

LEGAL BRIEFS: BI-WEEKLY LEGAL UPDATES

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Synergia Legal is bringing to you a fortnightly compilation of digestible summaries of key legal developments and case laws impacting the business, commercial and economic landscape in India:

CORPORATE LAWS

1. The Ministry of Corporate Affairs (MCA) issued a general circular introducing the Companies Compliance Facilitation Scheme, 2026 (February 24, 2026):

The MCA, through General Circular No. 01/2026 dated February 24, 2026, has introduced the *Companies Compliance Facilitation Scheme, 2026* (“CCFS-2026”) as a one-time compliance relief measure aimed at enabling companies to regularise long-pending statutory filings under the Companies Act, 2013. The CCFS-2026 will be operational from April 15, 2026 to July 15, 2026, during which eligible companies may file overdue annual returns, financial statements and certain related forms by paying the prescribed filing fee along with only 10% of the otherwise applicable additional fees, thereby granting a 90% waiver on late filing penalties. In addition, the CCFS-2026 provides alternative compliance pathways for inactive or defunct entities by permitting companies to obtain dormant status under Section 455 of the Companies Act, 2013 upon payment of 50% of the applicable filing fee, or to apply for striking-off of the company’s name under Section 248 of the Companies Act, 2013 by paying 25% of the prescribed fee. The initiative is intended to encourage corporate entities to rectify historical non-compliances, improve the accuracy of the MCA registry, and facilitate ease of doing business, while clarifying that companies which do not avail the scheme within the specified window may thereafter be subject to regulatory enforcement action by the Registrar of Companies.

(The General Circular No. 01/2026 issued by the MCA is accessible [here](#).)

2. The MCA issued an Advisory for Stakeholders for Name Reservation and Incorporation of Company and LLP (March 12, 2026):

The MCA has issued an advisory to stakeholders regarding name reservation and incorporation of companies and limited liability partnerships (LLPs) on the MCA-21 portal. The advisory reiterates that applicants must exercise due diligence while proposing names, ensuring that the proposed name is not identical or deceptively similar to existing companies, LLPs, or registered trademarks, and complies with the applicable provisions of the Companies Act, 2013, LLP Act, 2008, and the respective incorporation rules. The MCA has cautioned that names which are misleading, intended for impersonation, or which contain

restricted words requiring regulatory approval may be rejected during examination. Stakeholders are therefore advised to conduct appropriate name availability and trademark checks and ensure compliance with the prescribed naming guidelines to avoid delays or rejection during the incorporation process.

(The Advisory for Stakeholders for Name Reservation and Incorporation of Company and LLP issued by the MCA is accessible [here](#).)

3. The MCA notified the Companies (Accounting Standards) Amendment Rules, 2026 (March 12, 2026):

The MCA, through the Companies (Accounting Standards) Amendment Rules, 2026, has introduced amendments to the Companies (Accounting Standards) Rules, 2021 with the objective of updating certain accounting standards applicable to companies in India. The amendments primarily revise provisions relating to specified Accounting Standards in order to align them with evolving financial reporting practices and ensure greater clarity and consistency in the preparation and presentation of financial statements. The revised framework will apply to companies required to comply with Accounting Standards under Section 133 of the Companies Act, 2013, and companies are expected to adopt the updated standards while preparing their financial statements for the relevant financial periods, thereby strengthening transparency, comparability, and reliability of financial reporting.

(The Companies (Accounting Standards) Amendment Rules, 2026 issued by the MCA is accessible [here](#).)

SECURITIES LAWS

4. The Securities and Exchange Board of India (SEBI) issued a circular notifying the Guidelines for Custodians (March 04, 2026):

The SEBI, through its circular dated March 04, 2026 titled “Guidelines for Custodians,” has introduced a revised operational and governance framework for custodians of securities with the objective of strengthening regulatory oversight while facilitating operational flexibility. The circular, issued pursuant to amendments to the SEBI (Custodian) Regulations, 1996, prescribes enhanced requirements relating to segregation of regulated and unregulated financial services, governance oversight, risk management, and disclosure obligations. In particular, non-bank custodians are required to conduct SEBI-regulated and other financial services through separate strategic business units on an arm’s-length basis, maintain separate accounts and comply with applicable net worth and compliance requirements independently for such activities. The framework also introduces safeguards relating to client disclosures, operational risk management, and supervisory reporting, with the broader objective of

improving transparency, mitigating conflicts of interest, and strengthening the custodial ecosystem in the Indian securities market.

