

Niti

*Developments in Corporate Laws
February, 2026*



*"Krishna controls the Finite and the Infinite with inconceivable supernatural transcendental force.
This is the power of inner energy."*

.....Bhagavad Gita



SECTION I – CORPORATE LAWS

I. Ministry of Corporate Affairs (“MCA”) Notifications, Circulars and Press Releases

A. Delegation of Powers to Regional Directors for certain sections of the Companies Act and LLP Act

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjMwMjcxNDQy&docCategory=Notifications&type=open>

The Ministry of Corporate Affairs (MCA), vide its notification dated February 10, 2026, has amended its earlier notifications issued under Section 458 of the Companies Act, 2013 dated March 31, 2015, December 31, 2015, December 19, 2016, September 6, 2017, December 18, 2018, and December 20, 2018, which were extended to Limited Liability Partnerships (LLPs) pursuant to the notification dated 29th April 2015.

Through this amendment, the MCA has revised the list of Regional Directors authorised to exercise delegated powers for the sections mentioned hereunder of the Companies Act, 2013 and Limited Liability Partnership Act, 2008:

- Section 17 of the LLP Act, 2008;
- Section 8 of the Companies Act, 2013;
- Clause 41 of Section 2 and Section 14 of the Companies Act, 2013;
- Section 94 of the Companies Act, 2013;
- Section 66 of the Companies Act, 2013;
- Section 208 of the Companies Act, 2013;

Under the earlier notification, the recognised Regional Directors were those at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad, and Guwahati. The amended notification substitutes this list with Regional Directors located at Ahmedabad, Bangalore, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai, Navi Mumbai, and New Delhi. This notification became effective from February 16, 2026.

B. Adjudication of Offenses – Limited Liability Partnerships

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjMwMjcxNDgy&docCategory=Notifications&type=open>

The MCA has issued above notification on February 10, 2026 under Section 76A of the Limited Liability Partnership Act, 2008 and appointed Registrars of Companies (RoCs) as the



Adjudicating Officers. This notification supersedes the earlier notification, except for actions already taken.

The appeals, if any, filed against the orders passed by the adjudicating officers shall lie before the concerned Regional Director having jurisdiction over the adjudicating offices as provided in the notification.

All proceedings pending before the adjudicating officers, and appeals pending before the Regional Directors as on date of commencement of this notification shall, from the date of such commencement, be dealt in accordance with this notification.

The notification will come into force from 16th February 2026, thereby restructuring and streamlining the adjudication mechanism for penalties under the LLP Act.

C. Amendment to delegation under sections 153 and 154 of the Companies Act, 2013.

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjMwMjcwOTYw&docCategory=Notifications&type=open>

The MCA has vide its notification dated February 10, 2026 amended its earlier notification issued under Section 458 of the Companies Act, 2013 dated 21st May, 2014 and 22nd May, 2014.

The references to “Office of Regional Director at Noida” in the earlier notifications has been replaced with “Regional Director, Northern Region Directorate I, Headquarter at New Delhi.”

Consequently, all future references to the Regional Director at Noida shall now refer to the Regional Director, Northern Region Directorate I, headquartered in New Delhi. This amendment takes effect from February 16, 2026. Actions taken prior to this date will remain valid and unaffected by this amendment.

D. Companies Compliance Facilitation Scheme, 2026 (CCFS-2026).

<https://www.mca.gov.in/bin/dms/getdocument?mcs=ZojVoJLpnPM35BP6QFpABA%253D%253D&type=open>

The Ministry of Corporate Affairs (MCA) has introduced the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026). Designed to reduce financial pressure on organizations, this initiative provides a one-time opportunity for companies to regularize their compliance records or exit the registry at a significantly reduced cost.



1. Key Details and Eligibility

CCFS-2026 Duration: The CCFS-2026 shall commence from April 15, 2026 and will remain in force till July 15, 2026.

Broad Coverage: All companies including NBFCs are covered under CCFS-2026.

Exclusions: The CCFS-2026 is not applicable to "vanishing companies", companies with final strike-off notices under Section 248 of the Companies Act, 2013, or companies that already applied for voluntary strike-off or dormant status before April 15, 2026.

Simplified Process: No separate "Immunity Application" is required. The relief is granted upon the successful filing of the relevant e-forms and payment of the reduced fees.

