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(WHITESPAN INFORMATION AND NEWS SERVICES)

A GATEWAY TO KNOWLEDGE

Monthly Newsletter

March 2026

INDEX

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MAA Foundation, an NGO recognized by Niti Aayog, and Aryabhata College, University of Delhi, jointly organized a Two-Day Workshop on "Startup: Fostering Entrepreneurship".
The event aimed to inspire and equip young minds with the knowledge and skills required to navigate India's startup ecosystem. Renowned startup founders and industry experts shared their entrepreneurial journeys and insights, providing valuable perspectives to the attendees. The workshop also featured a startup idea presentation contest, where student teams showcased their innovative ideas. The best startup idea was awarded, recognizing the creativity and potential of the young entrepreneurs.

MESSAGE FROM THE CHIEF EDITOR

"Quality is never an accident; it is always the result of intelligent effort."— John Ruskin

We are delighted to present the **106th Edition of "WINS – E-Newsletter"** for **March 2026**, marking yet another step in our ongoing effort to deliver timely, relevant, and practical updates to the professional community.

This edition reaffirms our commitment to providing a comprehensive and concise digest of the most significant legal and regulatory developments released during the month. It features carefully curated updates from key regulatory bodies, including the **Ministry of Corporate Affairs (MCA), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), Central Board of Indirect Taxes and Customs (CBIC),** and the **Central Board of Direct Taxes (CBDT),** among others.

This edition brings you a concise and insightful summary of **key legal and regulatory developments** from **February 2026**, along with thought-provoking articles, case laws, and a compliance calendar for **March 2026**

📘 **In This Special Edition, You'll Find:**
✅ **Corporate Updates** from *MCA, SEBI, RBI, CBIC, CBDT*, and other regulatory bodies
✍️ **Featured Articles** from respected professionals
⚖️ **Important Case Laws**
🗓️ **Compliance Checklist** for **March 2026**

MESSAGE FROM THE CHIEF EDITOR

🙏 **A Heartfelt Thank You to our valued readers.**
We also extend our sincere gratitude for:
📖 Reading and sharing this newsletter
💭 Offering thoughtful, constructive feedback
💡 Inspiring us with your suggestions and ideas
Your continued engagement drives us to raise the bar—delivering **better content**, **sharper insights**, and **more value**, month after month.

📩 **Submit your article or get in touch:**
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Let's continue building this platform together—one insightful edition at a time.

Meet Our Editorial Board

We are proud to be guided by a distinguished panel of professionals who bring a wealth of knowledge, practical insight, and editorial excellence to every edition of **WINS – E-Newsletter**.

- **Mr. Vinay Shukla -Co-founder, Whitespan Advisory (WsA)**

FCS | LL.B | B.Com | MBA

A Fellow Member of the Institute of Company Secretaries of India (ICSI), with over 30 years of corporate experience. Mr. Shukla holds degrees in Law, Commerce, and Management, and leads with deep expertise across a wide spectrum of corporate functions.

- **Ms. Jaya Yadav**

FCS | LL.B | B.Com

A practicing Company Secretary based in Gurgaon, Ms. Yadav is a Fellow Member of ICSI, and a graduate in Law and Commerce from Delhi University. She brings a strong legal and governance perspective to the editorial desk.

- **Ms. Shweta Chaturvedi**

ACS | M.Com

An Associate Member of ICSI and a postgraduate in Commerce from CSJMU, Kanpur. Ms. Chaturvedi provides sharp editorial insights and supports content development across compliance and regulatory domains.

- **Ms. Soni Gupta**

B.Com | CS Executive

A CS Executive with Bachelor's in Commerce from HNB Garhwal University. She supports content development in the compliance and Regulatory domain.

💡 *Their collective guidance ensures that WINS maintains the highest standards of quality, relevance, and professional value for its readers.*

Ministry of Corporate Affairs (MCA)

📢 **Appointment of Registrars of Companies as Adjudicating Officers under Section 76A of the Limited Liability Partnership Act, 2008**

Date of Notification: February 10, 2026
Effective date:February 16, 2026

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

In exercise of the powers conferred by **section 76A of the Limited Liability Partnership Act, 2008**, and in supersession of the notification S.O. 622(E) dated 11th February, 2022, except as respects things done or omitted to be done before such supersession, the Central Government has appointed the Registrars of Companies, including Registrars of Companies-cum-Official Liquidators, as Adjudicating Officers for the purposes of the said Act, having jurisdiction over the respective States, Union territories and districts as specified in the said notification. It is further provided that any appeal against the orders passed by the said Adjudicating Officers shall lie before the concerned Regional Director having jurisdiction over such Adjudicating Officers, in accordance with notification S.O. 4851(E) dated 23rd October 2025. All proceedings pending before the Adjudicating Officers and all appeals pending before the Regional Directors as on the date of commencement of this notification shall be dealt with in accordance with the provisions of this notification, which shall come into force with effect from 16th February 2026.

📢 Revision in Jurisdiction of Regional Directors under Section 458 of the Companies Act, 2013 (as applicable to LLPs).

Date of Notification: February 10, 2026
Effective date: February 16, 2026

Link:

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

In exercise of the powers conferred under **Section 458 of the Companies Act, 2013**, as applied to Limited Liability Partnerships (LLPs), the Central Government has amended its earlier Notification dated 11th February 2022. Pursuant to the amendment, the jurisdiction of Regional Directors has been revised. The existing reference to Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad and Guwahati has been substituted with Regional Directors at Ahmedabad, Bangalore, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai, Navi Mumbai and New Delhi.This amendment shall come into force with effect from 16th February 2026. Actions taken prior to the said date shall remain unaffected.

📢 Updated List of Regional Directors under Section 458 of the Companies Act, 2013

Date of Notification: February 10, 2026
Effective date: February 16, 2026

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

In exercise of the powers conferred by **section 458 of the Companies Act, 2013,** the Central Government hereby makes an amendment to the notification of the Government of India in the Ministry of Corporate Affairs number S.O. 6225(E) dated 18th December, 2018, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated 20th December, 2018, except as respects things done or omitted to be done before such amendment. In the said notification, for the words "Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad and Shillong", the words "Regional Directors at Ahmedabad, Bangalore, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai, Navi Mumbai and New Delhi" shall be substituted.

📢 Change of Regional Director Office to Northern Region Directorate I, New Delhi

Date of Notification: February 10, 2026
Effective date: February 16, 2026

Link:

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

In exercise of the powers conferred by **section 458 of the Companies Act, 2013,**the Central Government hereby amends the notification S.O. 1354(E) dated 21st May 2014, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated 22nd May 2014. In the said notification, the words “office of Regional Director at Noida” are substituted with “Regional Director, Northern Region Directorate I, Headquarter at New Delhi.

