



# NEWSLETTER <sup>Weekly</sup>

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## SECURITIES AND EXCHANGE BOARD OF INDIA

### **1. Introduction of Voluntary Lock-in / Debit freeze facility to Mutual Fund folios.**

The Securities and Exchange Board of India (SEBI), through a circular dated March 06, 2026, introduced a voluntary debit freeze or lock-in facility for mutual fund folios to enhance digital security for investors. Under this facility, investors can voluntarily lock their mutual fund folios to ensure that no units are debited until the folio is unlocked. The facility will be available for both demat and non-demat (Statement of Account) folios. In the first phase, registrars and transfer agents (RTAs) will provide the folio locking facility through the MF Central platform, which was introduced to improve investor experience in mutual fund transactions and service requests. The facility will be available only to KYC-compliant investors with a valid registered email ID and mobile number. The Association of Mutual Funds in India (AMFI) will prescribe detailed procedures for locking and unlocking folios and determine which financial and non-financial transactions will be permitted during the lock-in period. The circular will take effect from April 30, 2026.

For more information, you can access the SEBI circular here:

[https://www.sebi.gov.in/legal/circulars/mar-2026/introduction-of-voluntary-lock-in-debit-freeze-facility-to-mutual-fund-folios\\_100159.html](https://www.sebi.gov.in/legal/circulars/mar-2026/introduction-of-voluntary-lock-in-debit-freeze-facility-to-mutual-fund-folios_100159.html)

### **2. Regulatory Reporting by AIFs.**

The Securities and Exchange Board of India (SEBI) issued a circular dated March 04, 2026, revising the regulatory reporting framework for Alternative Investment Funds (AIFs) under Regulation 28 of the SEBI (Alternative Investment Funds) Regulations, 2012. Earlier, AIFs were required to submit detailed activity reports to SEBI on a quarterly basis within 15 days of the end of each quarter through formats hosted by the Indian Venture and Alternate Capital Association (IVCA). After reviewing the reporting framework to align with regulatory changes and to promote ease of doing business, SEBI has introduced a new reporting structure. Under the revised system, AIFs must submit a comprehensive Annual Activity Report through the SEBI Intermediary Portal within 30 days from the end of March each financial year, starting with FY ending March 2026 (due by May 31, 2026). Additionally, a limited Quarterly Activity Report will be required within 15 days of each quarter, except for the March quarter since the annual report will include that data.

For more information, you can access the SEBI circular here:

[https://www.sebi.gov.in/legal/circulars/mar-2026/regulatory-reporting-by-aifs\\_100120.html](https://www.sebi.gov.in/legal/circulars/mar-2026/regulatory-reporting-by-aifs_100120.html)

### **3. Guidelines for Custodians.**

The Securities and Exchange Board of India (SEBI) issued a circular dated March 4, 2026 prescribing detailed guidelines for custodians following amendments to the SEBI (Custodian) Regulations, 1996 notified on September 18, 2025. The circular specifies conditions regarding segregation of activities, outsourcing, vault requirements, governance obligations, risk management, technology infrastructure, business continuity planning, and reporting obligations. Custodians that are not banks or bank affiliates must conduct financial services within and outside SEBI's regulatory purview through separate Strategic Business Units (SBUs) and maintain separate accounts while meeting net worth requirements excluding the SBU books. Custodians providing unregulated services must disclose this to clients and obtain acknowledgements regarding lack of SEBI grievance recourse. The circular also introduces governance committees, risk management frameworks, business continuity plans, and orderly wind-down mechanisms to protect investors.

Additionally, certain reporting requirements to SEBI are discontinued to avoid duplication. Most provisions take effect March 24, 2026, with specific timelines for wind-down frameworks and disaster recovery infrastructure.

