

The Compliance Chronicle

by Lal Ghai & Associates

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India Steps Forward – AI Leadership, Market Stability & Structured Growth

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2026 has begun with acceleration

The very first month made its position clear — capital is moving, technology is accelerating, and markets are no longer rewarding optimism without structure.

Commodities market surged sharply, reflecting a recalibration of global risk. Equity markets stayed selective, not euphoric. AI shifted from pilot projects to policy platforms, placing India firmly in the global technology conversation.

In this edition, we break down the signals that shaped January — from metals rally and market rotation to AI leadership and policy direction — and what they reveal about the road ahead.

Markets Open 2026 Strong- Gold, Silver & Capital Flows

January was a month of bifurcation — safe-haven strength in commodities vs. cautious equity market dynamics.

Precious Metals: Record Momentum

- **Gold** started the year around ₹1,35,000/- (approx.) per 10 gm on **Jan 1, 2026**, and soared as high as ₹1,78,444/- by **Jan 30** — marking significant price expansion through the month. Domestic daily MCX data shows prices consistently trending upward through late January, reflecting investor hedging demand and global cues before a late-month correction.
- **Silver** too saw a dramatic rise — from ₹2,35,000/- (approx.) per kg on **Jan 1** to well above ₹3,00,000/-+ per kg by mid-month — and spiked toward ₹4,00,000/-+ levels at peak late January.

Precious metals stayed elevated despite volatility — gold briefly crossed all-time highs in mid-January, and silver's industrial-demand narrative continued to drive investor interest.

Sharp inflows into bullion instruments and ETFs — gold ETFs saw inflows double in January vs December, and silver ETF flows jumped ~139%



India AI Impact Summit 2026 — Global Tech Leadership

One of the most significant global tech events this year is the India AI Impact Summit 2026, scheduled from 16–20 February in New Delhi — the first global AI summit hosted in the Global South.

Why it matters

- The summit is designed around three pillars — People, Planet, Progress — highlighting human-centric, sustainable, and inclusive AI deployment.
- It brings together 15+ Heads of State, 100+ CEOs/CXOs, and over 840 exhibitors, including major global players in AI infrastructure and research.
- More than 200 sector-specific AI models are expected to be showcased, pointing to India's rapidly scaling innovation ecosystem.

The Summit is not just an industry event — it's a policy-tech inflection point aiming to shape global norms around safe, innovative and inclusive AI.



Startup Funding Resilient —

India Startups Raise \$930M in January with Strong Early-Stage Push

January 2026 delivered encouraging funding momentum for the Indian startup ecosystem, signalling disciplined but sustained investor confidence as the year begins.

According to data from Entracker, Indian startups raised approximately **USD 930 million across 122 deals** in January — up from around USD 870 million in December 2025, and driven by robust activity across both early and growth stages.

What the Numbers Reveal

- **122 deals** were closed — the highest monthly count in the past year, illustrating active deal-making despite cautious capital allocation.
- **Early-stage startups commanded nearly 45% of total funding**, raising **~USD 422 million** across 92 deals — a rare early-stage dominance in recent months.
- Growth and late-stage rounds accounted for **~USD 508 million across 18 deals**, with companies such as Arya.ag, Emergent and Juspay leading capital raises in their respective rounds.

Sector and City Highlights

- **Fintech** led sectoral funding with over USD 200 million across multiple deals.
- **AI startups** collectively raised more than USD 134 million, reinforcing continued interest in vertical-specific intelligence platforms.
- **Bengaluru** dominated deal activity with over 55 deals and close to USD 500 million in funding, followed by Delhi NCR and Mumbai.

Compliance Watch –

ROC Imposes Penalty for Appointment of Non-Resident Managing Director Without Approval

In a recent adjudication order, the Registrar of Companies imposed penalties on a company and its Managing Director for appointing a non-resident director as Managing Director without obtaining prior Central Government approval, as mandated under the Companies Act, 2013.

What Went Wrong?

The company appointed a non-resident individual as Managing Director for a five-year term without securing the required approval under Section 196 read with Schedule V.

The non-compliance continued for over a year before corrective action was initiated.

Regulatory Outcome

Following adjudication proceedings:

- ₹2,00,000 penalty was imposed on the Company
- ₹50,000 penalty was imposed on the Managing Director

In addition, post-facto approval was required to regularise the appointment.



