

Niti

Developments in Corporate Laws
March, 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. The Companies (Accounting Standards) Amendment Rules, 2026

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjM4NTEzMTY3&docCategory=Notifications&type=open>

The Ministry of Corporate Affairs (MCA) vide its notification dated March 10, 2026 has amended the Companies (Accounting Standards) Rules, 2021, specifically the Accounting Standard (AS) 22 on income taxes to align it with the OECD Pillar Two global minimum tax framework. The key changes include exemptions from deferred tax recognition and mandating new disclosures.

Key Amendments

1. Introduction of Paragraph 2A in AS 22

Explicitly brings Pillar Two legislation covering domestic top-up taxes and qualified minimum taxes within AS 22's scope. Critically, it exempts enterprises from recognizing or disclosing deferred tax assets/ liabilities for these taxes, simplifying balance sheet treatment since Pillar Two primarily impacts current taxes.

2. New Disclosure Requirements

Enterprises must disclose that they have applied the exception for deferred tax recognition related to Pillar Two income taxes.

Companies are required to separately disclose current tax expense or income attributable to Pillar Two income taxes.

Where Pillar Two legislation has been enacted but is not yet effective, companies must provide qualitative and quantitative information about potential exposure, though small and medium-sized companies may be exempt from certain disclosures.

This amendment aligns Indian accounting standards with global minimum tax reforms, preventing profit shifting and ensuring multinational enterprises pay a minimum effective tax rate globally



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

A. SEBI 213th Board Meeting.

https://www.sebi.gov.in/media-and-notifications/press-releases/mar-2026/key-decisions-taken-in-the-sebi-board-meeting-dated-23rd-march-2026_100515.html

SEBI vide a Press Release No. 18/2026 dated March 23, 2026, informed the stakeholders of its Board Meeting in which the following decisions were approved:

Key Points

- AIFs may now retain liquidation proceeds beyond permissible fund life under specific conditions related to pending litigation, tax demands, or residual operational expenses
- A new ‘inoperative funds’ tag introduced for AIFs intending to surrender registration, with reduced compliance requirements
- FPIs permitted to net settle funds for outright transactions in the cash market to reduce funding costs and forex slippages. Securities settlement for FPIs will continue on a gross basis
- Social Impact Funds: Minimum investment threshold slashed from ₹2 lakh to ₹1,000, unlocking retail participation in impact-focused AIFs alongside HNIs/ institutions.
- Relaxation for REITs/InvITs:
 - SPVs can be retained post-project expiry (vs. mandatory dissolution).
 - Managers can borrow up to 49% of asset value (previously capped lower).
 - Reduced compliance: No sponsor guarantee renewals; sponsor lock-in eased post-3 years, if criteria met.
- Fit and Proper Criteria: Shift to principle-based under SEBI (Intermediaries) Regulations focuses on integrity over rigid disqualifiers, balancing oversight with practicality.
- SEBI Internal Governance: Conflict-of-interest code for all staff, including Chairman/ WTMs: Mandatory disclosures, 30-day trading blackout pre/ post-board meetings, Ethics Office oversight, and digital compliance tracking.



B. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2026

https://www.sebi.gov.in/legal/regulations/mar-2026/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-amendment-regulations-2026_100495.html

SEBI has notified the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2026 (“ICDR Amendment Regulations”) amending the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”).

The key amendments introduced in the ICDR Amendment Regulations are as follows:

Draft Abridged Prospectus

- Issuers must now file a draft abridged prospectus along with the draft offer document (DRHP/LODRHP) and host both draft and final abridged prospectus on their website, as well as on SEBI, stock exchange and lead manager websites.
- The abridged prospectus is positioned as a structured, concise summary so investors can understand key issue terms and risks early in the process rather than relying only on the long-form prospectus.

