

NEWSLETTER

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Monthly Bulletin



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IMPORTANT UPDATE

DIRECTORS KNOW YOUR CUSTOMER (“KYC”)

The Ministry of Corporate Affairs (“MCA”) taking into account the difficulty faced in completion of the KYC process, has introduced significant changes to the existing Director KYC compliance framework.

KEY CHANGES:

- Directors holding Director Identification Number (“DIN”) as on March 31 of the financial year shall now be required to complete the KYC, once in every three consecutive financial years.
- The KYC when becomes due, in a financial year, would need to be completed by June 30.
- Any change in Director’s mobile number, email ID, permanent or present residential address is required to be updated within 30 days of such change through KYC form, along with the applicable fees.
- KYC form can be filed for any of the following purposes:
 - i. Re-activation of DIN (Deactivated on account of non-completion of KYC for previous years)
 - ii. KYC compliance
 - iii. Update of Mobile Number
 - iv. Update of Email ID
 - v. Update of permanent residential address
 - vi. Update of present residential address

Any change in the information of director, other than those specified above, would require filing of form DIR 6 with the MCA.

REQUIREMENTS OF ONE TIME PASSWORD (“OTPs”)

In all cases where KYC form is required to be filed, OTPs will be required from the director for authentication and verification of the filing.

FEATURED ARTICLE



REDEFINING MOTHERHOOD: SUPREME COURT EXPANDS MATERNITY RIGHTS FOR ADOPTIVE MOTHERS

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In a landmark and progressive ruling, the Supreme Court of India in *Hamsaanandini Nanduri v. Union of India*[1] has clarified and expanded the scope of maternity benefits under Indian labour law, particularly in the context of adoptive mothers.

The judgment marks a significant shift from a biological-centric understanding of motherhood to a more inclusive, rights-based and child-centric framework. By aligning labour jurisprudence with constitutional guarantees of equality, dignity, and social justice, the Court has expanded the conceptual boundaries of maternity in a manner that reflects evolving social realities.

Background and Legal Framework

The dispute arose from a constitutional challenge to Section 60(4) of the Code on Social Security, 2020, which grants maternity benefits to adoptive mothers only if the child adopted is below three months of age.

A similar restriction existed earlier under the Maternity Benefit Act, 1961 (as amended in 2017). The petitioner contended that the three-month age threshold is inherently arbitrary and results in unjust discrimination between adoptive mothers. It was further argued that such a rigid condition fails to consider the practical realities of the adoption process, which often extends beyond the infancy stage, and consequently undermines both women's rights and the welfare of the child.

The constitutional challenge was anchored in alleged violations of Articles 14, 19(1)(g), and 21, thereby placing the issue within the broader framework of fundamental rights.

Issues Before the Court

The Court was called upon to determine whether the age-based restriction imposed on adoptive mothers withstands constitutional scrutiny. Specifically, it examined whether limiting maternity benefits to cases where the adopted child is below three months violates the right to equality under Article 14 and whether such restriction infringes upon the rights to dignity, decisional autonomy, and child welfare under Article 21.

Judicial Analysis: Expanding the Meaning of Motherhood

In its analysis, the Court adopted a purposive and rights-oriented interpretation of maternity benefits. It recognised maternity protection as an integral facet of constitutional guarantees relating to equality, dignity, and social justice. Importantly, the Court emphasised that motherhood cannot be confined to biological parameters alone; rather, it encompasses emotional and social dimensions, which are particularly significant in cases of adoption.

Applying the doctrine of reasonable classification under Article 14, the Court held that any classification must be founded on intelligible differentia and must bear a rational nexus to the objective

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sought to be achieved. In the present case, the distinction between adoptive mothers based on whether the child is below or above three months of age was found to be arbitrary and lacking a rational nexus to the object sought to be achieved.

The Court further clarified that maternity benefits are not exclusively linked to the biological aspects of childbirth or the infancy of the child. Instead, they also serve the crucial purposes of enabling emotional bonding, facilitating the integration of the child into the family unit, and supporting caregiving responsibilities.

Article 21: Dignity, Autonomy and Child Welfare

The judgment makes a significant contribution to the evolving jurisprudence under Article 21 by recognising adoption as part of decisional autonomy within the broader ambit of personal liberty. It underscores that the decision to adopt a child is a meaningful exercise of individual choice protected under the Constitution.

The Court also highlighted that both the adoptive mother and the child have a right to dignified familial integration. Central to this reasoning is the principle of the “best interest of the child,” which the Court treated as a guiding factor in interpreting welfare legislation.

Reconceptualising Maternity Leave

The judgment effectively underscores key dimensions of maternity leave, including emotional bonding and the integration of the child into the family. While physical recovery may be relevant primarily in cases of biological motherhood, these broader caregiving considerations assume heightened importance in the context of adoption.