Forms Covered: E-Forms MGT-7, MGT 7-A, AOC-4, AOC-4 CFS, AOC -4 NBFC (Ind AS), AOC-4 CFS NBFC (Ind AS), AOC-4 (XBRL), ADT-1, FC-3, FC-4, Form 20B, Form 21A, Form 23AC, Form 23ACA, Form 23AC (XBRL), Form 23ACA (XBRL), Form 66 and Form 23B

2. Reduced Fees and Benefits

Annual Filings: Companies can complete pending annual filings by paying the normal fees plus only 10% of the additional fees.

Dormant Status: Companies wishing to become inactive can file Web-form MSC-1 at 50% of the normal fee.

Strike Off: Companies applying to strike off their name from the register via Web-form STK-2 only need to pay 25% of the filing fee (Rs. 2,500 instead of Rs. 10,000).

Immunity from Penalties: No penalty will be levied for Annual Returns and Financial Statements if filings are made before the issuance of an adjudicating officer's notice, or within 30 days of such notice. Furthermore, immunity from prospective penal action is granted for other relevant e-forms if filed under the CCFS-2026 before prosecution or adjudication proceedings begin.

3. Important Clarifications

AGM Defaults: The CCFS-2026 only provides immunity from penal actions under Section 92 and Section 137 for delayed filings. It does not cover the default of not holding an Annual General Meeting (AGM), which must be compounded separately.

Corrections: The CCFS-2026 is meant strictly for pending annual compliances, not for correcting past filings.



Form Restrictions: Only the specified annual filing forms mentioned in the CCFS-2026 are covered. Forms like INC-20A or DPT-3 are explicitly excluded.

4. Consequences of Missing the Deadline

Loss of Financial Relief: After the CCFS-2026 expires, the 10% additional fee benefit will no longer be available. Defaulting companies will be subject to the standard additional fee of Rs. 100 per day for delays, which accrues without any upper limit.

Enforcement: The Registrars of Companies are specifically directed to take mandatory enforcement action against any company that misses this window and remains in default. Those companies will be subject to the full statutory penalties and legal proceedings.

II. Securities and Exchange Board of India (“SEBI”) Notifications, Circulars and Press Release.

A. Master Circular for Issue of Capital and Disclosure Requirements

https://www.sebi.gov.in/legal/master-circulars/feb-2026/master-circular-for-issue-of-capital-and-disclosure-requirements_99611.html

SEBI has, from time to time, issued various circulars and directions under the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as the “**ICDR Regulations**”).

In order to enable the users to have access to the provisions of the applicable circulars at one place, a Master Circular for compliance with the provisions of the ICDR Regulations was issued on 21st June, 2023. Further, the Master Circular dated 21st June, 2023 was updated and issued on 11th November, 2024 by consolidating relevant circulars issued till 30th September, 2024.

The Master Circular dated 11th November, 2024 is now further updated to include all relevant circulars that were issued till 31st December, 2025 and changes, wherever considered relevant, are carried out to reflect the provisions which are currently in force.

With the issuance of this Master Circular, all directions/ instructions contained in the circulars listed out in the Appendix to this Master Circular shall stand rescinded to the extent they relate to ICDR Regulations.

Notwithstanding such rescission (a) Anything done under the old rules (like filings or approvals) before cancellation counts as if done under the new rules. (b) Any requests already



submitted to SEBI and awaiting approval shift seamlessly to the new rules. (c) Obligations, fines, investigations, or legal proceedings from the old circulars remain in place, just as before.

III. Reserve Bank of India/ Foreign Exchange Laws/ Regulations.

A. RBI Updates MSME Lending Directions: Collateral Relief Ahead.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13290&Mode=0>

Pursuant to Sections 21 and 35A of the Banking Regulation Act, 1949, the Reserve Bank of India (RBI) has amended the Master Direction – Lending to MSME Sector (updated July 23, 2025).

The revised Paragraph 4.1 mandates collateral-free loans up to ₹20 lakh for MSE units (up from ₹10 lakh), with similar treatment for Prime Minister's Employment Generation Programme (PMEGP) loans administered by Khadi and Village Industries Commission (KVIC). Banks may extend this to ₹25 lakh for units with strong financials, per internal policies, while leveraging Credit Guarantee Schemes where eligible. Voluntary gold/ silver pledges remain permissible without breach.