📢 Companies Compliance Facilitation Scheme, 2026

Date of Notification: February 24 , 2026
Effective date: April 15, 2026 to July 15, 2026

Link:

https://abcaus.in/wp-content/uploads/2026/02/CCFS-26.pdf

The Ministry of Corporate Affairs, in exercise of powers under sections 460 and 403 of the Companies Act, 2013, has introduced the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026) as a one-time measure to provide relief to defaulting companies in filing Annual Returns and Financial Statements. The Scheme shall be in force from 15.04.2026 to 15.07.2026 and permits eligible companies (excluding specified categories such as companies under strike-off action, dissolved entities, vanishing companies, etc.) to file pending statutory e-forms by paying normal fees and only 10% of the applicable additional fees. Alternatively, companies may opt for dormant status under section 455 by paying 50% of the prescribed fee or apply for striking off through e-form STK-2 on payment of 25% of the applicable fee. Immunity from penalty under sections 92 and 137 is provided in specified cases where filings are made within the prescribed timelines under the Scheme. Upon conclusion of the Scheme, Registrars initiate appropriate action against companies that remain non-compliant.

Securities Exchange Board of India (SEBI)

📢 Revision of Order –to- Trade Ratio (OTR) framework

Date of Circular : February 04, 2026
Effective date: April 06, 2026

Link:
https://www.sebi.gov.in/legal/circulars/feb-2026/revision-of-order-to-trade-ratio-otr-framework_99501.html

Securities and Exchange Board of India (SEBI) has modified the framework prescribed under the Master Circular dated December 30, 2024, relating to imposition of effective economic disincentives for high Order-to-Trade Ratio (OTR) in algorithmic trading, pursuant to representations from Stock Exchanges, stakeholder consultations and recommendations of the Secondary Market Advisory Committee. It has been decided that, in case of equity option contracts, orders placed within ±40% of LTP (premium) or ±₹20, whichever is higher, shall be exempt from the penalty framework for high OTR. Further, algorithmic orders placed by Designated Market Makers for market making activities shall not be considered for computation of OTR. The amended provisions shall come into effect from April 06, 2026, and Stock Exchanges have been advised to carry out necessary amendments and disseminate the same to market participants.

📢 Calendar Spread margin benefit for Single Stock Derivatives on expiry day

Date of Circular : February 05, 2026
Effective date: May 05, 2026

Link:
https://www.sebi.gov.in/legal/circulars/feb-2026/review-of-calendar-spread-margin-benefit-in-single-stock-derivatives-on-expiry-day_99533.html

Chapter 5 of the SEBI Master Circular dated December 30, 2024, provides for calendar spread margin treatment in the derivatives segment and presently disallows such benefit on the expiry day for index derivatives. Pursuant to representations received and deliberations with the Secondary Market Advisory Committee (SMAC), it has been decided that, with respect to single stock derivatives, the benefit of offsetting positions across different expiries shall similarly not be available on the day of expiry for contracts expiring on that day. The existing margin framework shall continue for calendar spread positions involving only non-expiring contracts. This measure aligns the treatment of single stock derivatives with index derivatives and mitigates risks arising from sudden margin increases post expiry.

📢 Creation / Invocation of Pledge of Securities through Depository System

Date of Circular : February 05, 2026
Effective date: April 06, 2026

Link:

https://www.sebi.gov.in/legal/circulars/feb-2026/creation-invocation-of-pledge-of-securities-through-depository-system-_99546.html

SEBI has issued a circular updating the framework for pledging of shares through the depository system as prescribed in paragraph 4.13 of the Master Circular for Depositories (December 3, 2024) and under Regulation 79 of the DP Regulations, 2018. To ensure compliance with Sections 176 and 177 of the Indian Contract Act, 1872, the circular inserts new provisions requiring that Pledge Request Forms include undertakings by the pledger and pledgee to provide reasonable notice before sale, and to comply with applicable laws, regulations, circulars, and bye-laws. Depositories must maintain a standardized Pledge Request Form, and on invocation of a pledge, issue notifications to both parties confirming the pledgee as the "beneficial owner" under Regulation 79(8). Depositories are directed to amend bye-laws, implement system changes if necessary, and disseminate these provisions to participants and on their websites.

📢 Reporting of value of units of Alternative Investment Funds (AIFs) to Depositories

Date of Circular : February 06, 2026
Effective date: February 06, 2026

Link:
https://www.sebi.gov.in/legal/circulars/feb-2026/reporting-of-value-of-units-of-alternative-investment-funds-aifs-to-depositories_99568.html

SEBI has issued a circular mandating that Alternative Investment Funds (AIFs) shall issue units only in dematerialized form and specifying the valuation and disclosure requirements for their investment portfolios. In accordance with Regulation 23 of the AIF Regulations, 2012, Category I and II AIFs are required to undertake valuation of their investments at least once in every six months by an independent valuer, which may be extended to one year with approval of at least 75% of investors by value. Category III AIFs shall ensure independent NAV calculation, which shall be disclosed at intervals not exceeding a quarter for close-ended funds and not exceeding a month for open-ended funds. To leverage the depository infrastructure for enhanced transparency and operational efficiency, AIFs, through their Registrars and Transfer Agents (RTAs), shall upload the latest NAV corresponding to each ISIN in the depository system within 30 days of valuation or by May 1, 2026, whichever is later. Depositories shall ensure necessary infrastructure, incorporate an appropriate disclaimer on NAVs, amend relevant bye-laws, rules, and regulations, and disseminate the provisions to participants. Trustees or sponsors shall ensure that the Compliance Test Report, prepared by the manager under Chapter 15 of the AIF Master Circular, includes compliance with this circular.

📢 Obligation on CRAs while Undertaking rating of financial instruments falling under the purview of any other Financial Service Regulator

Date of Circular : February 10, 2026

Link:
https://www.sebi.gov.in/legal/circulars/feb-2026/obligations-on-cras-while-undertaking-rating-of-financial-instruments-falling-under-the-purview-of-any-other-financial-sector-regulator_99670.html

Securities and Exchange Board of India (SEBI) has prescribed additional compliance requirements for Credit Rating Agencies (CRAs) undertaking rating activities regulated by other financial sector regulators (FSRs) under the SEBI (Credit Rating Agencies) Regulations, 1999. CRAs must maintain separate grievance email IDs and website disclosures for SEBI-regulated and other FSR-regulated activities, ensure that SEBI's minimum net worth requirement remains unaffected, clearly disclose the concerned regulator and non-applicability of SEBI investor protection mechanisms in rating reports and marketing materials, and obtain appropriate client disclosures and confirmations. Existing clients must also be informed accordingly. Further, compliance in respect of such activities must be covered in the half-yearly internal audit report with Board approval. Provisions relating to separate grievance mechanisms and intimation to existing clients shall take effect after 12 months from issuance of the circular, while the remaining provisions shall come into effect after 60 days.

