**30th May 2025**

***Securities and Exchange Board of India vide circular dated May 26, 2025, has issued Final Settlement Day (Expiry Day) for Equity Derivatives Contracts***

- Securities and Exchange Board of India vide circular dated May 26, 2025, has issued Final Settlement Day (Expiry Day) for Equity Derivatives Contracts.
- Following has been decided with regard to final settlement day / expiry day for equity derivatives contracts:
  - Expiries of all equity derivatives contracts of an exchange will be uniformly limited to either Tuesday or Thursday.
  - Every exchange will continue to be allowed one weekly benchmark index options contract on their chosen day (Tuesday or Thursday).
  - Besides benchmark index options contracts, all other equity derivatives contracts, viz., all benchmark index futures contracts, non-benchmark index futures / options contracts, and all single stock futures / options contracts will be offered with a minimum tenor of 1 month, and the expiry will be in the last week of every month on their chosen day (that is last Tuesday or last Thursday of the month).
  - Exchanges will now seek prior approval of SEBI for modifying the settlement day of their derivatives contracts from the one which has been existing.
- To operationalize the aforesaid circular, stock exchanges shall submit their proposal to SEBI, in compliance with Clause 3 above, by June 15, 2025.
- The circular is attached herein.

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***Securities and Exchange Board of India vide circular dated May 26, 2025, has provided process for appointment, re-appointment, termination or acceptance of resignation of specific Key Management Personnel (KMPs) of a Market Infrastructure Institution (MII)***

- Securities and Exchange Board of India vide circular dated May 26, 2025, has provided process for appointment, re-appointment, termination or acceptance of resignation of specific Key Management Personnel (KMPs) of a Market Infrastructure Institution (MII). These KMPs namely the Compliance Officer (CO), Chief Risk Officer (CRiO), Chief Technology Officer (CTO) and Chief Information Security Officer (CISO) are crucial for any MII to deliver on its core public interest mandate of giving primacy to compliance, risk management, technological resilience and market integrity, over commercial considerations.
- The process for appointment shall be as under:
    - The MII shall engage an independent external agency to identify and recommend suitable candidates for appointment as CO, CRiO, CTO and CISO or by whatever designations called.
    - The Agency shall submit its recommendations to the Nomination and Remuneration Committee (NRC) of the MII. The NRC will evaluate the recommendations of the agency and after discussion with the management of the MII, submit its recommendations for appointment of such KMPs to the Governing Board of the MII.
    - The Governing Board shall take the final decision for appointment of such KMPs.
- For Re-appointment, Termination or acceptance of Resignation: The process for re-appointment, termination or acceptance of resignation shall be as under:
    - The NRC shall evaluate the cases of re-appointment, termination or acceptance of resignation of CO, CRiO, CTO and CISO or by whatever

designations called and after discussion with the management of the MII, submit its recommendations to the Governing Board of the MII.

- The Governing Board shall take the final decision for re-appointment, termination or acceptance of resignation of such KMPs. Provided that no such KMPs shall be terminated unless he/she has been given a reasonable opportunity of being heard by the Governing Board.

- The provisions of the circular shall be applicable from the 90thdayof issuance of the circular.
- The circular is attached herein.

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***Reserve Bank of India vide notification dated May 23, 2025, has provided for reporting on FIRMS portal for Issuance of Partly Paid Units by Investment Vehicles***

- Reserve Bank of India vide notification dated May 23, 2025, has provided for reporting on FIRMS portal for issuance of Partly Paid Units by Investment Vehicles.
- In terms of Regulation 4(10) of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019, an investment vehicle which has issued its units to a person resident outside India shall file Form InVI within 30 days from the date of issue of units.
- In this connection, it is advised that investment vehicles may report issuances of partly paid units made prior to the date of this circular in Form InVI within 180 days from the date of this circular.
- No late submission fees shall be applicable for such reporting made within this period.
- However, issuances of partly paid units by investment vehicles on or after the date of this circular shall continue to be reported within 30 days, in accordance

with the timelines specified under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019.

- These directions will become operative with immediate effect.
- The notification is attached herein.

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**NCLAT Affirms CIRP Initiation Against Pushp Ratna Realty**

The National Company Law Appellate Tribunal (NCLAT), New Delhi Bench comprising Justice Ashok Bhushan (Chairperson), Barun Mitra (Technical Member), and Arun Baroka (Technical Member), has upheld the initiation of the Corporate Insolvency Resolution Process (CIRP) against Pushp Ratna Realty Pvt. Ltd. under Section 7 of the Insolvency and Bankruptcy Code, 2016. The Tribunal also affirmed the rejection of a settlement offer proposed by the appellant, Jayshree Agnihotri, emphasizing that the Committee of Creditors (CoC)—primarily consisting of homebuyers—had unanimously and reasonably opposed the proposal. The Tribunal observed that these homebuyers had been waiting for their homes for more than a decade. It held that an allottee who has lost trust in the developer's management is entitled to seek insolvency proceedings.

## Background

M/s Jayshree Agnihotri and Ashok Kumar Jain filed appeals under Section 61 of the Insolvency and Bankruptcy Code, challenging the NCLT's order dated 16.10.2024, which admitted a Section 7 application by homebuyers and initiated CIRP against Pushp Ratna Realty Pvt. Ltd.

The origin of the dispute traces back to a Memorandum of Understanding (MoU) dated 14.09.2009 between the Agnihotri group (Rajeev and Jayshree Agnihotri), the Jain group (Ashok Jain), and Pushp Ratna Realty Pvt. Ltd. Under this arrangement, the Agnihotri group contributed land in Khajrana, Indore, while the Jain group agreed to provide funding and supervise construction for a planned township. The parties were to equally share the company's management and equity. The real estate project—"Lush by Pushp Ratna"—was launched, selling 77 of 140 residential units, each with an allotment letter promising handover within 30 months.

