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09th May 2025

Securities and Exchange Board of India vide circular dated May 07, 2025, has issued Review of (a) disclosure of financial information in offer document/ placement memorandum, and (b) continuous disclosures and compliances by Infrastructure Investment Trusts (InvITs)

- Securities and Exchange Board of India vide circular dated May 07, 2025, has issued review of-(a) disclosure of financial information in offer document / placement memorandum, and (b) continuous disclosures and compliances by Infrastructure Investment Trusts (InvITs).
- Based on the report of the Working Group, inputs of Bharat InvITs Association, recommendations of the HySAC and internal deliberations, Chapter 3 and Chapter 4 of the Master Circular shall stand revised.
- Further, Paragraph 7 of Annexure -5 of the Master Circular shall be substituted with the following:

- *“7. Financials: a) Disclosure as per clauses 11(a) to 11(c) and 11(e) to 11(f) of the Schedule III of the InvIT Regulations:*

Provided if the InvIT has undertaken any acquisition or divestment of any material asset(s) after the latest period for which financial information is disclosed in the letter of offer but before the date of filing of the letter of offer, the certified proforma financial statements shall be disclosed for at least the period covering last completed financial year and the stub period, if any. The preparation and certification of proforma financial statements shall be as provided in Section ‘(H)’ of Chapter 3 of this master circular.

b) Disclosure as per clause (a) above may be incorporated by reference to any public disclosures of financials made under the InvIT Regulations or any circular issued thereunder, along with link(s) to such disclosure(s) wherever available, including on the website of the InvIT and the stock exchanges.

c) Summary of audited financial statements of the assets being acquired for the previous three years and the stub period (if available).



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Provided that in cases where the general purpose financial statement of the assets being acquired are not available, combined/carved-out financial statements for those assets shall be prepared in accordance with Guidance Note issued by the ICAI from time to time. The combined/carved-out financial statements shall be audited by the auditor of the seller in accordance with applicable framework.

d) If the InvIT has been in existence for a period lesser than the last three completed financial years, then disclosure as per clause (a) above may be provided for such financial years for which the InvIT has been in existence and for the stub period (if applicable)."

- This circular shall be applicable with immediate effect except for the requirements specified under Chapter 4 which shall be applicable for disclosure of financial information for the period beginning on or after April 01, 2025
- The circular is attached herein.

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Reserve Bank of India vide circular dated May 07, 2025, has issued policy statement for Framework For Formulation Of Regulations

- Reserve Bank of India vide circular dated May 07, 2025, has issued policy statement for Framework for Formulation of Regulations.
- This Framework for Formulation of Regulations (hereinafter referred to as 'the Framework') lays down the broad principles for formulation and amendment of Regulations by the Reserve Bank of India (hereinafter referred to as "the Bank"). The Framework seeks to standardize the process of making Regulations in a transparent and consultative manner after conducting impact analysis, as may be feasible.
- For the purpose of this Framework, "Regulations" shall include all regulations, directions, guidelines, notifications, orders, policies, specifications, and standards as issued by the Bank in exercise of the powers conferred on it by or under the provisions of the Acts and Rules.



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- The Bank may also follow the process laid down in the Framework for any other regulation, direction, guideline, notification, order, policy, specification, or standard made pursuant to any other legal provisions, as deemed fit.
- Before finalizing the Regulation, the Bank shall conduct an impact analysis of the Regulation, to the extent feasible.
- The circular is attached herein.

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Reserve Bank of India vide circular dated May 08, 2025, has provided relaxation for investments by Foreign Portfolio Investors in Corporate Debt Securities through the General Route

- Reserve Bank of India vide circular dated May 08, 2025, has provided relaxation for Investments by Foreign Portfolio Investors in Corporate Debt Securities through the General Route.
- At present, investments by Foreign Portfolio Investors (FPIs) in corporate debt securities through the General Route are subject to the short-term investment limit and the concentration limit as prescribed in paragraphs 4.4(iii) and 4.4(v) of the Master Direction, respectively. On a review, and with a view to providing greater ease of investment to FPIs, it has been decided to withdraw the requirement for investments by FPIs in corporate debt securities to comply with the short-term investment limit and the concentration limit.
- The directions in this circular are issued with immediate effect.
- The updated Master Direction is enclosed herewith.
- All AD Category-I banks and Authorised banks may bring the guidelines contained in this circular to the notice of their constituents.
- The circular is attached herein.

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NCLAT Rejects ₹4.65 Crore IBC Appeal Against DLF, Cites Pre-Existing Dispute Evident from Prior Communications

The New Delhi bench of the National Company Law Appellate Tribunal (NCLAT), comprising Justice Ashok Bhushan (Judicial Member), Mr. Barun Mitra, and Mr. Arun Baroka (Technical Members), has dismissed an appeal filed under Section 61 of the Insolvency and Bankruptcy Code, 2016 (IBC), by M/s Drilltech Engineers Pvt. Ltd. against DLF Limited. The appeal, which sought to recover an alleged operational debt of ₹4.65 crore, was rejected on the ground that a series of communications exchanged between the parties prior to the issuance of a demand notice under Section 8 clearly demonstrated the existence of a pre-existing dispute. The Tribunal emphasized that such disputes must be resolved before a competent civil forum rather than through the insolvency process under the Code.