📢 Capacity Planning and Real Time Performance Monitoring framework for Commodity Derivatives Segment of Market Infrastructure Institutions (MIIs)

Date of Circular : February 11, 2026
Effective date: February 11, 2026

Link:
https://www.sebi.gov.in/legal/circulars/feb-2026/capacity-planning-and-real-time-performance-monitoring-framework-for-commodity-derivatives-segment-of-market-infrastructure-institutions-miis-_99703.html

SEBI has issued a Circular prescribing the Capacity Planning and Real Time Performance Monitoring framework for the Commodity Derivatives Segment of Market Infrastructure Institutions (MIIs). This Circular supersedes Clause 16.1.2 of Chapter 16 of the SEBI Master Circular dated August 04, 2023, and applies relevant provisions of the SEBI Circular SEBI/HO/MRD/TPD/CIR/P/2024/171 dated December 10, 2024, with modifications for the Commodity Derivatives Segment. The framework requires that the installed capacity of critical systems shall be at least two times the projected peak load, and any component exceeding 75% of installed capacity shall prompt immediate corrective actions, including system tuning or capacity augmentation, under the oversight of the Stock Exchange and Clearing Corporation SCOT. Stock Exchanges and Clearing Corporations are directed to prepare and submit their Capacity Planning and Real Time Performance Monitoring Policy for the Commodity Derivatives Segment within three months of this Circular, post-approval from SCOT and the Governing Board. The provisions of this Circular shall come into effect three months from the date of issuance, and necessitate amendments to the relevant bye-laws, rules, and regulations, if any. This Circular is issued in exercise of the powers conferred under Section 11(1) of the SEBI Act, 1992, to protect investors and promote the development of, and to regulate, the securities market.

📢Categorization and Rationalization of Mutual Fund Scheme

Date of Circular : February 26 , 2026
Effective Date : February 26 , 2026

Link:
https://www.sebi.gov.in/legal/circulars/feb-2026/categorization-and-rationalization-of-mutual-fund-schemes_99983.html

The Securities and Exchange Board of India (SEBI) has updated the categorization and rationalization of mutual fund schemes, superseding previous circulars and Clause 2.6 of the Master Circular for Mutual Funds. Schemes are broadly classified into Equity, Debt, Hybrid, Life Cycle, and Other Schemes such as Fund of Funds and Passive schemes. Equity schemes include multi-cap, large-cap, mid-cap, small-cap, flexi-cap, dividend yield, value, contra, focused, sectoral, thematic, and ELSS schemes, each with specified minimum equity allocations and investment strategies. Debt schemes are categorized based on Macaulay duration, credit quality, and sectoral exposure, ranging from overnight and liquid funds to long-term and sectoral debt funds. Hybrid schemes are defined by allocations between equity and debt instruments, including conservative, balanced, aggressive, dynamic asset allocation, multi-asset allocation, arbitrage, and equity savings funds. In all categories, residual portfolio portions may be invested in permitted instruments such as money market instruments, InvITs, ETFs, gold, and silver within regulatory limits. Sectoral/thematic equity and debt schemes are subject to portfolio overlap limits and phased compliance timelines, while hybrid schemes follow prescribed defensive exposure and asset allocation guidelines.

📢 Forms for registration of stockbrokers and clearing members

Date of Circular : February 17 , 2026
Effective Date : January 7 , 2026

Link:

https://www.sebi.gov.in/legal/circulars/feb-2026/circular-on-forms-for-registration-of-stock-brokers-and-clearing-members_99814.html.

The Securities and Exchange Board of India (SEBI) has updated the categorization and rationalization of mutual fund schemes, superseding previous circulars and Clause 2.6 of the Master Circular for Mutual Funds. Schemes are broadly classified into Equity, Debt, Hybrid, Life Cycle, and Other Schemes such as Fund of Funds and Passive schemes. Equity schemes include multi-cap, large-cap, mid-cap, small-cap, flexi-cap, dividend yield, value, contra, focused, sectoral, thematic, and ELSS schemes, each with specified minimum equity allocations and investment strategies. Debt schemes are categorized based on Macaulay duration, credit quality, and sectoral exposure, ranging from overnight and liquid funds to long-term and sectoral debt funds. Hybrid schemes are defined by allocations between equity and debt instruments, including conservative, balanced, aggressive, dynamic asset allocation, multi-asset allocation, arbitrage, and equity savings funds. In all categories, residual portfolio portions may be invested in permitted instruments such as money market instruments, InvITs, ETFs, gold, and silver within regulatory limits. Sectoral/thematic equity and debt schemes are subject to portfolio overlap limits and phased compliance timelines, while hybrid schemes follow prescribed defensive exposure and asset allocation guidelines.

RESERVE BANK OF INDIA (RBI)

📢 Voluntary Retention Route – Imparting predictability and increasing ease of doing business

Date of Notification : February 06 , 2026
Effective Date: April 01, 2026

Link: **https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13289&Mode=0**

The Reserve Bank of India has revised the Voluntary Retention Route (VRR) for FPI investments in debt instruments, effective April 1, 2026, merging VRR investment limits with the General Route for central and state government securities as well as corporate debt. FPIs with retention periods longer than the minimum may partially or fully exit after completing the minimum period, and all existing VRR investments will be transferred to the General Route limits. AD Category-I banks are advised to inform their clients, and the directions are issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999, without affecting any other legal approvals.

📢 Lending to Micro, Small & Medium Enterprises (MSME) Sector (Amendment) Directions, 2026

Date of Notification: February 09,2026

Effective Date: February 09,2026

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

The Reserve Bank of India, under sections 21 and 35A of the Banking Regulation Act, 1949, has amended the Master Direction on Lending to the MSME Sector to mandate that banks provide collateral-free loans up to ₹20 lakh to MSE units, including those under the Prime Minister Employment Generation Programme (PMEGP), with the option to extend this limit up to ₹25 lakh based on the borrower's track record and financial position. Banks may use the Credit Guarantee Scheme where applicable, and voluntarily pledged gold or silver will not violate the collateral-free mandate.

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

Date of Notification: February 18 ,2026

Effective Date: February 18, 2026

Link:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13308&Mode=0

The Reserve Bank of India has updated the Master Direction on Reporting under the Foreign Exchange Management Act, 1999, following the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026 issued on February 09, 2026, to revise the External Commercial Borrowing (ECB) framework. As a result, Part V – Annex I and Annex II of the Master Direction have been replaced with revised Form ECB 1 and Form ECB 2. Authorised Persons are advised to inform their customers/constituents.

📢 Unique Transaction Identifier for OTC Dérivative Transactions

Date of Notification: February 18 ,2026

Effective Date: January 01, 2027

Link:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13307&Mode=0

The Reserve Bank of India (RBI) has decided to mandate the use of a Unique Transaction Identifier (UTI) for all over-the-counter (OTC) derivative transactions in India, including Rupee interest rate derivatives, government securities forwards, foreign currency derivatives, foreign currency interest rate derivatives, and credit derivatives reported to the Clearing Corporation of India Limited Trade Repository (CCIL-TR). The UTI framework will be effective from January 1, 2027, applying to transactions entered into on or after that date. This directive is issued under Sections 45W and 45U of the RBI Act, 1934.