QR-code based access instead of physical attachment

- Application forms distributed in connection with public issues must now carry a QR code and web links giving direct access to the red herring prospectus, abridged prospectus and price band advertisement, across main board IPOs, FPOs and SME issues.
- This removes the earlier requirement of physically attaching an abridged prospectus with every form and shifts to a digital, investor-friendly mode of accessing disclosures.

System-level enforcement of lock-in (including on the pledged shares)

- The amendments empower issuers to instruct depositories to mark shares under lock-in as “non-transferable”, ensuring that pre-issue capital subject to lock-in (promoter and certain non-promoter holdings) cannot be transferred during the lock-in period, even if such shares are pledged.
- Depositories are required to implement this at the system level, closing the earlier operational gap where pledged shares could not always be technically “locked-in”, and thereby aligning practice with the intent of ICDR lock-in provisions.



C. Securities Contracts (Regulation) Amendment Rules, 2026.

https://www.sebi.gov.in/legal/rules/mar-2026/securities-contracts-regulation-amendment-rules-2026_100349.html

The Department of Economic Affairs, vide notification dated March 13, 2026, has introduced the Securities Contracts (Regulation) Amendment Rules, 2026, under Section 30 of the Securities Contracts (Regulation) Act, 1956. The amendment revises Rule 19(2)(b), which governs the minimum public shareholding (MPS) requirements for companies seeking listing on recognized stock exchanges.

This amendment replaces the earlier uniform 25% float requirement with a graded framework based on post-issue capital size, allowing very large issuers to list with lower initial percentage float but higher absolute offer size, subject to time-bound milestones to reach 25% public shareholding.

Post-issue capital (₹)	Minimum public offer at IPO	Time to reach higher public shareholding
Up to 1,600 crore	25% of each class of equity/ convertible securities	25% to be maintained from listing
> 1,600 crore and ≤ 4,000 crore	At least ₹400 crore	Public shareholding to reach 25% within 3 years of listing
> 4,000 crore and ≤ 50,000 crore	At least 10%	Public shareholding to reach 25% within 3 years from first reaching 10%
> 50,000 crore and ≤ 1,00,000 crore	At least ₹1,000 crore and ≥ 8% public shareholding	Increase to 10% within 2 years and 25% within 5 years of listing
> 1,00,000 crore and ≤ 5,00,000 crore	At least ₹6,250 crore and ≥ 2.75% public shareholding	Increase to 10% within 5 years and 25% within 10 years of listing
Above 5,00,000 crore	At least ₹15,000 crore and ≥ 1% public shareholding	Roadmap prescribed to eventually reach 25% public shareholding



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

A. Foreign Exchange Management (Export and Import of Currency) (Amendment) Regulations, 2026.

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13337&Mode=0>

The Reserve Bank of India (RBI) notified the Foreign Exchange Management (Export and Import of Currency) (Amendment) Regulations, 2026 to modify the existing 2015 framework governing the movement of foreign currency into and out of India.

The amendment introduces a Currency Declaration Form (CDF) to be used by passengers bringing foreign exchange into the country beyond specified thresholds. Passengers are required to declare foreign exchange when the aggregate value exceeds USD 10,000 or when foreign currency notes alone exceed USD 5,000 or its equivalent. The form must be presented to authorised banks or money changers when converting foreign currency into Indian rupees or reconverting rupees into foreign currency.

Visitors who do not fully utilise the declared foreign exchange are required to retain the form and present it to customs authorities upon departure to take the unspent balance out of India. The amendment aims to strengthen monitoring of foreign exchange movement while ensuring procedural clarity for passengers and authorised financial institutions.

B. Reporting under Foreign Exchange Management Act, 1999 – Returns pertaining to External Commercial Borrowing (ECB)

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13345&Mode=0>

The RBI, through A.P. (DIR Series) Circular No. 23 has revised reporting requirements under the Foreign Exchange Management Act, 1999 concerning External Commercial Borrowing (ECB).