By reframing maternity leave as a broader caregiving mechanism rather than a benefit limited to post-childbirth recovery, the Court strengthens the case for extending equal protection to adoptive mothers.

Implications for Employers and Corporates

From a corporate and compliance perspective, the judgment has far-reaching implications. Organisations should reassess their maternity and adoption leave policies to ensure that they do not perpetuate discriminatory practices based on arbitrary age thresholds, particularly in light of evolving judicial interpretation, even where statutory amendments are awaited.

Conclusion

The Hamsaanandini Nanduri judgment stands as a transformative milestone in Indian labour law. The significance of the judgment extends beyond the immediate issue of maternity benefits. It represents a shift from formal equality to substantive equality by recognising the diverse realities of modern families. The ruling may also have interpretative implications for delegated legislation, employer policies, and future rule-making under the Code on Social Security, 2020.

By redefining maternity in terms of care, dignity, and equality rather than mere biology, the Supreme Court of India has set a progressive precedent that resonates with contemporary societal values.

FOOTNOTES :

[1] 2026 INSC 246.

LEGAL UPDATES

A FRESH APPLICATION UNDER SECTION 11 IS NOT MAINTAINABLE ONCE EARLIER ARBITRATION PROCEEDINGS HAVE BEEN ABANDONED

Introduction

In a recent ruling, the Supreme Court of India has clarified that a party cannot initiate a fresh application for appointment of an arbitrator under Section 11 of the Arbitration and Conciliation Act, 1996 after having abandoned earlier arbitral proceedings arising from the same cause of action. The Court set aside the order of the Punjab and Haryana High Court, which had appointed an arbitrator on a subsequent application, and held that such proceedings are barred by the principles contained under Order 23 Rule 1 of the Code of Civil Procedure, 1908, particularly in the absence of any liberty to initiate fresh proceedings.

Brief Facts of the Case

The parties had jointly participated in an auction conducted by Jammu & Kashmir Bank for purchase of land situated in Hoshiarpur, Punjab, with the primary bid being made through the respondent's firm M/s Aastha Trading Company. For the purposes of funding and registration, a separate entity namely M/s JMD Special Steel Pvt. Ltd. in which both parties were directors was utilized, and a loan of Rs. 4.30 crores were obtained from HDFC Bank by mortgaging various properties. A tripartite agreement dated March 20, 2013 was executed between the parties and the bank to regulate loan liability and facilitate release of the mortgaged properties. Subsequently on April 02, 2013, three agreements were entered into between the parties to resolve disputes relating to the Hoshiarpur land and other joint ventures, providing for execution of sale deeds, dissolution of joint ventures, and allocation of shares, and containing an arbitration clause.

Dispute arose between the parties and the respondent invoked the arbitration clause by a notice dated May 06, 2015, leading to the appointment of arbitrator. During the arbitral proceedings, both parties filed their respective claims, counter claims and replies. However, the respondent failed to participate in the proceedings after a certain stage. The respondent further raised allegations of bias against the arbitrator, and ultimately refused to accept the authority of the arbitrator and filed a civil suit seeking mandatory injunction seeking termination of Arbitrator's mandate. An arbitral award dated June 30, 2020 was passed, whereby the claim of the appellant was decreed and the claim of the respondent was dismissed, with an opportunity granted to revive the claim within three months, which was not availed. Thereafter, the respondent issued a fresh notice invoking arbitration on September 01, 2021. Subsequently, a fresh application under Section 11 of the Act was filed before the High Court. The High Court vide its order dated November 08, 2024 ("impugned order") allowed the application and held that the issue of *res judicata* need not be examined at the stage of Section 11 proceedings, leaving it to be decided by the Arbitral Tribunal. Simultaneously, the civil suit filed by the respondent was dismissed for non-prosecution. Thus, the appellant being aggrieved of the impugned order, the present appeal was filed before the Supreme Court.

Analysis of the Supreme Court

Upon examining the scope of Section 11 of the Arbitration and Conciliation Act, 1996, the Supreme Court reiterated that the jurisdiction at this stage is confined to determining the existence of an arbitration agreement, and that

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the issue of res judicata does not arise for consideration in such proceedings. However, the Court proceeded to examine the applicability of Order 23 Rule 1 of the Code of Civil Procedure, 1908, which precludes a party from instituting fresh proceedings on the same cause of action where earlier proceedings have been abandoned or withdrawn without liberty. Relying on its earlier decisions, the Court held that these principles are equally applicable to proceedings under Section 11 of the Act.