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

Date of Notification: February 09 ,2026

Effective Date: **:** February 09 ,2026

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

The Reserve Bank of India (RBI) has amended the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 through the First Amendment Regulations, 2026, effective from their publication in the Official Gazette. The amendments define key terms, clarify eligible borrowers and lenders, specify permissible and restricted end-uses for external commercial borrowings (ECBs) and trade credit, and lay down detailed rules for borrowing limits, currency, maturity, cost, security, refinancing, conversion into non-debt instruments, and reporting requirements. The regulations also introduce stricter compliance and reporting norms, including monitoring untraceable borrowers, while ensuring all ECB transactions follow prudential, arm's length, and market-aligned principles.

📢 Reserve Bank of India (Small Finance - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026

Date of Notification: February 13 ,2026

Effective Date: **:** April 01 ,2026

Link:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13302&Mode=0

The Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025, have been amended following the issuance of the Reserve Bank of India (Small Finance Banks – Credit Facilities) Amendment Directions, 2026. The amendment revises paragraph 74(6) in Chapter IV on Risk Weighted Assets, clarifying that when a bank issues an irrevocable payment commitment to stock exchange clearing corporations on behalf of a client, it is treated as a financial guarantee with a 100% credit conversion factor. However, capital is required only on the portion considered as capital market exposure under the Concentration Risk Management Directions, 2025, with a risk weight of 125%.

📢Reserve Bank of India (Small Finance Banks - Concentration Risk Management) Amendment Directions, 2026

Date of Notification: February 13 ,2026

Effective Date: **:** April 01 ,2026

Link:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13301&Mode=0

The Reserve Bank of India (Small Finance Banks – Concentration Risk Management) Directions, 2025 have been amended following the issuance of the Credit Facilities Amendment Directions, 2026. Key changes include defining terms such as Capital Market Intermediaries, Collateral, Primary Security, and Non-debt Mutual Funds; updating board responsibilities for intra-day exposure limits; and revising the computation and prudential ceilings for Capital Market Exposures (CME), covering both direct and indirect exposures, including investments, credit facilities, underwriting, IPCs, and trade exposures. Certain exemptions from CME ceilings have been specified, including investments in critical financial infrastructure and government securities. The list of exempted critical financial infrastructure has been updated.

📢Reserve Bank of India (Small Finance Banks – Credit Facilities) Amendment Directions, 2026

Date of Notification: February 13 ,2026

Effective Date: **:** April 01 ,2026

Link:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13300&Mode=0

The Reserve Bank of India issued the Small Finance Banks – Credit Facilities Amendment Directions, 2026 to update the 2025 Directions. Key changes include defining terms like Capital Market Intermediaries (CMIs), collateral, eligible securities, and LTV/margin requirements. It sets out detailed rules for loans against eligible securities to individuals and non-individuals, including IPO/FPO/ESOP financing, with prescribed prudential ceilings and valuation norms. A new chapter governs credit facilities to CMIs, specifying permissible facilities, collateral requirements, haircuts, and limits, while prohibiting proprietary trading finance. All exposures under these facilities are treated as Capital Market Exposures (CME) unless exempted. The amendments take effect from April 1, 2026, or earlier if adopted by a bank, and existing loans/guarantees continue until maturity.

📢Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) – Amendment Directions, 2026

Date of Notification: February 13 ,2026

Effective Date: **:** April 01 ,2026

Link:
https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13300&Mode=0

The Reserve Bank of India issued the Commercial Banks – Undertaking of Financial Services Amendment Directions, 2026 to update the 2025 Directions following the 2026 Credit Facilities amendments. The changes specifically revise paragraph 18(4) of Chapter III, allowing banks to provide acquisition and bridge finance for financing promoters' stakes in new companies and to extend loans to individuals against eligible securities.

📢 Reserve Bank of India (Commercial Banks - Concentration Risk Management) Amendment Directions, 2026

Date of Notification: February 13 ,2026

Effective Date: **:** April 01 ,2026

Link:

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13296&Mode=0

The 2026 amendments update the 2025 Directions to align with the recently revised Credit Facilities regulations. They expand the definition of Capital Market Exposures (CME) to include direct and indirect exposures, such as acquisition finance, bridge finance, loans to individuals and corporates against eligible securities, credit to CMIs, and investments in non-debt mutual funds, REITs, InvITs, and AIFs. The amendments specify prudential ceilings, including a 40% cap on aggregate CME and a 20% cap on direct investment exposures relative to a bank's eligible capital base, with sub-limits for acquisition finance and intra-day exposures. Certain exposures, such as investments in subsidiaries, critical financial infrastructure institutions, underwriting commitments, and portions of acquisition finance used for debt refinancing, are excluded from CME calculations. Detailed methods for computing exposures, including IPCs and derivative transactions, are provided, and banks must apply haircuts to cash and government securities when offsetting exposures. The amendments also update the list of critical financial infrastructure exempt from CME

📢 Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026

Date of Notification: February 13 ,2026

Effective Date: **:** February 13 ,2026

Link:

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13294&Mode=0

The Reserve Bank of India has issued Amendment Directions to the NBFC – Income Recognition, Asset Classification and Provisioning Directions, 2025, specifically relating to Default Loss Guarantee (DLG) arrangements. While DLGs are normally treated as “synthetic securitization” and prohibited, they were permitted in a limited manner for digital lending (June 08, 2023) and co-lending arrangements (August 06, 2025). To ensure consistency in prudential application, the Reserve Bank has clarified that NBFCs may consider DLG arrangements for computing Expected Credit Loss (ECL) provisioning across all stages, subject to compliance with Indian Accounting Standards, which require that DLGs be integral to loan contracts and not recognized separately. NBFCs are also required to comply with IndAS 1 disclosure requirements and must recompute ECL provisioning whenever the DLG cover reduces upon invocation. These amendments align with the NBFC Credit Facilities Amendment Directions, 2026, and come into force immediately, reinforcing prudential standards, accounting compliance, and uniform treatment of DLG arrangements across NBFC portfolios.

📢 Reserve Bank of India (Rural Co-operative Banks – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026

Date of Notification: February 13 ,2026

Effective Date: **:** February 13 ,2026

Link:

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13292&Mode=0

In exercise of the powers conferred under sections 21, 35A, and 56 of the Banking Regulation Act, 1949, the Reserve Bank of India has, for the purpose of ensuring uniformity in income recognition by Rural Co-operative Banks and harmonising it with other Regulated Entities, issued amendment directions to the Rural Co-operative Banks – Income Recognition, Asset Classification and Provisioning Directions, 2025. In terms of the amendments, income including interest, fee, commission, or other income on credit facilities classified as 'Standard' may be recognised on an accrual basis without making any matching provisions. Income in respect of credit facilities not classified as 'Standard', including those guaranteed by the Government, shall be recognized on actual receipt (cash basis). Further, in the event of such facilities, including bills purchased and discounted or Government-guaranteed advances, becoming Non-Performing Assets (NPAs), the entire interest, fees, commission, and other income previously accrued and credited to the income account shall be reversed if not realised. Consequential deletions and insertions have been made to paragraphs 52, 53–56, and 58 of the Directions to give effect to the above policy.

