optimize Board's Time & Effort with confidentiality assured.

Clear Compass

Clear Compass is an All-law Compliance Software to ascertain, track and manage all the applicable state, central and industry-specific laws.

CAIRR LODR Integrated

CAIRR is a free to use website from CimplyFive that provides at your fingertips, an integrated view of the Companies Act, 2013, IB Code, 2016 and LODR, 2015. The site and app are updated every business day by 11 AM for changes in the Act & Regulations. For more details, please visit www.ca2013.com

Compliance Calendar for the month of April 2026

Compliances under Companies Act 2013		
MBP-1- Disclosure of interest	184(1)	First Board Meeting of the Financial Year in which each Director shall disclose his interest in the other entities.
Form DIR - 8: Disclosure of Non-disqualification.	164(2) and Rule 14(1)	1st April 2026
MSME-1- Half yearly MSME Return for October to March period	Companies (Furnishing of information about Payment to Micro and Small Enterprise Suppliers) Order, 2019	30th April 2026
SEBI (LODR) Regulations, 2015 Compliances		
Integrated Filing - Governance	comprising Regulation 13(3): Statement on redressal of investor grievances and 27(2): Compliance Report on Corporate Governance and few provisions of Regulation 30	30th April
Statement showing holding of securities and shareholding pattern	31(1)(b)	21st April 2026
Indian Depository Receipt holding pattern (Only for Listed entities which has issued IDR)	69(1)	14th April 2026
Initial Disclosure requirements for large entities	SEBI Circular	30th April
Listing fees	14	30th April
SEBI (Depositories and Participants) Regulations, 2018		
Reconciliation of share capital audit report	Regulation 76	30th April
Annual Compliances under PIT regulations		
SDD Compliance Certificate or a Practising Company Secretary (PCS).	Regulation 3(5)	21st April

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Gist of regulatory changes in Companies Act, 2013, SEBI (LODR) 2015, SEBI (PIT) Regulations, 2015 and Insolvency & Bankruptcy Code, 2016 in the month of March 2026.

- **09/03/2026**

Update on single filing system through API-based integration between Stock Exchanges

Vide the aforesaid circulars, the Stock Exchanges have extended the Single Filing System to cover the following additional disclosures, w.e.f March 07, 2026:

1. Closure of Trading Window
2. Prior Intimation for Board Meeting

The single filing system already available for the following disclosures:

1. Investor Grievance Report
2. Corporate Governance Report
3. Reconciliation of Share Capital Audit Report
4. Meetings of Shareholders and Voting Results
5. Integrated Filing (Governance)
6. Annual Secretarial Compliance Report
7. Integrated Filing (Financials)
8. Issue Summary Document (ISD)- Buyback- Open and Tender Route
9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions (Inter-Creditors Agreement) and One time settlement (OTS)
10. Corporate Debt Restructuring
11. Fraud/Default/Arrest

- **13/03/2026**

MCA has notified the Companies (Accounting Standards) Amendment Rules 2026.

Key Highlights of the notification are as follows: -

Insertion of new provisions under Accounting Standard (AS) 22 – Accounting for Taxes on Income

A. Applicability to Pillar Two Taxes

- The standard now applies to taxes on income arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development (OECD).
- This includes tax laws implementing Qualified Domestic Minimum Top-Up Taxes.
- Such tax laws and the taxes arising from them are referred to as "Pillar Two legislation" and "Pillar Two income taxes."
- As an exception to the requirements of AS-22, an enterprise shall neither recognise nor disclose deferred tax assets and liabilities related to Pillar Two income taxes.

B. International Tax Reform – Pillar Two Model Rules

The following disclosure requirements have been introduced:

- An enterprise shall disclose that it has applied the exception relating to the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes.
- An enterprise shall separately disclose its current tax expense (income) related to Pillar Two income taxes.
- In cases where Pillar Two legislation has been enacted or substantively enacted but is not yet effective, enterprises must disclose known or reasonably estimable information to help users of financial statements understand the enterprise's exposure to Pillar Two income taxes.
- To meet this disclosure objective, enterprises must provide qualitative and quantitative information regarding their exposure to Pillar Two income taxes as at the end of the reporting period.
- Such disclosures may be presented in the form of an indicative range and need not reflect all detailed requirements of the legislation.
- Where the information is not known or reasonably estimable, the enterprise must disclose:
- A statement indicating the same, and
- The progress made in assessing its exposure.
- Provided that the disclosure requirements relating to qualitative and quantitative information regarding an enterprise's exposure to Pillar Two income taxes shall not apply to Small and Medium-sized Companies (SMCs).

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C. Effective Date

Under the International Tax Reform – Pillar Two Model Rules:

- The exception relating to recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes, and the related disclosure requirement, shall be applied **immediately upon issuance** of the amendments and **retrospectively**.
- The remaining disclosure requirements shall apply to **annual reporting periods beginning on or after 1 April 2025**.
- Enterprises are **not required** to provide these disclosures for any **interim period ending on or before 31 March 2026**.

- **31/03/2026**

Update on single filing system through API-based integration between Stock Exchanges:

Vide the aforesaid circular, the Stock Exchange has extended the Single Filing System to cover the following additional disclosures, w.e.f March 31, 2026:

Business Responsibility and Sustainability Report

The single filing system is already available for the following disclosures:

1. Investor Grievance Report
2. Corporate Governance Report
3. Reconciliation of Share Capital Audit Report
4. Meetings of shareholders and Voting Results
5. Integrated Filing (Governance)
6. Annual Secretarial Compliance Report
7. Integrated Filing (Financials)
8. Issue Summary Document (ISD)- Buyback- Open and Tender Route
9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions (Inter-Creditors Agreement) and One time settlement (OTS)
10. Corporate Debt Restructuring
11. Fraud/Default/Arrest
12. Closure of Trading Window
13. Prior Intimation for Board Meeting

Solution for Quiz
1. B
2. C
3. B
4. B
5. C

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About CimplyFive

Mission

Provide a cost-effective, secure web-based, menu driven, subscription services that provides curated resolutions, timely alerts and informative dashboards to free the management bandwidth for pursuing business goals

Vision

Leverage research and technology to eliminate procedural non-compliance risk for entities regulated by the Indian Companies Act, 2013



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