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Reserve Bank of India vide notification dated July 29, 2025, has issued Reserve Bank of India (Investment in AIF) Directions, 2025

- Reserve Bank of India vide notification dated July 29, 2025, has issued Reserve Bank of India (Investment in AIF) Directions, 2025.
- These Directions shall be applicable to investments by the following Regulated Entities ("Res") in units of AIF Schemes: Commercial Banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks); Primary (Urban) Co-operative Banks/ State Co-operative Banks/ Central Co-operative Banks; All-India Financial Institutions; and Non-Banking Financial Companies (including Housing Finance Companies).
- A RE's investment policy shall have suitable provisions governing its investments in an AIF Scheme, compliant with extant law and regulations.
- No RE shall individually contribute more than 10 per cent of the corpus of an AIF Scheme.
- Collective contribution by all REs in any AIF Scheme shall not be more than 20 per cent of the corpus of that scheme.
- If a RE contributes more than five per cent of the corpus of an AIF Scheme, which also has downstream investment (excluding equity instruments) in a debtor company of the RE, then the RE shall be required to make 100 per cent provision to the extent of its proportionate investment in the debtor company through the AIF Scheme, subject to a maximum of the direct loan and/ or investment exposure of the RE to the debtor company.
- These Directions shall come into force from January 1, 2026, or from any earlier date as decided by a RE as per its internal policy.
- The notification is attached herein.

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Securities and Exchange Board of India vide circular dated July 29, 2025, has issued guidelines for monitoring of Minimum Investment Threshold under Specialized Investment Funds (SIF)

- Securities and Exchange Board of India vide circular dated July 29, 2025, has issued guidelines for monitoring of Minimum Investment Threshold under Specialized Investment Funds (SIF).
- In case of any active breach of the Minimum Investment Threshold by an investor, including through transactions on stock exchanges or off-market transfers: all units of such investor held across investment strategies of the concerned SIF shall be frozen for debit, and a notice of 30 calendar days shall be given to such investor to rebalance the investments in order to comply with the Minimum Investment Threshold.
- In case investor rebalances his/her investments in SIF within the notice period of 30 calendar days, the units of SIF of such investor shall be unfreezed, and no further action shall be taken with regard to compliance with Minimum Investment Threshold.
- In case the investor fails to rebalance the investments within the aforesaid 30 calendar day period, the frozen units shall be automatically redeemed by the AMC, at the applicable Net Asset Value of the next immediate business day after the 30th calendar day of the notice period.
- The provisions of this circular shall come into force with effect from the date of this circular.
- The circular is attached herein.

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Securities and Exchange Board of India vide circular dated July 31, 2025, has issued guidelines to Regulated Entities to mandatorily comply with Rights of Persons with Disabilities Act, 2016 and rules made thereunder



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- Securities and Exchange Board of India vide circular dated July 31, 2025, has issued guidelines to Regulated Entities to mandatorily comply with Rights of Persons with Disabilities Act, 2016 and rules made thereunder.
- REs shall provide updates on the status of implementation of accessibility provisions on all this Digital Platforms, specifically in accordance to the following milestones:

S. No.	Timeline	Milestone
1.	Within 1 month of the issuance of circular	1. REs shall submit a list of digital platforms provided by them for the investors. 2. REs shall submit a compliance/ action taken report pertaining to the clauses of this circular.
2.	Within 45 days of the issuance of circular	Appointment of IAAP certified accessibility professionals as Auditor.
3.	Within 3 months of the issuance of circular	Conduct of Accessibility Audit for the digital platforms.
4.	Within 6 months of the issuance of circular	Remediation of findings from the audit and ensuring compliance with this circular.

- The compliance reporting for this circular shall be done on annual basis within 30 days from the end of each financial year.
- The circular is attached herein.

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NCLT Ahmedabad Admits Insolvency Plea Against Blu-Smart Mobility Over ₹1.28 Crore Default

The Ahmedabad Bench of the National Company Law Tribunal (NCLT), comprising Justice Shammi Khan (Judicial Member) and Mr. Sanjeev Kumar Sharma (Technical Member), has admitted Blu-Smart Mobility Ltd. into the Corporate Insolvency Resolution Process (CIRP) following a default of ₹1,28,02,195.