On facts, the Supreme Court found that the conduct of the respondent, particularly his communication refusing to participate further in the arbitral proceedings and disputing the authority of the arbitrator, clearly established abandonment of the earlier proceedings. The Court further held that the subsequent application was not based on any fresh cause of action, as the judgment dated July 09, 2021 concerning the validity of the auction did not relate to the inter se disputes between the parties. Accordingly, the subsequent/ fresh application was held to be founded on the

same cause of action and barred by the principles of Order 23 Rule 1 of the Code, which are grounded in public policy to prevent abuse of process.

Conclusion

This ruling serves as an important reminder that arbitration, though flexible, is still governed by foundational procedural principles that prevent fresh litigation of the same cause of action. Parties must exercise caution before withdrawing from or abandoning arbitral proceedings, as such conduct may foreclose the possibility of re-invoking arbitration on the same cause of action. The decision also reinforces that Section 11 cannot be used as a tool to restart proceedings after strategic withdrawal or non-participation. From a practical standpoint, litigants and counsel must ensure that, where there is any intention to revisit claims, appropriate liberty is expressly sought at the time of withdrawal to avoid being barred at a later stage.

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COMPILED REGULATORY UPDATES

1. SEBI has issued a circular dated March 4, 2026 revising its regulatory reporting requirements for Alternative Investment Funds (AIFs) under the SEBI (AIF) Regulations, 2012. AIFs are now required to submit a comprehensive Annual Activity Report by May 31, 2026, for the financial year ending March 2026, while limited Quarterly Activity Reports will commence from the quarter ending June 2026. The circular aligns reporting formats with current regulations and previous circulars and ensures ease of compliance through standardized templates hosted on the IVCA website. Separate Quarterly reports for March are not required, as the Annual Report covers all relevant data points. The revisions aim to improve transparency, reduce compliance costs, and facilitate policy and supervisory oversight of AIF activities. The circular takes immediate effect and supersedes previous provisions in the May 7, 2024 Master Circular on AIF reporting.

2. The Department for Promotion of Industry and Internal Trade ("**DPIIT**"), through Press Note 2 (2026 Series) dated March 15, 2026, has amended Para 3.1.1 of the Consolidated FDI Policy, 2020 concerning investments from countries sharing a land border with India. It states that Non-resident entities can invest in India under the FDI Policy except in prohibited sectors. However, investors from countries sharing a land border with India or if the beneficial owner is from such a country can invest only with prior government approval. It has clarified the definition and determination of "beneficial ownership" in line with Section 2(1)(fa) of the Prevention of Money-laundering Act, 2002 and related Rules, including thresholds and control criteria. Further, certain investments with indirect ownership from such countries, not requiring approval, are now subject to additional reporting requirements as prescribed by DPIIT. The changes shall take effect from the date of notification under FEMA.

3. The Ministry of Corporate Affairs ("**MCA**") has introduced the Companies (Accounting Standards) Amendment Rules, 2026, effective from March 10, 2026. These amendments align Indian accounting standards with global tax reforms under the OECD's Pillar Two framework. A new provision has been introduced in these Rules under AS 22 clarifies that deferred tax assets and liabilities related to Pillar Two income taxes shall neither be recognized nor disclosed. Additionally, companies must disclose application of the exemption and separately report current tax expenses relating to Pillar Two taxes. Additionally, qualitative and quantitative disclosures regarding exposure to such taxes are required where applicable.

4. The International Financial Services Centers Authority ("**IFSCA**") has issued an amendment to the Cyber Security and Cyber Resilience Guidelines for entities

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operating in IFSCs, effective March 10, 2026. The amendment provides regulatory relief and clarifies compliance obligations. Certain entities such as branch offices, group service entities (GICs), entities with fewer than 10 employees, foreign universities in IFSCs, newly incorporated standalone entities, and credit rating agencies are exempted from full compliance for a period of 3 years. Further, certain exempted entities must adopt the cybersecurity framework of their parent entity, appoint the parent's CISO as the designated officer, ensure regulatory oversight of the parent entity, and submit annual certifications and audit reports to IFSCA.

5. On March 6, 2026, the IFSCA issued a consultation paper on the regulatory framework for rights issues by listed entities in the IFSC. The consultation paper provides that the IFSCA (Listing) Regulations, 2024 ("**Listing Regulations**") provide the regulatory framework for the issue and listing of various financial products on recognised stock exchanges in IFSC. In particular, Regulation 57 of the Listing Regulations provides an enabling framework for listed entities to undertake rights issues, preferential issues, or qualified institutions placements of specified securities, subject to compliance with requirements specified by the Authority. The objective of the proposed framework is to enable listed entities to raise capital through rights issues in a fast-track and streamlined manner.

Notable Recognitions & Accolades



LEXOLOGY

Legal Influencer



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DOING BUSINESS IN INDIA

We are pleased to share our e-book titled

"Doing Business in India"



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The book intends to give the readers an overview of the various aspects of doing business in India including but not limited to the applicable legislations, compliances and processes.