(The Circular bearing number HO/19/(1)2025-AFD-FPICELL/5928/2026 issued by the SEBI is accessible [here](#).)

5. The SEBI issued a circular on Regulatory Reporting by AIFs (March 04, 2026):

The SEBI, through its circular titled “Regulatory Reporting by AIFs” dated 4 March 2026, has introduced a revised framework governing regulatory reporting and disclosure obligations for Alternative Investment Funds (“AIFs”) with the objective of enhancing transparency, data standardisation, and regulatory oversight. The circular requires AIFs to submit specified periodic regulatory reports through the SEBI Intermediary Portal, including information relating to fund performance, investments, leverage, and other operational details, in the prescribed format and timelines. It also clarifies responsibilities of AIF managers and custodians in relation to data accuracy and submission, and mandates improved data validation and reporting standards to enable more effective regulatory monitoring of the AIF ecosystem. The framework forms part of SEBI’s broader initiative to strengthen supervisory capabilities and ensure more consistent and reliable reporting by AIFs across the industry.

(The Circular No. HO/19/28/(1)2026-AFD-SEC3/1/6176/2026 issued by the SEBI is accessible [here](#).)

BANKING/ FINTECH LAWS

6. The Reserve Bank of India (RBI) issued the Draft Amendment Directions for ‘Review of Framework for Limiting Customer Liability in Digital Transactions’ (March 06, 2026):

The RBI has issued draft amendment directions proposing revisions to the existing framework governing customer liability in unauthorised electronic banking transactions, originally issued in 2017. The proposed amendments seek to expand the scope of the current framework to cover additional categories of fraudulent electronic banking transactions, reduce the time taken by banks to process and resolve fraud-related complaints, and introduce a compensation mechanism for small-value fraudulent digital transactions. The draft amendments are proposed to be implemented through changes to the Responsible Business Conduct Directions applicable to various regulated entities, including commercial banks, small finance banks, payments banks, regional rural banks, and cooperative banks. The proposed compensation framework will initially operate for one year from the effective date, after which it will be reviewed based on implementation experience. The RBI has invited comments from stakeholders and the public on the draft directions until April 06, 2026.

(The Press Release bearing number 2025-26/2224 issued by the RBI is accessible [here](#).)

OTHER LAWS

7. **The Government of India issued a press release on legal safeguards to prevent potential harms that may arise from AI and related technologies (March 10, 2026):**

The Government of India has clarified that a range of existing legal and regulatory frameworks already provide safeguards to address potential risks arising from artificial intelligence (AI) and related technologies. In its statement, the Government highlighted that laws such as the Information Technology Act, 2000, the Digital Personal Data Protection Act, 2023, and sector-specific regulatory frameworks collectively address issues relating to data protection, cybersecurity, misuse of digital platforms, and harmful online content. The Government further noted that these frameworks are supplemented by ongoing policy initiatives aimed at promoting responsible and ethical development of AI, while ensuring that emerging technologies do not compromise user safety, privacy, or national security. The clarification underscores India's approach of leveraging existing legal mechanisms, alongside evolving regulatory oversight, to mitigate potential harms associated with AI deployment and digital innovation.

(The Press Release by the Government of India is accessible [here](#).)

8. **The Union Cabinet approved changes in guidelines on investments from countries sharing land border with India (March 10, 2026):**

The Union Cabinet of India has approved amendments to the guidelines governing foreign investments from countries sharing a land border with India, which were originally introduced under Press Note 3 (2020) to curb opportunistic takeovers during the pandemic. The revised framework seeks to clarify the definition and determination criteria of "beneficial ownership" in such investments and introduces definitive timelines for processing government approvals in critical sectors that require prior clearance. The changes are aimed at providing greater regulatory certainty while continuing to maintain oversight of investments originating from neighbouring countries, with the broader objective of facilitating legitimate foreign investment—particularly into startups and deep-technology sectors—while safeguarding national security and strategic interests.

(The Press Release by the Union Cabinet of India is accessible [here](#).)

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THE RECITALS