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15th July 2025

Securities and Exchange Board of India vide circular dated July 11, 2025, has issued Master Circular for ESG Rating Providers (ERPs)

- Securities and Exchange Board of India vide circular dated July 11, 2025, has issued Master Circular for ESG Rating Providers (ERPs).
- ESG Rating Providers are regulated under the provisions of Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999("CRA Regulations" as amended with effect from July 4, 2023) that inter-alia prescribe guidelines for registration of ERPs, general obligations of ERPs, manner of inspection and code of conduct applicable to ERPs.
- ERPs are directed to comply with the conditions laid down in this master circular. Also, ERPs should have necessary systems and infrastructure in place for implementation of this circular. The Board of Directors of the ERP shall be responsible for ensuring compliance with these provisions.
- The provisions of the Master Circular shall come into force with immediate effect from the date of notification of this Master Circular. For the purpose of this Circular, "listed entity" shall have the same meaning as provided in Regulation 2(1)(p) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Monitoring of provisions of this circular shall be done in terms of the yearly internal audit for ERPs, mandated under Regulation 28S of the CRA Regulations.
- The circular is attached herein.

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Securities and Exchange Board of India vide circular dated July 11, 2025, has issued Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/or



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Commercial Paper

- Securities and Exchange Board of India vide circular dated July 11, 2025, has issued Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/or Commercial Paper.
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015('Listing Regulations'), prescribes the continuous disclosure requirements for issuers of listed Non-convertible Securities, Securitized Debt Instruments and Commercial Paper.
- In this regard, SEBI has been issuing various circulars from time to time. In order to enable the stakeholders to have an access to all the applicable circulars/ directions at one place, the provisions of the circulars issued till June 30, 2025 are incorporated in this Master Circular.
- It supersedes earlier circulars listed in Annex-1. However, actions already taken or pending under those earlier directives are deemed valid under the corresponding provisions of this new Master Circular.
- The Master Circular applies to all issuers, recognized stock exchanges, and other stakeholders involved in issuance or listing of Non convertible securities (e.g. bonds, debentures), Securitized debt instruments and Commercial paper.
- The circular is attached herein.

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Insolvency and Bankruptcy Board of India vide circular dated July 14, 2025, has withdrew Form IP-1 for assignments under IBC Processes

- Reserve Bank of India vide notification dated July 14, 2025, has withdrew Form IP-1 for assignments under IBC Processes.
- The Insolvency and Bankruptcy Board of India (IBBI), vide circular IBBI/CIRP/023/2019 dated 14th August 2019, had introduced Form IP-1 for



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filing by Insolvency Professionals (IPs) in respect of various assignments under the Insolvency and Bankruptcy Code, 2016, such as Interim Resolution Professional (IRP), Resolution Professional (RP), Liquidator, Bankruptcy Trustee, etc., with the objective of monitoring assignments.

- Further, vide circular IBBI/CIRP/85/2025 dated 26th May 2025, a revised forms framework (CP1 to CP-5) was introduced for Corporate Insolvency Resolution Process (CIRP), effectively replacing Form IP-1 and CIRP Forms 1 to 8, with effect from 1st June 2025.
- In view of the above, the requirement for submission of Form IP-1 in relation to all processes under the Insolvency and Bankruptcy Code, 2016, is hereby withdrawn with effect from the date of issuance of this Circular.
- The notification is attached herein.

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Personal Guarantor's Liability Cannot Surpass Contractual Limit: NCLT Kochi

The National Company Law Tribunal (NCLT), Kochi Bench, comprising Smt. Madhu Sinha (Technical Member) and Shri Vinay Goel (Judicial Member), has held that where a guarantee agreement explicitly caps the liability of a personal guarantor, any demand notice or invocation seeking to recover an amount beyond that specified limit is invalid and cannot serve as a valid basis for initiating insolvency proceedings under Section 95 of the Insolvency and Bankruptcy Code, 2016.