Paragraph 6.5 stands deleted. Applies to all MSE loans sanctioned or renewed on/after April 1, 2026. This facilitates easier credit access for startups and micro enterprises, reducing asset-based barriers to growth.

B. Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13305&Mode=0>

The Reserve Bank of India (RBI) has notified the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026, dated February 9, 2026 and were officially published in the Gazette on 16th February, 2026.

Key Changes:

- Rules on External Commercial Borrowings (ECB), Trade Credits, Structured Obligations, and INR borrowings by Indian residents from NRIs/PIOs are now unified in one set of regulations. This replaces scattered provisions from prior Master Directions.
- Deleted (i) paragraphs 1–12 from the Master Direction on ECB, Trade Credits, and Structured Obligations; (ii) paragraph 2 from the Master Direction on INR transactions with NRIs/PIOs; and (iii) Part I of the ECB/Trade Credits FAQs.



- Authorised Dealer Category-I banks must apply these rules to all relevant transactions and notify customers accordingly.

C. Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13306&Mode=0>

The Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026 which were notified on February 9, 2026 consolidate and modernize rules for External Commercial Borrowings (ECB), Trade Credits, Structured Obligations, and INR loans from NRIs/ PIOs into a single, unified framework replacing fragmented Master Directions for simplicity.

Core Structural Changes

Consolidated Regulations: Merges separate provisions from prior Master Directions (e.g., paras 1-12 on ECB/ Trade Credits deleted; para 2 on INR NRI/ PIO loans removed; Part I FAQs scrapped).

Detailed Changes Introduced

Eligibility Expansion:

Borrowers: Adds regulated NBFCs, startups, financial institutions, and entities in IFSC.

Lenders: Includes foreign branches of Indian banks, FPIs (related/ unrelated), DFIs, and export credit agencies broadening from prior restrictions.

Limit Enhancements:

Overall ECB ceiling: Higher of USD 1 billion outstanding or 300% of latest audited net worth (exemptions for banks/ NBFCs).

Automatic route approvals up to this limit for most cases.



Cost and Tenure Reforms:

Replaces rigid all-in-cost caps with flexible "benchmark rate + 500 bps" (market-driven).

Arm's-length pricing required for related-party ECBs.

No caps on prepayment/ hedging fees; minimum average maturity (MAM) at 12 years (5 years for select).

End-Use Restrictions Tightened:

Prohibited: Real estate (except commercial construction), chit funds/ NBFCs for equity, working capital (limited exceptions), TDRs, domestic repayments, agriculture/ plantation.

Permitted: Capex, overseas acquisitions, strategic investments, import payments.

New Provisions

Track-I/ Track-II ECB: Simplified into automatic route with higher limits; Track-III phased out.

Reporting Overhaul: Unified Forms ECB-1 (allotment/ LRS) and ECB-2 (monthly) via AD banks; Form ECB-3 for changes/modifications.

INR ECB for NRIs/PIOs: Explicitly governed with same lender/ borrower norms.

Penalties and Oversight: Issued under FEMA sections 10(4), 11(1), 11(2); no impact on other laws.



Section II – Some Reminders for March, 2026

Particulars		Due Date
Payment of	Tax Deducted at Source for the month of February, 2026	7 th March, 2026
	Advance Tax (4th / final installment for FY 2025-26)	15 th March, 2026
	Provident Fund (includes EDLI) for the month of February, 2026	15 th March, 2026
	ESIC for the month of February, 2026	15 th March, 2026
Filing of	GSTR- 1 for February, 2026 (turnover of more than or less than Rs. 5 crores)	11 th March, 2026
	GSTR-8 for February, 2026 [return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST]	10 th March, 2026
	GSTR-7 for February, 2026 [return to be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST]	10 th March, 2026
	GSTR - 3B for February, 2026 (turnover of more than Rs. 5 crores)	20 th March, 2026
	GSTR - 3B for February, 2026 (turnover up to Rs. 5 crores, depending on the state)	22 nd March, 2026
	Limited Reviewed Quarterly Results for quarter ended 31 st December, 2025	14 th March, 2026
Complete	CSR compliances (amount to be spent)	31 st March, 2026



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