

LEGAL BRIEFS: BI-WEEKLY LEGAL UPDATES

(Volume 2, Issue 14 | March 16, 2026 to March 28, 2026)

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 an Advisory for Stakeholders for Name Reservation and Incorporation of Company and LLP (March 25, 2026):

The MCA has issued an advisory to streamline and ensure greater accuracy in the process of name reservation and incorporation of companies and LLPs, in light of recurring discrepancies observed in applications filed through the SPICe+ and RUN/FiLLiP forms. The advisory emphasizes strict adherence to the naming guidelines prescribed under the Companies Act, 2013 and the LLP Act, 2008, including the requirement that proposed names must not be identical or closely resemble existing entities, trademarks, or violate restricted or sensitive word usage norms without requisite approvals. It further clarifies that applicants must ensure consistency between the proposed name, the main objects of the entity, and the supporting documents, while also exercising due diligence in trademark searches and regulatory approvals prior to submission. The MCA has cautioned that non-compliant or misleading applications may result in rejection, resubmission delays, or potential regulatory action, thereby underscoring the need for careful evaluation and professional scrutiny at the pre-incorporation stage to avoid procedural inefficiencies and ensure seamless incorporation.

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

SECURITIES LAWS

2. The Securities and Exchange Board of India (SEBI) issued Master Circular for Mutual Funds (March 20, 2026):

The SEBI has issued a comprehensive Master Circular for Mutual Funds, consolidating and rationalising the extant regulatory framework applicable to mutual funds into a single reference document to enhance regulatory clarity and ease of compliance. The circular encapsulates key provisions relating to the constitution and governance of mutual funds,

roles and responsibilities of asset management companies (AMCs), trustees and custodians, scheme formulation and categorisation, disclosure and reporting requirements, valuation norms, investor protection measures, and operational compliances. It also incorporates updated guidelines on risk management, expense ratios, advertisement standards, distribution practices, and unitholder servicing, alongside specific provisions governing overseas investments, ESG-related disclosures, and stewardship responsibilities. By harmonising previously issued circulars and amendments, SEBI aims to provide a structured and accessible regulatory framework, thereby facilitating consistent compliance, strengthening investor confidence, and promoting transparency and accountability within the mutual fund ecosystem.

(The Master Circular on Mutual Funds issued by the SEBI is accessible [here](#).)

3. The SEBI notified the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2026 (March 21, 2026):

The SEBI has notified the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2026, introducing targeted revisions to the existing ICDR framework with a view to enhancing disclosure standards, streamlining capital raising processes, and strengthening investor protection. The amendments refine provisions relating to eligibility conditions and disclosure requirements for public issues and other capital market transactions, including updates to offer document disclosures, promoter and shareholding norms, and compliance obligations for issuers and intermediaries. Further, the changes seek to align procedural aspects with evolving market practices by rationalising timelines, clarifying regulatory interpretations, and improving transparency in issue-related information made available to investors. Overall, the amendments are intended to reinforce the integrity and efficiency of the primary market ecosystem while ensuring that issuers adhere to robust disclosure and governance standards.

(The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2026 notified by the SEBI is accessible [here](#).)

4. The SEBI issued a Consultation Paper on Introduction of Gift Card/ Gift PPI (Prepaid Payment Instrument) for Mutual Funds (March 24, 2026):

The SEBI has issued a consultation paper proposing the introduction of Gift Cards or Gift Prepaid Payment Instruments (PPIs) for mutual fund investments, with the objective of facilitating wider retail participation and enabling gifting of mutual fund units in a regulated manner. The proposal contemplates a framework whereby regulated entities, in coordination with authorised PPI issuers, may issue closed-loop or semi-closed PPIs that can be redeemed exclusively for investment in mutual fund schemes, subject to compliance with applicable KYC, AML, and payment system regulations. The paper outlines key operational, regulatory, and risk considerations, including limits on loading and redemption, investor identification

requirements, prevention of misuse, and alignment with existing SEBI and RBI frameworks governing mutual funds and PPIs. SEBI has invited stakeholder comments on the feasibility, structure, and safeguards of the proposed mechanism, signalling a move towards product innovation while maintaining regulatory oversight and investor protection within the mutual fund ecosystem.