Background

Catalyst Trusteeship Limited, acting as Financial Creditor, filed a petition under Section 7 of the Insolvency and Bankruptcy Code, 2016, against Blu-Smart Mobility Ltd. The default arose from the issuance of 15 secured, redeemable, unrated, and unlisted Non-Convertible Debentures (NCDs) worth ₹15 crore, meant to finance the Corporate Debtor's 100% electric vehicle ride-hailing platform. The NCDs, governed by a Debenture Trust and Hypothecation Deed (DTHD) dated 24.04.2023, were to be redeemed in instalments over 24 months. The Corporate Debtor failed to pay the amounts due on 28.02.2025, 31.03.2025, and 30.04.2025 and acknowledged its liability on 10.04.2025.

Submissions

The Financial Creditor contended that the Corporate Debtor had defaulted under the terms of the DTHD, triggering events of default. The claim was supported by Debenture Certificates, NeSL Form-D, and the Corporate Debtor's written admission of liability. Counsel relied on *Innovative Industries Ltd. v. ICICI Bank* to assert the maintainability of the petition, dismissing references to SEBI proceedings or financial constraints as irrelevant under the IBC framework.

Conversely, the Corporate Debtor argued that the petition was premature and motivated by bad faith, contending that the non-payment resulted from a temporary financial crunch and did not qualify as a "default" under Section 3(12) of the IBC.

Findings

The Tribunal found sufficient evidence to establish the existence of debt and default, including bank records, NeSL filings, and the debtor's own admission. It rejected the Corporate Debtor's defences as unsubstantiated and ineffective in negating the prerequisites for CIRP. It further relied on *Dena Bank v. C. Shivakumar Reddy* to dismiss objections regarding discrepancies in default dates.

The NCLT concluded that the Financial Creditor had met the requirements under Section 7 and accordingly admitted the petition.

Case Title: *Catalyst Trusteeship Limited vs. Blu-Smart Mobility Limited*
Case No.: C.P.(IB)/205(AHM)2025



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Delhi High Court: Civil Courts Can Grant Anti-Arbitration Injunctions in Foreign-Seated Arbitrations If Proceedings Are Vexatious

In a significant ruling, the Delhi High Court, through Justice Purushaindra Kumar Kaurav, held that civil courts in India are not barred from granting anti-arbitration injunctions in foreign-seated arbitrations, particularly where the proceedings are oppressive, vexatious, or contrary to public policy.

The case arose from a suit filed by Engineering Projects (India) Ltd., seeking to restrain arbitration proceedings before the International Chamber of Commerce (ICC). The plaintiff contended that the arbitration was being conducted in a manner that was oppressive, unconscionable, and in violation of principles of natural justice. It was argued that the co-arbitrator appointed by the defendant, Mr. Yeap, had failed to disclose his previous involvement in arbitration matters involving the defendant's Managing Director, Mr. Atwal—constituting a serious breach undermining the arbitrator's impartiality.

Conversely, the defendant argued that the suit was legally untenable as the arbitration was validly initiated under a binding agreement, and that the issue of bias had already been adjudicated by the Singapore High Court.

The Delhi High Court, after extensively referring to precedents, reiterated that civil courts possess inherent jurisdiction under Section 9 of the CPC unless explicitly or implicitly barred. It emphasized that neither Section 5 nor Section 45 of the Arbitration and Conciliation Act, 1996, prohibit civil courts from intervening in such cases, particularly when the arbitration process itself becomes an instrument of procedural abuse.

The Court clarified that the grievance was not about actual bias but the failure to disclose relevant facts, which denied the plaintiff a fair opportunity to raise objections. This omission seriously compromised the fairness of the process and warranted judicial intervention.

The Court ultimately held that allowing such proceedings to continue would enable abuse of process and undermine judicial integrity. It found the arbitration to be prima facie oppressive and stayed the same to prevent irreparable harm.

Accordingly, the interim injunction was granted, and the plaintiff's application was allowed.

Case Title: *Engineering Projects (India) Ltd. v. MSA Global LLC (Oman)*

Case Nos.: CS(OS) 243/2025, I.A. 9723/2025, I.A. 13166/2025



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please email us at info@lexfavios.com

Contact details

Sumes Dewan

Managing Partner

Lex Favios

Email: sumes.dewan@lexfavios.com

Tel: 91-11-41435188/45264524