Key changes to ECB reporting

- **Reclassification of ECB Forms**

- Form ECB 1 and the revised Form ECB 1 will now be treated as non-flow (event-based) returns, i.e., linked to the loan registration event and not to recurring transaction flows.
- Form ECB 2 continues as a periodic return for reporting monthly ECB transactions under each Loan Registration Number (LRN).



- **Stricter Late Submission Fee (LSF) mechanics**

- For Form ECB 2, each delayed monthly return for a given LRN will now be treated as a separate default instance for LSF computation, removing the earlier benefit of clubbing multiple delayed periods into a single penalty.
- LSF is now to be paid only via NEFT/ RTGS to the concerned RBI Regional Office after the acknowledgment email from RBI, with payment details linked to that communication.
- Tighter timelines and higher onus on AD Category-I banks
 - Authorised Dealer Category-I banks must submit complete and duly certified ECB returns to RBI within 7 calendar days of receipt from the borrower.
 - AD banks are explicitly responsible for monitoring delays and ensuring that borrowers timely remit LSF wherever applicable.

Implications for corporates and lenders

- Borrowers need stronger internal controls around ECB reporting calendars, as each delayed ECB 2 now increases penalty exposure.
- AD banks will likely tighten documentation checks and follow-up mechanisms, given their defined accountability and the compressed 7-day submission window.

C. Continuation of RoDTEP Scheme beyond March 31, 2026

<https://www.dgft.gov.in/CP/?opt=RoDTEP>

The Directorate General of Foreign Trade (DGFT) has formally allowed the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme to continue beyond March 31, 2026, ensuring there is no gap in support for exporters

The RoDTEP Scheme shall continue for all eligible export products for a further period of six months with effect from April 1, 2026, to September 30, 2026. The rates and value caps as notified in Appendix 4R and Appendix 4RE, as applicable on March 31, 2026, shall continue unchanged during the aforesaid period.

The other terms and conditions governing the Scheme shall remain unchanged.

**Section II – Some Reminders for April, 2026.**

Particulars		Due Date
Payment of	Tax Deducted at Source for the month of March, 2026	30 th April 2026
	Provident Fund (includes EDLI) for the month of March, 2026	15 th April 2026
	ESIC for the month of March, 2026	15 th April 2026
	Annual Listing Fees to the Stock Exchange(s)	30 th April, 2026
Filing of	GSTR- 1 for March, 2026 (turnover of more than or less than Rs. 5 crores)	11 th April, 2026
	GSTR-1 for January-March 2026 (for taxpayers under the QRMP scheme)	13 th April, 2026
	GSTR-8 for March, 2026 [return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST]	10 th April, 2026
	GSTR-7 for March, 2026 [return to be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST]	10 th April, 2026
	GSTR - 3B for March, 2026 (turnover of more than Rs. 5 crores)	20 th April, 2026
	GSTR - 3B for January-March 2026 (Quarterly Filers under QRMP Scheme)	22 nd April, 2026 - Certain States
		24 th April, 2026 - Other States
GSTR-4 Composition Tax	30 th April, 2026	
SEBI / Listed Entity Compliances	Annual Disclosure under SEBI (SAST) Regulation by certain Persons and Promoters	7 working days from the end of the FY
	Statement of Investor Complaints (Q4 FY 2025-26)	30 th April, 2026
	Shareholding Pattern (Q4 FY 2025-26)	21 st April, 2026
	Corporate Governance Report (Q4 FY 2025-26)	30 th April, 2026
	Reconciliation of share capital audit report	30 th April, 2026
Disclosure of Large Entity (SEBI Circular)	30 th April, 2026	
Companies Act Compliances	MSME Form-1 (Oct 2025 – Mar 2026)	30 th April, 2026
	MBP-1 / DIR-8 / Independent Director Declaration	At First Board Meeting of FY 2026-27
	Related Party Transactions / Omnibus Approval	At First Board Meeting of FY 2026-27



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