(The Consultation Paper on Introduction of Gift Card/ Gift PPI (Prepaid Payment Instrument) for Mutual Funds issued by the SEBI is accessible [here](#).)

OTHER LAWS

5. **The Department for Promotion of Industry and Internal Trade (DPIIT) has issued Press Note No. 2 (2026 Series) on the Review of FDI Policy on Investments from Countries Sharing Land Border with India (March 16, 2026):**

The DPIIT, through Press Note No. 2 (2026 Series), has amended Paragraph 3.1.1 of the Consolidated FDI Policy, 2020 to further clarify and tighten the regulatory framework governing investments from countries sharing a land border with India. While retaining the requirement that such investments (including those involving beneficial ownership from neighbouring jurisdictions) must be made under the Government approval route, the amendment introduces a more structured and objective test for determining “beneficial ownership” by aligning it with the definition and thresholds prescribed under the Prevention of Money-laundering Act, 2002 and the associated rules. The revised framework expands the scope to cover not only direct ownership but also indirect, cumulative and control-based rights that may enable such investors to exercise influence or ultimate effective control over the investor or investee entity. It also mandates prior Government approval for any downstream change in ownership resulting in such beneficial ownership and introduces additional reporting requirements for certain investments that may not otherwise require approval but still involve linkages to bordering countries. Overall, the amendments seek to remove interpretational ambiguity, strengthen regulatory oversight of indirect investments, and balance national security considerations with continued facilitation of foreign investment.

(The Press Note No. 2 (2026 Series) issued by the DPIIT is accessible [here](#).)

6. **The Ministry of Micro, Small and Medium Enterprises (Ministry of MSME) organizes first National Workshop on MSME (March 16, 2026):**

The MSME organised the first National Workshop on the MSME Online Dispute Resolution (ODR) Portal on March 16, 2026 in New Delhi, with the objective of promoting faster, cost-

effective and technology-driven mechanisms for resolving commercial disputes involving micro and small enterprises. The workshop brought together key stakeholders, including MSME industry associations, MSE Facilitation Councils, ADR institutions, policymakers and legal experts, to deliberate on strengthening dispute resolution frameworks and to familiarise participants with the functionality of the ODR platform. The Ministry emphasised that efficient dispute resolution – particularly in relation to delayed payment disputes – is critical to improving ease of doing business and enhancing confidence among entrepreneurs and investors, while also encouraging collaborative Centre-State participation for effective implementation. Stakeholders highlighted that the ODR mechanism can significantly reduce time and costs associated with traditional dispute resolution processes while improving transparency and accessibility for small businesses, and the workshop concluded with a consensus on increasing awareness, strengthening institutional capacity, and driving wider adoption of the ODR portal to ensure timely and effective resolution of MSME disputes.

(The Press Release by the Ministry of MSME is accessible [here](#).)

7. The Supreme Court Reaffirms Limits on One-Sided Clauses in Government Contracts (March 23, 2026):

The Supreme Court, in *M/s ABS Marine Services v. Andaman and Nicobar Administration* (2026 INSC 274), has strongly deprecated the incorporation of one-sided or oppressive clauses in government contracts that effectively curtail or foreclose legal remedies available to private parties. The Court emphasised that the State, owing to its dominant bargaining position, cannot impose contractual terms that are arbitrary, unreasonable, or disproportionately favourable to itself, particularly where such clauses restrict access to dispute resolution mechanisms or judicial remedies. Reaffirming the applicability of constitutional principles under Article 14 even in contractual dealings of the State, the Court held that government contracts must meet standards of fairness, non-arbitrariness, and proportionality, and that unconscionable terms may be subject to judicial review and invalidation. The ruling serves as an important reiteration of the requirement for equitable contracting practices in public procurement and strengthens protections for private parties engaging with government authorities.

(The judgment in the case of M/s ABS Marine Services v. The Andaman and Nicobar Administration (2026 INSC 274) is accessible [here](#).)

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