For more information, you can access the SEBI circular here:

[https://www.sebi.gov.in/legal/circulars/mar-2026/guidelines-for-custodians\\_100118.html](https://www.sebi.gov.in/legal/circulars/mar-2026/guidelines-for-custodians_100118.html)

### **MINISTRY OF FINANCE**

#### **1. 8<sup>th</sup> Central Pay Commission Invites Representations from Stakeholders.**

The Eighth Central Pay Commission has provided an online structured format for inviting Memorandum/Representations from Associations/Unions of serving employees/pensioners, organizations/institutions as well as from employees, pensioners and interested individuals on its website ([8cpc.gov.in](http://8cpc.gov.in)). Submissions would be received up to 30th April, 2026.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2235767&reg=3&lang=1>

### **MINISTRY OF CORPORATE AFFAIRS**

#### **1. IICA Hosts “Meet the Legend” Session for PGIP Cohort on GST and PMLA–IBC Interplay.**

The Indian Institute of Corporate Affairs (IICA), Manesar, recently organised an enriching session under its flagship “Meet the Legend” series for the 7th cohort of the Post Graduate Insolvency Programme (PGIP). The three-hour masterclass featured two distinguished judicial experts: Mr. J.P. Singh, Hon’ble Judicial Member, GST Appellate Tribunal, and Mr. Balesh Kumar, Hon’ble Member, Appellate Tribunal (PMLA, FEMA, PBPTA, NDPSA, and SAFEMA). Mr. J.P. Singh provided a comprehensive overview of the Goods and Services Tax (GST) framework and its intersection with insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 (IBC). He revisited foundational GST concepts such as “supply,” “consideration,” taxable events, input tax credit (ITC), and reverse charge mechanisms, while explaining the statutory architecture governing intra-state and inter-state transactions. He referred to significant judicial pronouncements including *Swiss Ribbons Pvt. Ltd. v. Union of India* and *Ghanashyam Mishra & Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Co. Ltd.*, emphasizing that once a resolution plan is approved, claims not included in the plan, including statutory dues, stand extinguished. The session also addressed practical compliance considerations during CIRP, such as fresh GST registration, filing of returns by IRP/RP, availability of ITC, and the effect of the moratorium under Section 14 of the IBC on recovery proceedings. Mr. Balesh Kumar delivered an insightful session on the interplay between the IBC and the Prevention of Money Laundering Act, 2002 (PMLA). He explained the concept of “proceeds of crime” and outlined the three stages of money laundering — Placement, Layering, and Integration.

For more information, you can access the GOI press release here:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2235489&reg=3&lang=1>

### **INSOLVENCY AND BANKRUPTCY BOARD OF INDIA**

#### **1. NCLAT Holds Moratorium Under Section 101 of IBC Cannot Be Extended, But Permits Extension of Personal Insolvency Resolution Process Period.**

The National Company Law Appellate Tribunal (NCLAT) New Delhi has clarified that while the moratorium period under Section 101 of the Insolvency and Bankruptcy Code (IBC) is strictly limited to 180 days and cannot be extended by the Tribunal, the period for completing the Personal Insolvency Resolution Process (PIRP) itself may be extended in appropriate cases, as procedural timelines are directory and not mandatory.

## Key Legal Findings

The NCLAT undertook a detailed analysis of the statutory scheme. It reaffirmed that:

- The moratorium under Section 101 is strictly limited to 180 days from the date of admission or until an order is passed on the repayment plan under Section 114, whichever is earlier. The Tribunal has no power to extend this moratorium period.
- Regulation 19 of the 2019 Regulations, which requires the repayment plan to be filed within 120 days, is procedural and directory. The absence of a consequence clause means that non-compliance does not automatically terminate the PIRP.
- The statutory provisions of the IBC do not prescribe a fixed outer limit for the PIRP period itself. The Tribunal retains jurisdiction to extend the PIRP period in appropriate cases, especially where the process is at an advanced stage and extension would serve the interests of all stakeholders.

The Tribunal distinguished between the moratorium period (which is mandatory and non-extendable) and the PIRP period (which may be extended at the Tribunal's discretion). The NCLAT also drew support from Supreme Court precedent in *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*, which held that even mandatory timelines for insolvency processes may be relaxed in exceptional cases to serve the interests of justice and stakeholders.

