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04th April 2025

Reserve Bank of India vide circular dated April 03, 2025, has revised limits for investment in debt and sale of Credit Default Swaps by Foreign Portfolio Investors (FPIs)

- Reserve Bank of India vide circular dated April 03, 2025, has revised limits for investment in debt and sale of Credit Default Swaps by Foreign Portfolio Investors (FPIs).
- The limits for FPI investment in Government Securities (G-Secs), State Government Securities (SGSs) and corporate bonds shall remain unchanged at 6 per cent, 2 per cent and 15 per cent respectively, of the outstanding stocks of securities for 2025-26.
- The revised limits (in absolute terms) for the different categories, are in Table 1:

Table - 1: Investment limits for FY 2025-26						
	all figures in ₹ Crore					
	G-Sec General	G-Sec Long Term	SGS General	SGS Long Term	Corporate Bonds	Total Debt
Current FPI limits	2,68,984	1,37,984	1,17,752	7,100	7,63,503	12,95,323
Revised limit for the HY Apr 2025- Sept 2025	2,79,236	1,48,236	1,26,248	7,100	8,22,169	13,82,989
Revised limit for the HY Oct 2025-Mar 2026	2,89,488	1,58,488	1,34,744	7,100	8,80,835	14,70,654

- The aggregate limit of the notional amount of Credit Default Swaps sold by FPIs shall be 5 per cent of the outstanding stock of corporate bonds. Accordingly, an additional limit of ₹2,93,612 crore is set out for 2025-26.
- The circular is attached herein.

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Securities and Exchange Board of India vide circular dated April 02, 2025, issued relaxation of provision of advance fee restrictions in case of Investment Advisers and Research Analysts

- Securities and Exchange Board of India vide circular dated April 02, 2025, issued relaxation of provision of advance fee restrictions in case of Investment Advisers ('IA') and Research Analysts ('RA').
- IAs and RAs shall now ensure compliance with the following fee related provisions:
 - i. If agreed by the client, IAs and RAs may charge fees in advance, however, such advance shall not exceed fees for a period of one year.
 - ii. The fee related provisions such as fee limit, modes of payment of fees, refund of fees, advance fee, breakage fees shall only be applicable in case of their individual and Hindu Undivided Family (HUF) clients (provided these clients are not accredited investors). These provisions shall not be applicable in case of non-individual clients, accredited investors, and in case of institutional investors seeking recommendation of proxy adviser.
 - iii. In case of non-individual clients, accredited investors, and in case of institutional investors seeking recommendation of proxy adviser, fee related terms and conditions shall be governed through bilaterally negotiated contractual terms.
- The provisions of this circular shall come into effect from the date of issuance of this circular.
- The circular is attached herein.

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Securities and Exchange Board of India vide circular dated April 01, 2025, issued clarification on the position of Compliance Officer in terms of regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-Reg.

- Securities and Exchange Board of India vide circular dated April 01, 2025, issued clarification on the position of Compliance Officer in terms of regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-Reg.
- It is clarified that the term 'level' used in regulation 6(1) refers to the position of the Compliance Officer in the organization structure of the listed entity. Therefore, 'one-level below the board of directors' means one-level below the Managing Director or Whole-time Director(s) who are part of the Board of Directors of the listed entity. This will be in line with regulation 2(1)(o) of the LODR Regulations read with section 2(51) of the Companies Act, 2013.
- In case a listed entity does not have a Managing Director or a Whole-Time Director, then the Compliance Officer shall not be more than one-level below the Chief Executive Officer or Manager or any other person heading the day-to-day affairs of the listed entity.
- The circular is attached herein.

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APPEAL UNDER SECTION 61 OF IBC MAINTAINABLE AGAINST NCLT'S ORDER INITIATING INSOLVENCY PROCESS AGAINST PERSONAL GUARANTORS: NCLAT

The New Delhi bench of the National Company Law Appellate Tribunal (NCLAT), comprising Justice Ashok Bhushan (Judicial Member), Mr. Arun Baroka (Technical Member), and Mr. Barun Mitra (Technical Member), has ruled that an appeal under



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Section 61 of the Insolvency and Bankruptcy Code, 2016 (IBC), can be filed by personal guarantors challenging an order passed by the Adjudicating Authority under Section 100 of the Code. This order directs the initiation of the Personal Insolvency Resolution Process (PIRP), as the National Company Law Tribunal (NCLT) is the appropriate forum for insolvency proceedings against personal guarantors.

