



April 2026

This edition of the JSA Finance Newsletter captures a series of regulatory interventions that reflect a calibrated shift towards risk-sensitive regulation, compliance rationalisation and market resilience.

The Securities and Exchange Board of India (“**SEBI**”) has revamped the reporting framework for Alternative Investment Funds (“**AIFs**”), introducing a more structured annual reporting regime coupled with a lighter quarterly format, while simultaneously strengthening systemic safeguards through Core Settlement Guarantee Fund (“**SGF**”) coverage norms in the commodity derivatives segment. Regulatory rationalisation is also evident in the easing of reporting obligations for stock brokers, signalling a move towards proportionate compliance.

Further, SEBI, through its circular dated March 13, 2026 (as amended on March 25, 2026), has issued guidelines governing borrowings by mutual funds, including conditions for intraday borrowing within the regulatory framework.

The Reserve Bank of India (“**RBI**”) has refined the reporting architecture for External Commercial Borrowings (“**ECB**”) by clarifying the treatment of reporting forms, late submission fees and timelines, thereby addressing longstanding operational ambiguities.

At a broader capital markets level, the Ministry of Finance, has notified the Securities Contracts (Regulation) Amendment Rules, 2026 (“**Amendment Rules**”), introducing a tiered framework for minimum public offer requirements and extending timelines for achieving Minimum Public Shareholding (“**MPS**”).

In response to external economic pressures, particularly geopolitical disruptions affecting trade flows, RBI’s Trade Relief Measures Directions, 2026 (“**TRM Directions**”) introduce targeted liquidity support for exporters through extended credit tenors and relaxed realisation timelines, underscoring a responsive regulatory approach to global headwinds.

On the judicial front, the National Company Law Appellate Tribunal’s reaffirmation of the project-specific insolvency resolution framework in the real estate sector further strengthens the evolving reverse insolvency approach. This ensures that distress remains ring-fenced at the project level, thereby preserving enterprise value while safeguarding homebuyer interests.

## SEBI updates

### Regulatory reporting by AIFs

SEBI, *vide* [circular](#) dated March 4, 2026, introduced a revised, streamlined regulatory reporting framework for Alternative Investment Funds (“**AIFs**”). AIFs must submit a comprehensive, detailed Annual Activity Report (“**AAR**”) *via* SEBI intermediary portal within 30 (thirty) days of the financial year-end. However, the first AAR for the financial year ending March 2026 will be due by May 31, 2026. Further, a revised, limited Quarterly Activity Report (“**QAR**”) must be filed *via* SEBI intermediary portal within 15 (fifteen) calendar days from the end of each quarter. No separate

QAR is needed for the March quarter as this data is captured in the AAR and accordingly the first revised QAR will cover the quarter ending June 2026.

## Circulars on borrowing by mutual funds

SEBI, *vide* [circular](#) dated March 13, 2026, has issued certain guidelines on borrowings by mutual funds. Regulation 42 (2) of the SEBI (Mutual Funds) Regulations, 2026 provides that mutual funds cannot borrow more than 20% of net assets of a scheme for specified purposes. This limit, however, does not apply for intraday borrowings subject to certain conditions, such as:

1. the policy for use of intraday borrowing facility must be approved by the board of Asset Management Company (“AMC”) and board of trustees and must be uploaded on the website of AMC;
2. intraday borrowings must be used only for the purpose of repurchase or redemption of units or payment of interest or income distribution cum capital withdrawal payout to the unitholders;
3. the amount of intraday borrowings must not exceed the guaranteed receivables due on the same day from Government of India, RBI and Clearing Corporation of India Limited. The specified receivables on the day of redemption will be eligible for intraday borrowings; and
4. AMCs must ensure compliance of clauses 6 and 7 of the Fourth Schedule of the SEBI (Mutual Funds) Regulations, 2026 and para 16.8 of the SEBI Master Circular for Mutual Funds dated June 27, 2024.

Subsequently, *vide* circular dated March 25, 2026, SEBI has issued an [addendum](#) to the above circular, whereby the applicability of the intraday borrowings will come into effect from July 15, 2026.