📢 Strengthening of Grievance Redress Mechanism in Banks – Review

Date of Notification: February 11 ,2026

Effective Date: **:** February 11 ,2026

Link:

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13291&Mode=0

The Reserve Bank of India, upon review of circular RBI/2020-21/87 dated January 27, 2021, on “Strengthening of Grievance Redress Mechanism in Banks,” has decided to withdraw the said circular with immediate effect. The review reflects subsequent regulatory and supervisory developments, including consolidation of complaint-related disclosures under the Master Direction on Financial Statements: Presentation and Disclosures, 2025, strengthening of the consumer compensation framework through the Reserve Bank–Integrated Ombudsman Scheme, 2026, and empowerment of Internal Ombudsmen under the RBI (Internal Ombudsman) Directions, 2026 to recommend compensation awards. Grievance redress mechanisms of banks continue to be subject to supervisory assessment and follow-up. The withdrawal is intended to rationalize instructions and eliminate duplication and is without prejudice to banks’ obligation to maintain effective customer grievance redress systems in accordance with extant regulatory instructions and their Board-approved policies.

Central Board of Direct Taxes (CBDT)

सत्यमेव जयते

CBDT

CENTRAL BOARD OF DIRECT TAXES

There are no notifications or circulars released by the CBDT for February 2026.

CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS

(CBIC)

📢Amendment to Notification No. 26/2016-Customs – Substitution of 'Baggage Rules, 2016' with 'Baggage Rules, 2026.

Date of Notification: February 1 ,2026
Effective Date: February 2 ,2026

Link
file:///C:/Users/X270/AppData/Local/Temp/MicrosoftEdgeDownloads/58111a93-5a6c-4ff5-8381-da25e30f1320/cst-04-2026.pdf

The Central Government, in exercise of the powers under section 25 of the Customs Act, 1962, hereby amends Notification No. 26/2016-Customs dated 31st March 2016, by substituting the words "Baggage Rules, 2016" with "Baggage Rules, 2026" wherever they occur. This notification shall come into force on the 2nd February 2026.

📢Amendment to Notifications 11/2018-Customs and 11/2021-Customs – Insertion, Omission, and Substitution of Tariff Entries.

Date of Notification: February 1 ,2026
Effective Date: February 2 ,2026

Link
file:///C:/Users/X270/AppData/Local/Temp/MicrosoftEdgeDownloads/2df07c77-1911-4c18-818c-bb4811a9e173/cst-03-2026.pdf

The Central Government, in exercise of the powers under section 25 of the Customs Act, 1962 read with sections 110 of the Finance Act, 2018 and 124 of the Finance Act, 2021, hereby amends notifications No. 11/2018-Customs dated 2nd February 2018, and No. 11/2021-Customs dated 1st February, 2021. Amendments include insertion of new tariff items under Sl. No. 1 with effect from 1st May 2026, omission of Sl. Nos. 7 and 8H, and substitution of entries at Sl. Nos. 54A and 59 in notification 11/2018-Customs. For notification 11/2021-Customs, Sl. No. 13A is substituted and item (iv) under Sl. No. 20 is omitted with effect from 1st April 2026. These amendments shall come into force from 2nd February 2026.

📢Amendments to Customs Notifications – Extension of Validity and Inclusion of Battery Energy Storage Systems (BESS)

Date of Notification: February 1 ,2026
Effective Date: February 2 ,2026

Link
file:///C:/Users/X270/AppData/Local/Temp/MicrosoftEdgeDownloads/ad743f44-fa37-4f19-b7da-03f0e398a545/cst-01-2026.pdf

In exercise of the powers under Section 25 of the Customs Act, 1962, read with Section 110 of the Finance Act, 2018, the Central Government amends certain previous customs notifications in the public interest. Notifications 248-Cus/1976, 32/1997, 24/2001, and 25/2001 are updated to extend their validity from 31st March 2026 to 31st March 2028. Notification 25/2002-Customs is amended to include “Battery Energy Storage Systems (BESS)” alongside “Electrically Operated Vehicles” at S. No. 69A. Notification 36/2024-Customs omits specific entries in its Table (Sl. Nos. 5–55 as listed) and adds a proviso that it will cease to have effect after 30th April 2026. Notification 29/2025-Customs is amended to state that it will cease to have effect after 31st March 2028. These amendments come into force on 2nd February 2026.

📢Amendment to Notification 03/2025-Central Excise – Excise Duty on Unmanufactured Tobacco

Date of Notification: February 1 ,2026
Effective Date: February 1 ,2026

Link
file:///C:/Users/X270/AppData/Local/Temp/MicrosoftEdgeDownloads/0d0fd5d7-7545-4aaf-bc52-34ee4fef19aa/ce04-2026.pdf

In exercise of powers under Section 5A of the Central Excise Act, 1944, the Central Government amends Notification 03/2025-Central Excise (G.S.R. 955(E), dated 31st December 2025). In the Table of the notification, Sl. No. 1 is substituted to clarify that unmanufactured tobacco or tobacco refuse not bearing a brand name and not packed for retail sale attracts nil excise duty, and a new Sl. No. 1A is inserted specifying that all other unmanufactured tobacco or tobacco refuse will attract 18% excise duty.

📢 Amendment to Notification 11/2017-Central Excise – Excise Duty on CNG Blended with Biogas/CBG and Extension of Validity Dates”

Date of Notification: February 1 ,2026
Effective Date: February 2 ,2026

Link
file:///C:/Users/X270/AppData/Local/Temp/MicrosoftEdgeDownloads/a8aa3981-37e1-4ee3-a599-4d5e35102685/ce02-2026.pdf

In exercise of powers under Section 5A of the Central Excise Act, 1944, the Central Government amends Notification 11/2017-Central Excise (G.S.R. 793(E), dated 30th June 2017) to extend certain validity dates from 2026 to 2028. In the Table, the proviso against Sl. No. 3 is updated, and a new entry Sl. No. 9A is inserted for Compressed Natural Gas (CNG) blended with Biogas or Compressed Biogas (CBG) with an excise duty of 14%, excluding the value of CBG and applicable Central, State, Union Territory, and Integrated taxes. Explanations clarify computation of excise duty for this blended gas. Corresponding amendments are also made after the Annexure and in Explanation 2. This notification comes into force on 2nd February 2026.

WHITESPAN Advisory

📢 Exemption from National Calamity Contingent Duty on Chewing and Scented Tobacco – Limited to 25%.

Date of Notification: February 1 ,2026
Effective Date: May 1 ,2026

Link
Users/X270/AppData/Local/Temp/MicrosoftEdgeDownloads/fdca7418-3022-4f0a-b436-fbfa0be908fe/ce01-2026.pdf

In exercise of powers under Section 5A of the Central Excise Act, 1944, read with Section 136 of the Finance Act, 2001, the Central Government exempts certain excisable goods from the National Calamity Contingent Duty (NCCD) in excess of specified rates. The exemption applies to chewing tobacco (2403 99 10), Jarda scented tobacco and all other goods, limiting the NCCD to 25% for these items.