Background:

On October 8, 2021, DLF Limited (the Corporate Debtor) floated a tender for piling work at its commercial project at 35, Patto Plaza, Panaji, Goa. M/s Drilltech Engineers Pvt. Ltd. (the Operational Creditor) submitted a bid and was declared the successful bidder. A Letter of Intent (LOI) for 335 piles was issued on November 18, 2021.

Subsequently, on July 2, 2022, the Operational Creditor issued a demand notice under Section 8 of the Code, served by email and speed post. DLF responded on July 12, 2022, disputing the claims. Thereafter, a Section 9 application was filed by the Operational

Creditor before the NCLT, Chandigarh Bench, which was dismissed due to the existence of a prior dispute. The current appeal challenged that dismissal.

Arguments:

The appellant argued that the work had been completed and duly approved by engineers from both sides, and under Clause 69.2 of the agreement dated November 25, 2021, such approval constituted final acceptance, validating the related invoices.

It was further contended that the corporate debtor's response to the Section 8 notice was vague and unsubstantiated, raising fabricated issues only after receiving the demand notice.

The appellant also claimed that earlier payments and continued issuance of work orders amounted to acknowledgment of the debt and an implicit admission of liability by DLF.



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Tribunal's Observations:

The Tribunal observed that DLF had repeatedly raised issues regarding non-performance by the contractor, reserving its right to recover damages. In a letter dated May 23, 2022—well before the demand notice—DLF stated its intent to appoint an alternative contractor due to Drilltech's inability to perform the work.

The Tribunal held that these documented exchanges indicate a genuine and pre-existing dispute, which is neither spurious nor manufactured for litigation purposes. It specifically noted the Show Cause Notice issued by DLF on June 21, 2022—before the Section 8 demand notice—highlighting the ongoing disagreement.

Accordingly, it concluded that under Section 9(5)(ii)(d) of the Code, the application was not maintainable. The Tribunal relied on the Supreme Court ruling in *Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd.* (2018), which clarified that if a real dispute exists, the insolvency mechanism cannot be invoked.

Outcome:

The NCLAT held that the matter was outside the scope of adjudication under the IBC and must be resolved through appropriate legal channels. The appeal was therefore dismissed.

Case Title: *M/s Drilltech Engineers Pvt. Ltd. v. M/s DLF Limited*
Case No.: Company Appeal (AT) (Insolvency) No. 394 of 2025

Supreme Court: Disputes Over Full and Final Settlement Remain Arbitrable Despite Discharge of Contract

On May 6, the Supreme Court ruled that disputes involving allegations of coercion in a full and final settlement are arbitrable, even if the original contract has been discharged. The Court clarified that an arbitration agreement survives the settlement, allowing claims about the validity of such settlements to be decided by an arbitral tribunal.

The bench of Justices Abhay S. Oka and Ujjal Bhuyan made this observation while hearing an appeal filed by Arabian Exports Private Limited (the insured), which had suffered flood-related losses in its meat processing business. The appellant claimed that it was coerced into



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signing a settlement voucher with National Insurance Company Ltd. and promptly invoked the arbitration clause after signing the document.

The High Court had dismissed the appellant's request for arbitration, holding that acceptance of the settlement amount amounted to "accord and satisfaction," thus extinguishing any further claims. Challenging this view, the appellant approached the Supreme Court.

In a judgment authored by Justice Bhuyan, the Court overturned the High Court's decision, holding that the mere signing of a discharge voucher does not preclude arbitration when the validity of the settlement is questioned on grounds such as coercion, fraud, or undue influence.

Quoting the judgment:

"Execution of a full and final settlement receipt or a discharge voucher is not a bar to arbitration if the claimant challenges its validity on the basis of fraud, coercion, or undue influence."

The Court referred to the 2024 decision in *SBI General Insurance Co. Ltd. v. Krish Spinning*, which reaffirmed that arbitration agreements do not cease to exist upon a full and final settlement. Disputes over such settlements must be decided by an arbitral tribunal under Section 16 of the Arbitration and Conciliation Act.

The Court also cited *Vidya Drolia v. Durga Trading Corporation*, which held that issues of arbitrability cannot be conclusively decided at the stage of a Section 8 or Section 11 application unless the matter is evidently non-arbitrable ("deadwood"). If an arbitration agreement exists, it is the arbitral tribunal's prerogative to rule on its own jurisdiction.

"At the Section 11(6) stage, the Court must only determine if an arbitrable dispute exists and be satisfied that the plea of coercion is at least credible on a prima facie basis. It should not delve too deeply into its merits—that assessment is for the arbitral tribunal."

The Court emphasized that prematurely rejecting such pleas would risk denying the claimant access to a proper forum, especially where economic duress is alleged.

Accordingly, the Court concluded that the question of whether the appellant was compelled to accept the settlement under economic pressure and whether the claim is maintainable despite receipt of ₹1.88 crore (against a total claim of ₹5.71 crore) falls squarely within the jurisdiction of the arbitral tribunal.



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The appeal was allowed.

Case Title: *Arabian Exports Private Limited v. National Insurance Company Ltd.*
Citation: 2025 LiveLaw (SC) 539

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