Further, with effect from August 3, 2026, borrowings by equity-oriented index funds and equity-oriented exchange traded funds on account of under execution of sell trades on the stock exchange in terms of Regulation 42(1) of SEBI (Mutual Funds) Regulations, 2026 is permissible only for the purpose of participation by such funds in the closing auction session in the equity cash segment of the stock exchanges.

## Review of coverage of SGF for commodity derivatives segment

On March 16, 2026, SEBI issued a [circular](#) revising the SGF coverage norms for the commodity derivatives segment to strengthen risk management. The provisions contained in Part C (with respect to coverage of SGF) of paragraph 22 (Standardised Stress Testing for Commodity Derivatives) of Annexure O of the SEBI Master Circular for Commodity Derivatives Segment dated August 4, 2023, are modified as follows:

1. Clearing Corporations (“CCs”) must now calculate credit exposure assuming the simultaneous default of at least 3 (three) clearing members (and their associates) that cause the highest credit exposure (earlier CCs had to calculate the credit exposure for 2 (two) clearing members); and
2. a clause has been inserted under para 23 stating that SEBI may grant exemptions or relaxations from the strict enforcement of provisions relating to the SGF in the commodity derivatives segment, on a case to case basis.

## Relaxations in certain reporting requirements for certain stock brokers

On March 23, 2026, SEBI, in terms of para 15.3 of the Master Circular for Stock Brokers dated June 17, 2025 (“**Master Circular**”), has introduced [relaxations](#) in reporting requirements for stock brokers. Consequently, effective April 17, 2026, the relevant paras of the Master Circular are modified as follows:

1. brokers who are also banks or primary dealers are exempted from tagging demat accounts used exclusively for non-broking activities. Such brokers are now required to report only those bank accounts that are used for stock broking operations;

2. the requirement of reporting demat accounts by brokers is removed; and
3. timelines for reporting opening and closure of bank accounts are prescribed, and non-compliance may attract penalties on the depositories.

## RBI updates

### Returns pertaining to ECBs

RBI, *vide* [circular](#) dated March 30, 2026, has made the following changes to the Master Direction – Reporting under Foreign Exchange Management Act, 1999, with reference to the returns pertaining to External Commercial Borrowing (“ECB”):

1. Form ECB 1 and Revised Form ECB 1 (known as Form ECB and Revised Form ECB respectively prior to notification of Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026) will be treated as returns which do not capture flows. Late Submission Fee (“LSF”) for delayed submission of these forms will be computed accordingly;
2. the LSF amount is per return. Therefore, each delayed submission of Form ECB 2 return submitted under a Loan Registration Number will be treated as a separate instance for computation of the fixed component of LSF; and
3. the designated AD Category I bank must submit the return received from the eligible borrower, along with due certification, to RBI within 7 (seven) calendar days from the date of its receipt.

### TRM Directions

To mitigate the burden of debt servicing brought about by geopolitical tensions caused by West Asian crisis and to ensure the continuity of viable businesses, RBI, *vide* [circular](#) dated March 31, 2026, has notified the TRM Directions. Some of the key features of the TRM Directions are as follows:

1. the TRM Directions are applicable to the following regulated entities eligible to undertake export financing business:
  - a) commercial banks;
  - b) primary (urban) co-operative banks, state co-operative banks and central co-operative banks;
  - c) non-banking financial companies – factors; and
  - d) all-India financial institutions;
2. the tenor for pre-shipment and post-shipment export credit is extended up to 450 (four hundred and fifty) days for disbursements made until June 30, 2026;
3. exporters can liquidate outstanding packing credit through legitimate alternative sources, including domestic sale proceeds or substitution of contract with proceeds of other export orders; and
4. the relaxed period for repatriation of export proceeds (realisation) continues from 9 (nine) months to 15 (fifteen) months, supporting liquidity amidst logistics bottlenecks.

## JSA updates

### Ministry of Finance notifies revised MPS requirements

The Ministry of Finance, *vide* its notification dated March 13, 2026, notified the Amendment Rules, amending Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957. The Amendment Rules introduce a 6 (six) tiered, slab-wise calibration of minimum public offer requirements and extend the timelines to achieve the MPS threshold, with

the primary objective of providing flexibility to large issuers having a post-issue capital of more than INR 50,000 crore (Indian Rupees fifty thousand crore). The Amendment Rules also address the applicability of revised MPS timelines to the existing listed companies, prescribe a uniform MPS for companies listing in International Financial Services Centres, and set out provisions governing the listing of equity shares with superior voting rights. These amendments are intended to facilitate large issuers in undertaking fund raising in a phased manner, while achieving MPS requirements in a more calibrated manner.