Miscellaneous Laws

WHITESPAN Advisory

📢 Withdrawal of Additional Margin in Silver and Gold (all variants)

Date of Notification: February 18, 2026
Effective date: February 19, 2026

Link:
https://nsearchives.nseindia.com/content/circulars/COM72884.pdf

NSE Clearing Limited, in its circular dated February 18, 2026 (Ref. No. 0075/2026), announced the withdrawal of additional margins on Gold and Silver futures contracts. The additional margin of 3% previously levied on all variants of Gold futures and 7% on all variants of Silver futures will be removed.

📢 Promotion and popularization of Investor Mobile Application by Depositories.

Date of Notification: February12, 2026
Effective date: February 12, 2026

Link:
https://nsearchives.nseindia.com/content/circulars/COMP72767.pdf

The National Stock Exchange of India issued Circular No. 12/2026 (Ref. No. NSE/COMP/72767, dated February 12, 2026) regarding the promotion of investor mobile applications by Depositories. In coordination with SEBI, the depositories CDSL and NSDL have upgraded their apps—CDSL MyEasi and NSDL Speede—to provide investors with a consolidated view of their holdings, transaction statements, margin details, e-voting options, and proxy adviser recommendations. Trading members are advised to promote these apps by displaying information on their websites and mobile platforms, educating investors about the features via emails, SMS, and notifications, and encouraging downloads for easy access to securities-related information.

📢 Clarification on computation of variable Networth

Date of Notification: February 06, 2026
Effective date: February 06, 2026

Link:
https://nsearchives.nseindia.com/content/circulars/COMP72672.pdf

The National Stock Exchange of India issued Circular No. 09/2026 (Ref. No. NSE/COMP/72672, dated February 6, 2026) providing clarification on the computation of variable networth. Members are reminded that, until SEBI specifies any revised requirements under the SEBI (Stockbrokers) Regulations, 2026, the existing variable networth requirement under the 1992 Regulations remains applicable. This requires stockbrokers to maintain 10% of the average daily cash balance of clients retained across segments/exchanges over the previous six months.

Article 1

DIGITAL PERSONAL DATA PROTECTION (DPDP) ACT,2023 IMPLEMENTATION PERSPECTIVE

ABSTRACT

The enactment of the Digital Personal Data Protection (DPDP) Act, 2023 , marks a paradigm shift in India's legislative landscape regarding privacy and data governance. Contextualized within the global framework of GDPR and CPRA, this article provides a comprehensive analysis of the Act's implications for businesses, specifically focusing on the transition from unregulated data processing to a regime of accountability. It examines the staggered implementation timeline notified by the Ministry of Electronics and Information Technology (MeitY), the distinct obligations of Data Fiduciaries and Significant Data Fiduciaries (SDFs), and the financial repercussions of non-compliance. Furthermore, for implementation it suggests a structured four-phase implementation roadmap—Assessment, Foundation, Pilot, and Roll-out—designed to assist organizations in mitigating risks and establishing robust privacy frameworks. Special attention is given to the practical challenges of retrospective consent, MSME compliance burdens, use of pirated software and the integration of data privacy with emerging technologies

INTRODUCTION:

The Privacy Imperative:

Those who own the Data, own the Future. Data is not a free commodity available to everyone as it has economic value which can be monetised in this era of Digitisation. This has necessitated to strike a balance in usage of data and protection of data owner rights. Data privacy laws are already in vogue in various parts of the world notably **GDPR** in European Union and **CPRA** in California, USA.

In India, need was also felt with digitisation of massive data after demonetisation, creating of health database during Covid, widespread computerisation in the Banking and Insurance Sectors, emergence of online e-commerce and digital payment platforms and dematerialisation of physical shares, digital marketing and penetration of information technology in every field. Hon’ble Supreme Court in the landmark judgement on data protection **Puttaswamy vs Union of India** also recognized Right to Privacy as Fundamental Right under Article 21 of the Constitution of India.

Legislative Framework and Governance:

In this direction, DPDP Act, 2023 came into existence to provide a comprehensive governance framework for protection of digitised personal data of individuals. DPDP Rules were notified by Ministry of Information & Technology (MeitY) on November 14, 2025, after various rounds of Consultation with the stakeholders

Implementation Timelines:

The Ministry has given staggered timelines for Implementing various Rules to comply with DPDP Act 2023.Foundational Rules became effective from the date of Notification, Rule pertaining to Consent Manager Registration within a year and other Operational Rules within 18 months of Notification.

Data Fiduciary:

The Act cast upon various obligations on Data Fiduciaries to protect personal data of Data Principals such as safe storage, use of data for Legitimate Purpose and to report breach of data-to-Data Protection Board (Regulator) and to Data Principal within prescribed time.

The Act also contains separate provisions relating to Cross Border Transfer of Data, use of data by government authorities and protection of children and disabled persons data..

Significant Data Fiduciary:

There is a separate class of Data Fiduciary named as **Significant Data Fiduciary** (SDF), the coverage under which is yet to be notified by Meity. SDF is like an upper layer of Data Fiduciary dealing with voluminous/sensitive Data. SDF can be banks, insurance Companies, large non-banking finance Companies, Big IT Companies, Public Utility Companies, Telcos and e-commerce and fin-tech platforms handing voluminous personal data. Accordingly, the Act has provided additional obligations on SDF such as appointment of Data Protection Officer (DPO), Data Protection Impact Assessment and Annual Audit.

Rights of Data Principals:

The Act empowers individuals (Data Principals) with rights including:

Right to Access: Summary of personal data and processing activities.
Right to Correction and Erasure: Updating inaccurate data or deleting data no longer required.
Right to Grievance Redressal: Mandatory internal resolution before approaching the Board.
Right to Nominate: Designation of a beneficiary to exercise rights in case of death or incapacity
.

Regulatory Framework:

The Act creates a dual-structure governance model:

Data Protection Board of India (DPBI): An independent regulatory body empowered to inquire into breaches, conduct investigations, and impose penalties.
Appellate Tribunal: The Telecom Disputes Settlement and Appellate Tribunal (TDSAT) serves as the appellate authority for decisions made by the DPBI.

Penalties:

There is a maximum Penalty upto Rs 250 crores for non-compliance of provisions of the Act depending upon the nature of Non-compliance, volume of data breach, sensitivity of data and repetitive failure to comply with.
Data fiduciaries are working out the compliance framework to put in place a robust mechanism to protect Digitized personal data of individuals to avoid non-compliance and reputational risks.

Suggested Roadmap For Implementation:

Data fiduciaries are working out the compliance framework to put in place a robust mechanism to protect Digitized personal data of individuals to avoid non-compliance and reputational risks

Implementation of DPDP Compliance Framework by a Data Fiduciary can be broadly in following four phases:

Phase I: Assessment Phase- To assess the existing Personal Data Base (Data flow, sources, purpose etc.) and find out gaps to make it DPDP Act compliant.