Voluntary Liquidation—

A Structured Exit Framework Under Section 59 of IBC

As businesses pursue strategic clarity, an often-overlooked compliance mechanism has gained renewed relevance: voluntary liquidation under Section 59 of the Insolvency and Bankruptcy Code (IBC). This framework provides solvent companies and LLPs with an orderly and legally compliant exit route when they choose to discontinue operations.

What Is Voluntary Liquidation?

Section 59 of the IBC allows a corporate person that has not committed any default to initiate voluntary liquidation proceedings — provided it can pay debts in full and does not intend to defraud any stakeholder. This route is distinct from insolvency resolution or compulsory liquidation, focusing on solvent entities that wish to close operations cleanly and transparently.

S. NO.	Requirement	Key Legal Condition
1.	No Default Status	The corporate person must not have committed any default.
2.	Declaration of Solvency	Majority of directors/designated partners must file an affidavit confirming full inquiry, solvency, and no intent to defraud.
3.	Supporting Financial Documents	Attach audited financial statements (last 2 years or since incorporation) and asset valuation report by registered valuer.
4.	Members' Special Resolution	Pass special resolution within 4 weeks approving voluntary liquidation and appointing a Registered Insolvency Professional as Liquidator.
5.	Creditor Approval (if debt exists)	Creditors representing at least 2/3rd in value must approve the resolution within 7 days.
6.	ROC & IBBI Filings	File resolution with ROC and IBBI within prescribed timelines.
7.	Public Announcement	Liquidator to make public announcement inviting claims as per IBBI Regulations.

Annual Compliance Calendar –

FY 2026–27

(Under the Companies Act 2013 & allied regulations)

Month	Compliance (Form)	What It Covers	Due Date	Applicability
April	MSME-1	Outstanding payments to MSMEs (Oct–Mar)	30 Apr	Companies with MSME dues >45 days (half-yearly)
May	Form 11	LLP Annual Return	30 May	All LLPs
	PAS-6 (H1)	Reconciliation of Share Capital Audit Report (Oct–Mar)	30 May	Unlisted Public Companies (half-yearly)
June	DPT-3	Return of Deposits/Outstanding Loans	30 June	All companies (except exempt)
September	DIR-3 KYC	Director KYC submission	30 Sept	All directors with DIN
October	ADT-1	Auditor Appointment notification	14 Oct	All companies
	Form 8	LLP Statement of Accounts & Solvency	30 Oct	All LLPs
	Form AOC-4	Filing of financial statements	30 Oct	All companies
	MGT-14	Filing of resolutions with ROC	30 Oct	All companies (resolutions passed)
	MSME-1	Outstanding payments to MSMEs (Apr–Sep)	31 Oct	Companies with MSME dues (half-yearly)
November	MGT-7/MGT-7A	Annual Return	29 Nov	All companies
	PAS-6 (H2)	Reconciliation of Share Capital Audit Report (Apr–Sep)	29 Nov	Unlisted Public Companies (half-yearly)

As regulatory oversight deepens and capital becomes increasingly selective, structured compliance will separate serious enterprises from the rest. At Lal Ghai & Associates, we remain committed to helping businesses build governance frameworks that inspire confidence, withstand scrutiny, and support sustainable growth. We look forward to partnering with founders and boards who choose clarity over shortcuts and preparation over reaction as they navigate the year ahead.

Coming Next – February 2026 Edition:

Key SEBI focus areas, evolving board responsibilities, and practical readiness insights for companies planning capital raises in 2026.

Founders, Lal Ghai & Associates



Before You Scale...

Ask Yourself One Question.

Is Your Brand Legally Protected?

Startups spend heavily on marketing, branding, and visibility —but often delay protecting the very name they promote.

- One objection.
- One prior claim.
- One unnoticed conflict.

And your brand could face delays, legal costs, or forced rebranding.

Secure It Early. Secure It Right.

At **Lal Ghai & Associates**, we provide end-to-end trademark registration and brand protection services — structured, strategic, and investor-ready.

- ✓ Comprehensive Trademark Availability Search
- ✓ Application Drafting & Filing
- ✓ Multi-Class Brand Protection
- ✓ Objection & Hearing Representation
- ✓ Opposition & Rectification Support
- ✓ Assignment & Licensing Documentation

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