## Final Decision and Directions

Allowing the appeals, the NCLAT set aside the impugned NCLT order and permitted extension of the PIRP period until 15 March 2026, noting that the repayment plan had already been approved by all creditors. The Tribunal emphasized that such extension does not revive or extend the moratorium, whose outer limit remains 180 days as per Section 101.

## Conclusion

This judgment clarifies the distinction between the non-extendable moratorium period under Section 101 of the IBC and the extendable nature of the PIRP period, subject to the Tribunal's discretion and the procedural nature of Regulation 19. The decision provides important guidance for RPs, creditors, and personal guarantors navigating the timelines and procedural requirements of personal insolvency resolution under the IBC.

For more information, you can access the GOI press release here:

<https://ibclaw.in/nclat-holds-moratorium-under-section-101-ibc-cannot-be-extended-but-permits-extension-of-personal-insolvency-resolution-process-period/>

## 2. NCLT Initiates Voluntary CIRP Against IMFL Manufacturer a After Establishing ₹1.80 Crore Financial Default.

However, the working capital account has become irregular due to financial difficulties and adverse market conditions, thereby making it a Non-Performing Asset (NPA). The SARFAESI process was invoked by the bank in the form of demand notices and possession notices. The default has been reflected in the audited financial statements for subsequent years. The counsel appearing for the corporate applicant has pointed out that the application has been duly authorized by means of a special resolution passed by shareholders and has been supported by complete financial information and bank statements along with the consent of the proposed Interim Resolution Professional (IRP). The Tribunal followed the principles laid down in the case of *Unigreen Global Pvt. Ltd. v. Punjab National Bank & Ors.*, in which the National Company Law Appellate Tribunal held that “admission is mandatory after establishing default and upon satisfaction that application is complete.” The Tribunal found that the application was complete and default was substantiated and accordingly admitted the application under Section 10 ordered moratorium under Section 14 and appointed Ms. Bhavna Bansal as Interim Resolution Professional to initiate the CIRP process.

For more information, you can access the GOI press release here:

<https://www.taxscan.in/top-stories/nclt-initiates-voluntary-cirp-against-imfl-manufacturer-a-after-establishing-180-crore-financial-default-1443721>

## RESERVE BANK OF INDIA

### **1. Implementation of Section 51A of UAPA,1967: Updates to UNSC's 1267/ 1989 ISIL (Da'esh) & Al-Qaida Sanctions List: Delisting of 01 entry.**

Referring to Chapter IX on “Requirements/obligations under International Agreements - Communications from International Agencies” of the Reserve Bank of India - Know Your Customer, Directions, 2025 dated November 28, 2025 as amended on December 29, 2025 (“Directions”), as applicable, in terms of which, regulated entity shall ensure that in terms of section 51A of the Unlawful Activities (Prevention) (UAPA) Act, 1967 and amendments thereto, it does not have any account in the name of individuals / entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by and periodically circulated by the United Nations Security Council (UNSC). In this connection, Ministry of External Affairs (MEA), Government of India has informed about the UNSC press release SC/16306 dated February 27, 2026 wherein the Security Council Committee has decided to remove the entry below from the ISIL (Da'esh) and Al-Qaida Sanctions List. The Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities removed the entry below from the ISIL (Da'esh) and Al-Qaida Sanctions List. Therefore, the assets freeze, travel ban and arms embargo set out in paragraph 1 of Security Council resolution 2734 (2024) and adopted under Chapter VII of the Charter of the United Nations, no longer apply to them.