Phase II: Foundation Phase- To put in place Cconsent Management, Formulation of DPDP-Compliant Policies, IT Audit & Data Security Assessment, Awareness & Training

Phase III: Operationalisation Pilot Phase -To test check the various mechanisms put in place, their synchronisation and corrective actions with the feedback of its users

Phase IV: Roll Out Phase- Fixing the overall responsibility of Compliance, Designating Grievance Redressal Officer, Reporting mechanism of breach of data and periodic monitoring.

Implementation Challenges and Considerations:

In my view following aspects related to implementation need consideration of Data Fiduciary and MeitY.

- Personal Data means any data through which an individual is identifiable. Therefore, Data Fiduciaries need to include direct data such as name, phone number, address, email etc. as well as indirect data such as car registration number, passport number etc. for the purpose of Compliance
- Robustness of both hardware and software be ensured. This is pertinent as presently Pirated Softwares are widely used in the Market.
- There is a need to fix clear responsibility for overall DPDP compliance to a dedicated person assisted by IT and Legal personnel.
- This Act is more crucial for significant data fiduciary which can be Banking companies, Insurance Companies, Corporates having a large number of customers, Public Utility Companies, Registrar and Transfer agents etc . as they are more vulnerable to data breach..
- Public Authorities which are subject to Right To Information (RTI) need to harmonise the mechanisms to meet the requirements of both RTI and DPDP Act.

- Data Principal has a right to nominate someone to protect his personal data even after death. This requires clear cut marking of such cases to avoid future dispute/ litigation

- Data Fiduciaries need to explore taking of Insurance policies to mitigate risks arising from breach/leakage of personal data. DPDP Act provides for penalties for non-compliance, however there is no such provision to compensate to the affected party to whom harm has been caused by breach of his personal data. Such person can take recourse to legal remedies available under other statutes.

- MeitY can come out with some advisory for protection of personal data which are already at social media or other platforms with or without the knowledge of data principal.

- MeitY can come out with some relaxations to MSMEs for complying the provisions of this Act. Presently the Act does not differentiate for compliance between a big corporate and a small shopkeeper keeping the personal data of its customers in the computer

- Penalties provided in the Act gives a lot of room for Discretionary Power to Data Protection Board. Levy of different penalties on similar breach cases may lead to litigation and filing of a large number of appeals before Telecom Disputes Settlement and Appellate Tribunal (Appellate Authority under DPDP Act).

- The Act and Rules are silent about Retrospective Consent taken from Data Principal and need some clarification.

- It is suggested that all stakeholders should give their suggestions/ feedback in respect of practical difficulties being faced while implementing the compliance framework to MeitY through Chambers of Commerce/ Industry Associations for coming out with the solutions for smooth implementation.

Way Forward:

DPDP Act, 2023 aims to establish a harmonious data privacy regime in India. However, smooth implementation is the key for its efficacy The next one year is going to be crucial for rolling out the DPDP compliance framework and continuously monitoring thereafter.

Author:

SK Jain, former executive director of Indraprastha Gas Limited is an alumnus of Shri Ram College of Commerce, FCS, ACMA and LLB from University of Delhi. He is having more than 35 years of corporate experience with focus on M&A, Risk Management, ESG, Corporate Governance and Regulatory Affairs. He also held the position of chairman of IGL Genesis Technologies Limited. Presently, he is associated with Whitespan as Senior Advisor.

Case Laws

1. State Bank of India v. Union of India & Ors.

Citation: 2026 INSC 153 | 2026 LiveLaw (SC) 152

Court: Supreme Court of India

Bench: Justice Pamidighantam Sri Narasimha & Justice Atul S. Chandurkar

Date: Mid-February 2026

Case No.: Civil Appeal No. 1810 of 2021 (and connected matters)

Background

The dispute arose from the insolvency proceedings of the Aircel Group entities — Aircel Limited, Aircel Cellular Limited, and Dishnet Wireless Limited — which held Unified Access Service Licences (UASL) granted by the Department of Telecommunications (DoT). The companies had accumulated large credit facilities from domestic lenders led by the State Bank of India, amounting to ₹13,729 crores in aggregate. When the telecom companies defaulted on license-related dues, DoT sought recovery. The corporate debtors responded by filing for voluntary Corporate Insolvency Resolution Process (CIRP) under Section 10 of the IBC before the NCLT, Mumbai, which was admitted in March 2018. A moratorium was imposed, stalling the government's recovery efforts. DoT filed a claim of ₹9,894.13 crores. The NCLT subsequently approved a resolution plan submitted by UV Asset Reconstruction Company, treating DoT as an operational creditor whose dues were subject to a substantial haircut. DoT challenged this before the NCLAT, which delivered a nuanced ruling — acknowledging spectrum as a natural resource but simultaneously treating spectrum usage rights as an "intangible asset" capable of insolvency treatment. This led to cross-appeals before the Supreme Court by lenders, resolution professionals, and the Union of India.

Question of Law

Whether spectrum usage rights acquired by telecom service providers through auction and licence agreements constitute an "asset" of the corporate debtor capable of being subjected to proceedings under the Insolvency and Bankruptcy Code, 2016 — and whether a moratorium under the IBC can be used to shield a company from paying statutory dues to the Department of Telecommunications arising from such spectrum licences.

Judgment and Conclusion

The Supreme Court allowed the appeal of the Union of India and dismissed those filed by SBI and the Resolution Professionals. The Bench held that spectrum allocated to telecom service providers, even if recorded in their books as an "intangible asset," cannot be subjected to insolvency or liquidation proceedings under the IBC. The Court anchored its reasoning in the Public Trust Doctrine and Article 39(b) of the Constitution, holding that spectrum is a finite natural resource owned by the people of India with the Union acting as trustee, not as a commercial proprietor. A spectrum licence under Section 4 of the Indian Telegraph Act, 1885, confers only a limited, conditional, and revocable right of use — it does not transfer title or proprietary ownership to the licensee. Since Sections 18 and 36(4)(a)(iv) of the IBC explicitly exclude assets not owned by the corporate debtor, spectrum usage rights fall outside the insolvency estate. The Court drew a critical conceptual distinction between ownership (which vests in the people/State), possession in a juridical sense (absent in licensees), and mere occupation or use (what telecom operators enjoy). It further held that the statutory regime under the IBC cannot be permitted to make inroads into the telecom sector and rewrite the rights and liabilities arising from spectrum administration. The ruling decisively establishes that the insolvency estate ends where sovereign trusteeship begins, and that commercial insolvency law cannot override the constitutional framework governing material resources of the community.