The Tribunal ruled that any material inconsistency between the terms of the guarantee agreement and the demand or invocation notice renders the demand notice legally defective. In the absence of a valid and legally sustainable demand, the precondition for initiating insolvency proceedings against personal guarantors under Section 95 of the IBC remains unfulfilled.

Brief Facts

Canara Bank ("Financial Creditor") filed three Company Petitions under Section 95 of the Insolvency and Bankruptcy Code, 2016, against Smt. Valsala T. S., Mr. Stephen Logan, and Mr. P. A. Nazeeb, all of whom had executed personal guarantees for the credit facilities availed by M/s Savute Textiles Private Limited (the "Corporate Debtor"). The Corporate Debtor had been granted OD and PC/FDB/FDE limits totalling ₹20 Crores for



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the period from 30.06.2014 to 31.01.2018. The total debt amount was claimed as ₹43,68,79,602/- (as of 31.12.2023), along with interest accruing from 01.01.2024. The date of default was recorded as 14.06.2019.

The Bank had already initiated recovery proceedings before the DRT-I, Ernakulam, and filed a Section 9 IBC application against the Corporate Debtor, resulting in the commencement of the Corporate Insolvency Resolution Process (CIRP) on 11.03.2022. Subsequently, the Corporate Debtor was ordered into liquidation on 06.07.2023.

As the Corporate Debtor failed to repay the loan, Canara Bank invoked the co-extensive liability of the personal guarantors and filed the present Company Petitions. Pursuant to the Tribunal's directions on 30.05.2025, the Bank filed an invocation notice dated 29.01.2024 and proof of service dated 03.06.2025. Form B demand notices were also issued on 11.03.2024.

By an order dated 09.04.2025, the Tribunal appointed Mr. Balakrishnan Baburajan as the Resolution Professional (RP) under Section 97 of the IBC. The RP filed reports on 24.04.2025 recommending admission of the petitions. The RP noted in all three matters that although the personal guarantees were irrevocable, the liabilities were limited to ₹1.5 Crores each (in CPs 1 and 2) and ₹18.5 Crores (in CP 3). However, the Bank demanded recovery of the entire sum of ₹43.68 Crores from each of the guarantors. The RP also observed that the Bank had not submitted any document clarifying how the guaranteed amount was apportioned against the overall claim.

Observations

The Tribunal referred to Section 128 of the Indian Contract Act and reiterated that a guarantor's liability is co-extensive with that of the principal debtor unless otherwise stipulated in the contract. It held that the liability must be determined strictly in accordance with the terms of the guarantee.

The Tribunal noted that the liability of Smt. Valsala T. S. and Mr. Stephen Logan was capped at ₹1.5 Crores each, and that of Mr. P. A. Nazeeb at ₹18.5 Crores, as per their respective guarantee agreements. However, the Financial Creditor had raised demands of ₹43.68 Crores plus interest from each guarantor, clearly exceeding the agreed limits under the respective contracts. Hence, the Bank's demand was found to be in breach of the guarantee terms.

It was also observed that the invocation notices did not align with the guarantee agreements. In CP (IBC)/1/KOB/2025 and CP (IBC)/2/KOB/2025, the guarantee agreement was dated 31.01.2018, whereas the invocation notice dated 29.01.2024 referred to a different date. The Tribunal observed:



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“There must be synchronization between the guarantee agreement and the demand or invocation notice. Any deviation or inconsistency renders the demand invalid. Such material defects bar initiation of any process under Section 95 of the IBC, 2016.”

The Tribunal criticized the Bank for failing to justify the claimed figure of ₹43.68 Crores or provide any breakdown of the dues. It noted:

“Despite sufficient opportunity, the Bank failed to establish the validity of the demand amount. This renders the demand invalid and inadmissible.”

It concluded that where a personal guarantee agreement expressly limits the guarantor’s liability, any demand or invocation claiming a higher amount without reference to such limitation is defective. Such a demand cannot trigger proceedings under Section 95 of the IBC.