For more information, you can access the RBI notification here:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=13310&Mode=0>

### **2. RBI Issues Draft Amendment Directions for ‘Review of Framework of Limiting Customer Liability in Digital Transactions’.**

The digital payment and banking landscape has evolved considerably since issuance of the existing instructions on limiting liability of customers in unauthorised electronic banking transactions in 2017. Upon a review, it has been decided to issue revised instructions on the subject to banks, which shall inter alia enhance the scope of existing instructions on limiting liability of customers in unauthorised electronic banking transactions to cover other categories of fraudulent electronic banking transactions, reduce the time taken by banks to process complaints related to fraudulent electronic banking transactions, and introduce a compensation mechanism for small value fraudulent electronic banking transactions. Accordingly, in pursuance of the announcement made in the Statement on Developmental and Regulatory Policies dated February 6, 2026, the Reserve Bank of India (RBI) has today issued the following draft Amendment Directions for public comments, which propose to amend existing Directions on Responsible Business Conduct issued by the Department of Regulation, RBI. The compensation mechanism proposed to be introduced under these Amendment Directions will be in force for one year from the effective date of these Directions. This will be reviewed on the basis of the experience gained with an objective of enhancing the share of the banks and reducing / eliminating the share of RBI in the compensation paid to the victims. The comments / feedback on the draft Amendment Directions may be submitted by the regulated entities and members of public / other stakeholders on or before April 6, 2026

For more information, you can access the RBI press release here:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=62340](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62340)

### **3. Premature redemption under Sovereign Gold Bond (SGB) Scheme - Redemption Price for premature redemption of SGB 2020-21 Series VI due on March 07, 2026 (March 08 being holiday) and SGB 2020-21 Series XII due on March 09, 2026.**

In terms of GOI notification F.No.4(4)-B(W&M)/2020 dated April 13, 2020 (SGB 2020-21 Series-VI-Issue date September 08, 2020) and in terms of GOI notification F.No.4(4)-B(W&M)/2020 dated October 09, 2020 (SGB 2020-21 Series-XII-Issue date March 09, 2021) on Sovereign Gold Bond Scheme, premature redemption of Gold Bond may be permitted after fifth year from the date of issue of such Gold Bond on the date on which interest is payable. Accordingly, the due date of premature redemption of the above tranches shall be on March 07, 2026 (March 08 being holiday) and March 09, 2026 respectively. Further, the redemption price of SGB shall be based on simple average of closing price of gold of 999 purity of previous

three business days from the date of redemption, as published by the India Bullion and Jewellers Association Ltd (IBJA). Accordingly, the redemption price for premature redemption due on March 07, 2026 (March 08 being holiday) and March 09, 2026, shall be ₹16,063/- (Rupees Sixteen Thousand Sixty Three only) per unit of SGB based on the simple average of closing price of gold for the three business days i.e., March 04, March 05, and March 06, 2026.

For more information, you can access the RBI press release here:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=62345](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62345)

#### **4. RBI imposes monetary penalty on Maanaveeya Development & Finance Private Limited.**

The Reserve Bank of India (RBI) has, by an order dated February 27, 2026, imposed a monetary penalty of ₹3.10 lakh (Rupees Three Lakh Ten Thousand only) on Maanaveeya Development & Finance Private Limited (the company) for non-compliance with certain directions issued by RBI on 'Governance'. This penalty has been imposed in exercise of powers conferred on RBI under section 58G(1)(b) read with section 58B(5)(aa) of the Reserve Bank of India Act, 1934. The correspondence pertaining to the intimation of appointment of a director, revealed, inter alia, non-compliance with RBI directions. Based on the same, a notice was issued to the company advising it to show cause as to why penalty should not be imposed on it for its failure to comply with the said directions. After considering the company's reply to the notice and oral submissions made during the personal hearing, RBI found, inter alia, that the following charge against the company was sustained, warranting imposition of monetary penalty: The company had failed to take prior written permission of the RBI while appointing a director resulting in change in its management on account of change in more than 30 per cent of its directors, excluding independent directors. This action is based on deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the company with its customers. Further, imposition of this monetary penalty is without prejudice to any other action that may be initiated by RBI against the company.

For more information, you can access the RBI press release here:

[https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=62343](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62343)

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