2. Power Trust v. Bhuvan Madan (Interim Resolution Professional of Hiranmaye Energy Ltd.) & Ors.

Citation: 2026 TAXSCAN (SC) 144; REEDLAW 2026 SC 02571

Court: Supreme Court of India

Bench: Chief Justice Surya Kant, Justice Joymalya Bagchi & Justice Vipul M. Pancholi

Date: 18 February 2026

Case No.: Civil Appeal No(s). 2211/2024

Background

Hiranmaye Energy Ltd., a thermal power company operating a plant in Haldia, West Bengal, had entered into a common loan agreement dated 19 June 2013 with REC Ltd. for a term loan of ₹1,859 crores to finance its project. The company defaulted on repayment, and REC Ltd. classified the account as a Non-Performing Asset on 30 June 2018. Subsequently, restructuring proposals were floated in February and September 2020, subject to pre-implementation conditions — including obtaining a favourable tariff order, creating a Debt Service Revenue Account, and demonstrating plant capacity. However, Hiranmaye Energy failed to satisfy these conditions by the deadline of 28 February 2021. REC Ltd. then filed a Section 7 application under the IBC claiming outstanding dues of ₹21,831 crores. The NCLT, Kolkata Bench, admitted the application on 2 January 2024 and initiated CIRP. The NCLAT upheld this on 25 January 2024. Power Trust, the promoter-appellant, challenged the admission before the Supreme Court, arguing that the restructuring proposal had reset the default date into the COVID-19 suspension window under Section 10A of the IBC, that the loan had been novated, and that the corporate debtor was a viable ongoing concern with a 25-year Power Purchase Agreement and earnings of ₹20 crore EBITDA per month.

Question of Law

Whether, under Section 7 of the Insolvency and Bankruptcy Code, the Adjudicating Authority has any discretion to refuse admission of an insolvency petition on grounds of the corporate debtor's commercial viability, ongoing profitability, or the existence of restructuring proposals — and whether an unfulfilled restructuring arrangement can reset the date of default so as to attract the COVID-19 moratorium bar under Section 10A.

Judgment and Conclusion

The Supreme Court dismissed the appeal and vacated the stay on CIRP proceedings. The Bench firmly reaffirmed that the IBC marks a clear and decisive departure from the winding-up regime under Section 433(e) of the Companies Act, 1956 — under the Code, the inquiry at the admission stage is strictly limited to verifying the existence of a financial debt and a default. Commercial viability, EBITDA, Power Purchase Agreements, or any other equitable considerations are wholly irrelevant at this stage. The Court rejected the Section 10A bar argument, holding that the application recorded the date of default as 31 March 2018, which fell well outside the COVID-19 suspension window. The restructuring proposals, which were subject to pre-conditions never fulfilled, could not novate the original agreement or shift the default date. Distinguishing the Vidarbha Industries Power Ltd. v. Axis Bank Ltd. (2022) precedent, the Court noted that unlike that case, there was no binding award in favour of the corporate debtor exceeding the creditor's claim — quite the contrary, the outstanding liability of ₹3,103.31 crores far exceeded the corporate debtor's revenues. The ruling narrows the scope for promoters and debtors to resist CIRP admission through arguments of operational viability, confirming that once debt and default are established, admission under Section 7 is mandatory, not discretionary.

3. Catalyst Trusteeship Ltd. v. Ecstasy Realty Pvt. Ltd.

Citation: 2026 INSC 186

Court: Supreme Court of India

Bench: Justice Sanjay Kumar & Justice K. Vinod Chandran

Date: 24 February 2026

Case No.: Civil Appeal No. 7424 of 2025

Background

Ecstasy Realty Pvt. Ltd. issued 850 redeemable non-convertible debentures through a Debenture Trust Deed (DTD) executed in March 2018 to fund a residential-cum-retail real estate project in Mumbai. The debentures, totalling ₹600 crores in Series A, were subscribed by several entities including ECL Finance Limited (ECLF) and other Edelweiss group entities. Catalyst Trusteeship Ltd. was appointed as the debenture trustee. The DTD contained a stringent contractual framework for any amendment, waiver, or restructuring, requiring prior written consent of the trustee, "approved instructions" from debenture holders, and a special resolution supported by three-fourths majority. Following defaults, the corporate debtor claimed that an informal restructuring arrangement had been agreed upon through email correspondence with ECLF alone — and on this basis, argued that no default subsisted, making the Section 7 IBC application filed by Catalyst Trusteeship not maintainable. The NCLT, Mumbai Bench, accepted this position and dismissed the Section 7 application, holding that the moratorium from the informal restructuring was operative. The NCLAT confirmed this view and went further, making adverse remarks that the debenture trustee had "engineered a default" to coerce the company.

Question of Law

Whether informal restructuring discussions between a corporate debtor and a single debenture holder, not culminating in a formal written amendment of the Debenture Trust Deed in accordance with the contractually prescribed procedure, can constitute a valid "moratorium" or defeat the admission of a Section 7 IBC application — and whether the concept of "pre-existing dispute" (available as a defence under Section 9 for operational creditors) has any application to a financial creditor's application under Section 7.

Judgment and Conclusion

The Supreme Court allowed the appeal, set aside the orders of both the NCLT and NCLAT, and directed that the Section 7 application be admitted by the NCLT, with immediate initiation of further steps under the Code. The Court was categorical that for admission under Section 7, the adjudicating authority is required only to examine whether a financial debt exists and whether there has been a default — the concept of "pre-existing dispute" which may defeat an operational creditor's Section 9 application has no application to Section 7. The Court held that informal email correspondence between the corporate debtor and a single debenture holder could not bind other debenture holders or override the DTD's express amendment mechanism, even where the entities belonged to the same corporate group. The NCLAT's adverse characterisation of the debenture trustee as having "engineered" a default was explicitly set aside, the Court clarifying that a trustee's primary fiduciary duty is to protect the interests of debenture holders, not the corporate debtor. The ruling establishes that a corporate debtor cannot indirectly defeat a CIRP application by relying on restructuring negotiations that never crystallised into a binding contractual modification, and that the sanctity of the Debenture Trust Deed as the governing instrument must be respected by adjudicating authorities.

Compliance Checklist

COMPLIANCE CALENDAR FOR THE MONTH OF MARCH 2026

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

GST Related Compliance	
7TH	GSTR-7 Monthly Return by Tax Deductors for February
10TH	GSTR-8 Monthly Return by e-commerce operators for February.
11TH	GSTR-01 Details of Outward Supplies (Monthly Filers)
13TH	GSTR-5 Monthly Return by Non-Resident taxable person for February
13TH	GSTR-6 Monthly Return OF Input Service Distributor for February
20TH	GSTR-03B, Monthly Summary Return & Tax Payment
25TH	PMT-06, Monthly Payment for QRMP Taxpayers.

Income –Tax Related Compliance	
7TH	Payment of TDS/TCS of February

FEMA Related Compliances	
7th	Reporting of actual transactions of External Commercial Borrowings (ECB) through AD Bank under FEMA

Economic, Industrial & Labour Law Related Compliance	
7th	Payment of wages (Code on Wages Act, 2019)
15th	E-Payment cum Return of ESIC Annual Return by Principal Employer (Contract Labour R&A Act)

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