The conduct of the Petitioner Bank came under scrutiny, and the Tribunal remarked:

“Being a premier banking institution with a legal department, such a glaring mistake is unacceptable. This renders the entire proceeding invalid and adversely affects the rights and interests of third parties who are uninvolved in the Bank’s error.”

All three Company Petitions were accordingly dismissed, with liberty granted to the Petitioner to issue fresh demand notices in accordance with law and subject to limitation.

Case Title: Canara Bank vs. Smt. Valsala T. S.
Case Nos.: CP (IBC)/1/KOB/2025, CP (IBC)/2/KOB/2025, CP (IBC)/3/KOB/2025

Employer-Favouring Damages Clauses Deemed Knowingly Accepted If Unchallenged Before Tribunal: Delhi High Court

In *M/s Larsen & Toubro Ltd. v. Rail Vikas Nigam Ltd.* (O.M.P. (COMM) 278/2017), the Delhi High Court, presided over by Justice Manoj Kumar Ohri, held that contractual clauses which favour the employer in matters of damages and limit the contractor’s rights—if not challenged at the time of contract execution or before the Arbitral Tribunal—are deemed to be knowingly incorporated and cannot be subsequently questioned under Section 34 of the Arbitration and Conciliation Act, 1996.

Background:

The petition under Section 34 of the Arbitration Act challenged an arbitral award rejecting Claim No. 1 raised by L&T for compensation due to idling of men, machinery, and resources. The contract in question required completion of works within 30 months from the letter of acceptance (by 20.04.2014), but actual completion occurred on 30.06.2018.



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The arbitral tribunal dismissed the claim based on Clause 8.3 of the General Conditions of Contract (GCC), which explicitly bars the contractor from claiming damages due to delays by the employer or engineer, instead allowing only an extension of time.

Petitioner's Submissions:

L&T contended that the tribunal failed to evaluate the claim on its merits and mechanically applied Clauses 2.2 and 8.3. It argued that the said clauses violated Sections 55 and 73 of the Indian Contract Act, and that the employer's failure to provide work fronts on time should have entitled it to compensation. L&T also relied on *Simplex Concrete Piles (India) Ltd. v. Union of India* and *G. Ramachandra Reddy v. UOI*, asserting Clause 8.3 was contrary to public policy.

It was further submitted that Clause 17.1 of the GCC granted the tribunal power to award compensation and additional payments based on evidence.

Respondent's Stand:

RVNL argued that the validity of Clauses 2.2 and 8.3 was never challenged before the tribunal, nor was the *Simplex Concrete* judgment cited. It emphasized that any objection to these clauses at this late stage was impermissible under Section 34, and that the petitioner had not sought compensation at the time of seeking an extension—thus, Section 55 was not applicable.

Court's Observations:

The Court analyzed Clauses 2.2 and 8.3 of the contract, noting that they expressly barred the contractor from claiming monetary damages for delays in handing over the site or other defaults by the employer. Instead, only an extension of time was permitted. The employer, however, retained the right to claim damages for delays caused by the contractor.

Justice Ohri observed that this asymmetrical scheme had been consciously agreed upon and was never contested by L&T—either during contract formation or before the arbitral tribunal. The Court emphasized that the petitioner's later attempt to seek compensation was contrary to its earlier conduct, particularly since no such claim was raised when extensions were requested and granted without penalty.

The Court reiterated the principle laid down in *Union of India v. Susaka (P) Ltd.*, that issues not raised before the tribunal are deemed waived and cannot be raised for the first time under Section 34.



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Conclusion:

The High Court concluded that the tribunal's interpretation of the contract terms was binding and well within its domain as the master of facts. Since the impugned clauses were not challenged during arbitration, the Court declined to interfere under the limited scope of Section 34. Accordingly, the petition was dismissed.

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