Background of the Case

The appeals were filed under Section 61 of the IBC against an order by the Adjudicating Authority, which admitted an application under Section 95 and subsequently passed an order under Section 100 to initiate the insolvency resolution process against the personal guarantors.

The Respondent argued that since the order was passed under Section 100 to admit the personal insolvency resolution process—falling under Part III of the IBC—the present appeal under Section 61 was not maintainable, as orders under Section 100 are not explicitly appealable under Section 61.

On the other hand, the Appellant contended that, as per Section 60 of the Code, NCLT is the designated forum for applications against personal guarantors. Since NCLT has jurisdiction over such cases, appeals against its orders should also be maintainable under Section 61.

Tribunal's Observations & Judgment

The Tribunal noted that Section 60(1) of the IBC explicitly states that the NCLT serves as the adjudicating authority for insolvency resolution and liquidation of corporate persons, including corporate debtors and their personal guarantors.

While Part III of the IBC generally applies to individuals and partnership firms under the Debt Recovery Tribunal (DRT), the Tribunal clarified that insolvency proceedings for personal guarantors to corporate debtors fall within the jurisdiction of the NCLT. In this case, the State Bank of India (SBI) had filed an application under Section 95 before the NCLT, affirming its role as the appropriate forum for proceedings against personal guarantors. Given this, the Tribunal held that orders arising from such



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proceedings are appealable under Section 61.

Referring to the Supreme Court's ruling in *Embassy Property Developments Pvt. Ltd. v. State of Karnataka & Ors. (2020)*, the Tribunal reiterated that any order passed by the NCLT concerning insolvency resolution of corporate debtors and personal guarantors is appealable before the NCLAT under Section 61, with further appellate jurisdiction resting with the Supreme Court under Section 62.

Based on these considerations, the Tribunal concluded that since NCLT is the designated forum for applications under Section 95, personal guarantors can avail appellate jurisdiction under Section 61. Consequently, the appeals were dismissed.

Case Number: *Company Appeal (AT) (Insolvency) No. 2121 of 2024*

Case Title: *Aarti Singal Versus State Bank of India and Ors.*

Calcutta High Court: Court Can Refuse Arbitration Referral When Time-Barred Claim is Evident

The Calcutta High Court, presided over by Justice Shampa Sarkar, has ruled that if a claim is ex facie time-barred and no trial is required to determine whether it falls outside the limitation period, the referral court may decline to refer the matter to arbitration under Section 11 of the Arbitration and Conciliation Act, 1996 (Arbitration Act).

Case Background

The petitioner filed an application under Section 11 of the Arbitration Act, seeking the appointment of an arbitrator to resolve disputes arising from a notarized sale agreement dated June 12, 2015. Under this agreement, the petitioner had agreed to purchase land from the respondent for ₹16 lakh, which the respondent agreed to sell after development.

Clause 14 of the agreement provided for amicable settlement of disputes, failing



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which arbitration would be initiated as per the Arbitration Act. After unsuccessful attempts at settlement, the petitioner invoked arbitration via a letter dated December 24, 2024.

The petitioner argued that despite paying ₹16 lakh, the respondent failed to fulfill contractual obligations.

Court's Observations

The court noted that the petitioner sought specific performance of the contract dated June 12, 2015, but there was no evidence on record confirming that the ₹16 lakh had been paid or that the respondent had acknowledged any liability.

It further observed that under limitation law, the period to invoke arbitration is three years from the date when the cause of action arises.

Referring to the Supreme Court's ruling in *Bharat Sanchar Nigam Limited & Another vs. Nortel Networks India Private Limited* (2021), the High Court reiterated that:

- Even if an arbitration petition is not barred by limitation, claims may still be time-barred if the cause of action arose much earlier.
- The limitation period for issuing a notice of arbitration cannot be extended merely by exchanging letters.
- A valid notice invoking arbitration must be received by the opposing party within three years from the rejection of the final bill. Otherwise, the claim is time-barred under Section 21 of the Arbitration Act.

In this case, the petitioner invoked arbitration nine years after the contract was signed, remaining silent throughout that period. The court held that while a referral court under Section 11 need not conduct a full-fledged trial to determine if a claim is time-barred, it should decline referral when the limitation issue is clearly evident from the record. Since the limitation period was not a mixed question of law and fact but was *ex facie* time-barred, the court dismissed the application.

Conclusion



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The court reaffirmed that if a claim is evidently time-barred, the referral court has the authority to refuse arbitration under Section 11 of the Arbitration Act. Accordingly, the application was dismissed.

Case Title: Sri Swapan Paul v. M/s Paul Construction

Case Number: AP No. 28 of 2025

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