

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) Enables Corporate Social Responsibility Spending Through Zero Coupon Zero Principal Instruments (May 25, 2026):

The MCA has notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2026, along with a corresponding amendment to Schedule VII of the Companies Act, 2013, to expressly permit companies to undertake Corporate Social Responsibility activities through subscription to zero coupon zero principal instruments on the Social Stock Exchange. The amendments introduce definitions of “Not for Profit Organization” and “zero coupon zero principal instrument” by aligning the Corporate Social Responsibility framework with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and insert a new Rule 4A permitting implementation of Corporate Social Responsibility through such instruments. However, expenditure on such instruments cannot exceed 10% of the company’s total Corporate Social Responsibility expenditure for the relevant financial year. Companies subscribing to such instruments are also exempt from undertaking impact assessment for projects funded through them. The issuing Not for Profit Organization must undertake projects with a duration not exceeding three succeeding financial years from the date of issue and, upon termination of listing of the instrument, transfer any unspent amount to a fund specified under Schedule VII and submit a compliance report to the Securities and Exchange Board of India. These amendments create a regulated route for deploying Corporate Social Responsibility funds through Social Stock Exchange-listed social impact instruments, while preserving expenditure limits and utilisation safeguards.

(The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2026 issued by the SEBI is accessible [here](#).)

BANKING / FINTECH LAWS

2. The Reserve Bank of India (RBI) issued a press release on the Revised Draft Amendment Directions on ‘Conduct of Regulated Entities in Recovery of Loans and Engagement of Recovery Agents’ (May 20, 2026):

The RBI has issued revised draft amendment directions on the conduct of regulated entities in loan recovery and the engagement of recovery agents, following stakeholder feedback on the earlier draft issued in February 2026. The revised draft directions seek to refine the regulatory framework governing recovery practices across banks, non-banking financial companies, housing finance companies, co-operative banks, regional rural banks, small finance banks and all-India financial institutions. Notably, the revisions also address feedback on the use of technology-based mechanisms that may restrict or disable certain functionalities of financed mobile devices, such as phones and tablets, in cases of borrower default. The RBI has opened the revised drafts for another round of public consultation, with comments invited from regulated entities, members of the public and other stakeholders on or before May 31, 2026.

(The Press Note: 2026-27/298 issued by the RBI is accessible [here](#).)

3. The RBI issued a press release inviting public comments on the draft “Reserve Bank of India (Capital Adequacy) Amendment Directions, 2026” (May 19, 2026):

The RBI has invited public comments on the draft Reserve Bank of India (Capital Adequacy) Amendment Directions, 2026, issued pursuant to a review of the existing capital adequacy framework and with a view to ensuring greater alignment with Basel Pillar 3 disclosure requirements. The draft amendments specifically relate to the Pillar 3 disclosure obligations applicable to commercial banks and small finance banks under the prudential norms on capital adequacy, and are proposed to be introduced through separate amendment directions for each category. The RBI has invited comments and feedback from stakeholders on or before June 2, 2026, either through the Connect2Regulate section on its website or by submission to the Department of Regulation.

(The Press Note: 2026-27/290 issued by the RBI is accessible [here](#).)

OTHER LAWS

4. The Insolvency and Bankruptcy Board of India (IBBI) notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2026 (May 19, 2026):

The IBBI has notified the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2026, further amending the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The amendment, which comes into force from the date of its publication in the Official Gazette, introduces a proviso to Regulation 27 dealing with the appointment of registered valuers during a corporate insolvency resolution process. Under the revised framework, where the corporate debtor is classified as a micro, small or medium enterprise under Section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006, the resolution professional is required to appoint only one set of registered valuers, unless the committee of creditors decides, for reasons recorded in writing, to appoint two sets of registered valuers. The amendment is intended to provide a more proportionate valuation framework for MSME corporate debtors while retaining committee-level discretion where additional valuation safeguards are considered necessary.

(The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2026 is accessible [here](#).)

5. The IBBI notified Insolvency and Bankruptcy Board of India (Liquidation Process) (Third Amendment) Regulations, 2026 (May 19, 2026):

The IBBI has notified the Insolvency and Bankruptcy Board of India (Liquidation Process) (Third Amendment) Regulations, 2026, further amending the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. The amendment, which comes into force from the date of its publication in the Official Gazette, modifies Regulation 35 dealing with valuation in liquidation proceedings. Under the revised framework, where the corporate debtor is classified as a micro, small or medium enterprise under Section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006, the liquidator is required to appoint one registered valuer for each class of assets of the corporate debtor, unless the consultation committee decides, for reasons recorded in writing, to appoint two registered valuers. The amendment is intended to make the valuation process for MSME corporate debtors more proportionate and cost-efficient, while preserving the consultation committee's discretion to require an additional valuation where considered necessary.

(The Insolvency and Bankruptcy Board of India (Liquidation Process) (Third Amendment) Regulations, 2026 issued by the IBBI is accessible [here](#).)

6. The IBBI notified the Insolvency and Bankruptcy Board of India (Pre-Packaged Insolvency Resolution Process) (Second Amendment) Regulations, 2026 (May 19, 2026):

The IBBI has notified the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) (Second Amendment) Regulations, 2026, further amending the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021. The amendment, which comes into force from the date of its publication in

the Official Gazette, substitutes Regulation 38 and revises Regulation 39 to streamline the valuation process in pre-packaged insolvency resolution processes. Under the revised framework, the resolution professional is required, within three days of appointment, to appoint one set of registered valuers to determine the fair value and liquidation value of the corporate debtor, unless the committee decides, for reasons recorded in writing, to appoint two sets of registered valuers. The amendment also prescribes categories of persons who cannot be appointed as registered valuers, including related parties of the corporate debtor, recent auditors, connected insolvency professional entity partners or directors, and certain relatives of the resolution professional or connected persons. Further, Regulation 39 has been aligned to clarify the manner of considering fair value and liquidation value where one or two sets of registered valuers are appointed. The amendment is intended to rationalise valuation requirements in the pre-packaged insolvency framework while retaining committee-level discretion to require an additional valuation where considered necessary.

(The Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) (Second Amendment) Regulations, 2026 issued by the IBBI is accessible [here](#).)

7. The IBBI issued Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) Guidelines, 2026 (May 18, 2026):

The IBBI has issued the Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) Guidelines, 2026, setting out the procedure for preparing a panel of insolvency professionals for appointment by the National Company Law Tribunal and the Debt Recovery Tribunal. The panel, which will be effective from July 1, 2026 to December 31, 2026, is intended to avoid administrative delays in the appointment of insolvency professionals as interim resolution professionals, resolution professionals, liquidators and bankruptcy trustees under the Insolvency and Bankruptcy Code, 2016. The guidelines prescribe eligibility conditions for inclusion in the panel, including absence of pending disciplinary proceedings, no recent conviction, submission of an expression of interest and consent, and holding a valid authorisation for assignment for the entire panel period. The guidelines also provide for a zone-wise and bench-wise panel, sorting of eligible professionals based on ongoing assignments, restrictions on refusal after inclusion in the panel, and repeal of the earlier 2025 recommendation guidelines. Overall, the framework seeks to create a pre-approved and administratively efficient mechanism for appointment of insolvency professionals, while ensuring basic eligibility, consent and accountability standards.

(The Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) Guidelines, 2026 issued by the IBBI is accessible [here](#).)

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THE RECITALS