For a detailed analysis, please refer to the [JSA Prism of March 27, 2026](#).

### **National Company Law Appellate Tribunal reinforces reverse insolvency resolution approach for real estate projects**

In a recent decision, the National Company Law Appellate Tribunal, New Delhi, reinforced the principle that the Corporate Insolvency Resolution Process (“CIRP”) against real estate companies must be confined to the specific project in default, affirming the evolving ‘reverse CIRP’ framework. This project-wise approach ensures that distress in one project does not derail other viable developments, thereby simultaneously preserving enterprise value and safeguarding homebuyer interest. While the reliance on judicial innovation, in the absence of a codified framework, may create interpretational challenges, the ruling is significant in limiting CIRP exposure while reinforcing a balanced, revival-focused real estate insolvency regime under the Insolvency and Bankruptcy Code, 2016.

For a detailed analysis, please refer to the [JSA Prism of March 31, 2026](#).

## Finance Practice

JSA has a widely recognised market leading banking & finance practice in India. Our practice is partner led and is committed to providing quality professional service combining domain knowledge with a constructive, consistent, comprehensive and commercial approach to issues. Clients trust our banking lawyers to take a practical and business-oriented approach to achieving their objectives. Our lawyers have a clear understanding of the expectations and requirements of both sides to a financing transaction and provide tailored advice to each client's needs. The practice is especially praised for its accessibility and responsiveness and its ability to work well with international firms and clients. We represent a variety of clients including domestic and global banks, non-banking finance companies, institutional lenders, multi-lateral, developmental finance and export credit institutions, asset managers, funds, arrangers and corporate borrowers in different sectors on a wide range of financing transactions.

Our full spectrum of services includes advising clients on corporate debt transactions (including term and working capital debt), acquisition finance, structured finance, project finance, asset finance, real estate finance, trade finance, securitisation, debt capital markets and restructuring and insolvency assignments.

Our practice has been consistently ranked in the top-tier for several years, and several of our partners are regarded highly, by international publications such as Chambers and Partners, IFLR, Asia Law, Legal 500, Asia Legal Business, IBLJ and Leaders League.

**This Newsletter has been prepared by:**



**Anish Mashruwala**  
Partner



**Soumitra Majumdar**  
Partner



**Shrijita Bhattacharya**  
Partner



**Deboshree Mukherjee**  
Principal Associate



**Tanay Bothra**  
Associate



19 Practices and  
40 Ranked Lawyers



8 Ranked Practices,  
22 Ranked Lawyers



15 Practices and  
20 Ranked Lawyers



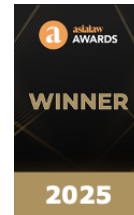
13 Practices and  
49 Ranked Lawyers



20 Practices and  
24 Ranked Lawyers



8 Practices and  
10 Ranked Lawyers  
Highly Recommended in 5 Cities



**Regional Legal Expertise Awards  
(APAC) of the Year**  
Energy Firm Competition/  
Antitrust Firm



Among Best Overall  
Law Firms in India and  
14 Ranked Practices

9 winning Deals in  
IBLJ Deals of the Year

15 A List Lawyers in  
IBLJ A-List – 2026



Recognised in World's 100 best  
competition practices of 2026



Ranked Among Top 5 Law Firms in  
India for ESG Practice



Asia M&A Ranking  
2025 – Tier 1

For more details, please contact [km@jsalaw.com](mailto:km@jsalaw.com)

[www.jsalaw.com](http://www.jsalaw.com)



Ahmedabad | Bengaluru | Chennai | Gurugram | Hyderabad | Mumbai | New Delhi



This Newsletter is not an advertisement or any form of solicitation and should not be construed as such. This Newsletter has been prepared for general information purposes only. Nothing in this Newsletter constitutes professional advice or a legal opinion. You should obtain appropriate professional advice before making any business, legal or other decisions. JSA and the authors of this Newsletter disclaim all and any liability to any person who takes any decision based on this publication.

Copyright © 2026 JSA | all rights reserved