Subsequently, conflicts emerged between the Agnihotri and Jain groups. The Jain group claimed that the MoU was terminated on 26.09.2011, a claim the Agnihotri group refuted. Arbitration proceedings followed, during which the Agnihotri group secured interim relief. The Madhya Pradesh High Court later dismissed the alleged cancellation agreement as a sham.

Amid these disputes, the homebuyers initially filed a Section 7 petition, which they later withdrew on limitation grounds. They refiled a fresh Section 7 application, which the NCLT admitted on 16.10.2024 after concluding that Pushp Ratna Realty had defaulted on delivery timelines. An interim application by Jayshree Agnihotri offering full settlement of the claims was rejected by the NCLT, which held that the fresh petition was within the limitation period.

## Key Arguments

**For the Appellants:**

Counsel argued that the fresh Section 7 application was time-barred and based on fabricated documents, including backdated acknowledgment letters allegedly issued to fictitious allottees by the Jain group to bypass the limitation period. They emphasized that the allotment letters dated between 28.03.2014 and 15.11.2016 had become time-barred under the three-year rule.

**For the Respondents:**

Counsel countered that the homebuyers were genuine and had submitted balance confirmation letters and audited financial statements to prove their claims were within the limitation period. They argued the default occurred 30 months after each allotment letter's date.

## Tribunal's Observations and Findings

The Tribunal examined the Corporate Debtor's audited financial statements dated 31.03.2020, which included entries labeled "Advances from customers against flat booking." It held that these entries confirmed the genuineness of the homebuyers' claims. Notably, the Appellants themselves had relied on this balance sheet to assert 50% shareholding in the Corporate Debtor and could not now dispute its veracity.

On 09.11.2021, the Corporate Debtor issued a balance confirmation letter acknowledging dues to the homebuyers. The Tribunal found this to be a valid acknowledgment, thereby resetting the limitation clock and rendering the fresh application dated 22.05.2024 timely.

It further held that withdrawal of the earlier petition on 25.04.2024 did not preclude filing the second one.

The Appellant had proposed a settlement on 19.11.2024, offering to pay the full amount of admitted claims or to complete the project within 18 months. However, the CoC, consisting mainly of homebuyers, rejected this proposal during its meeting on 03.12.2024. The Tribunal found the CoC's reasoning logical and not arbitrary.

Referring to *Swiss Ribbons Pvt. Ltd. v. Union of India (2019)*, the Tribunal noted that while arbitrary rejection of settlement proposals by the CoC can be reviewed, the homebuyers' position in this case was well-reasoned. It also cited *Pioneer Urban Land v. Union of India*, which held that only those allottees who have lost complete faith in a developer would seek resolution under Section 7.

The Tribunal concluded that the homebuyers had justifiably lost faith in both the Agnihotri and Jain groups due to long-standing delays. Given the proven default and continued non-delivery of possession, the Tribunal upheld the NCLT's decision to admit the Section 7 application.

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**Case Title:** *Jayshree Agnihotri vs. Nirmal Kumar Jain & Ors.*
**Case Numbers:** Company Appeal (AT) (Insolvency) Nos. 2112-2113 of 2024 & 2335 of 2024

**Arbitration Clause Overrides Exclusive Jurisdiction Clause; Court at Arbitral Seat Retains Jurisdiction: Delhi High Court**

In a significant ruling, the Delhi High Court, led by Justice Purushaindra Kumar Kaurav, held that where an agreement contains both an exclusive jurisdiction clause and an arbitration clause that specifies a different territorial seat, the arbitration clause takes precedence. The Court emphasized that when an exclusive jurisdiction clause is expressly made "subject to" the arbitration clause, jurisdiction is determined by the designated seat of arbitration.

**Case Background**

On July 29, 2023, M/s Gulshan Homz Private Limited (respondent) issued a Letter of Intent to M/s KLA Const. Technologies Pvt. Ltd. (petitioner) for civil and structural works at the Gulshan Dynasty Moradabad Project, with the total contract valued at ₹101.8 crores. A formal agreement was executed on September 6, 2023.

The petitioner alleged that despite mobilizing resources and starting work, delays were caused entirely by the respondent's failures—such as untimely site access, incomplete BOQ escalations, inconsistent utility supply, delayed payments, and lack of compensation for extra work. The respondent later terminated the agreement on November 6, 2024, under Clause 33, allegedly without complying with the mandatory seven-day notice requirement.

The petitioner invoked the arbitration clause on November 13, 2024, and proposed appointing a sole arbitrator, but received no response from the respondent.

The respondent argued that Clauses 37(a) and 37(b) of the agreement, when read with Clause 92.10 of the General Conditions of Contract (GCC), established Noida as the exclusive venue and seat of arbitration. In contrast, the petitioner pointed to Clause 91.2 of the GCC and Clauses 37(a) and 37(b), asserting that the courts at New Delhi were vested with exclusive jurisdiction.

The petitioner further argued that in cases where multiple seats are contemplated, courts at any designated seat may assume jurisdiction.

**Court's Analysis and Findings**

The Court referred to the Supreme Court's guidance in *Ramkishorelal*, which emphasized reading the contract as a whole to ascertain the parties' intent and harmonize seemingly conflicting provisions.

It also cited the *Devyani International Ltd. v. Siddhivinayak Builders and Developers* ruling, which held that when an arbitration clause designates a seat, that seat determines the jurisdiction, even if another clause assigns exclusive jurisdiction elsewhere.

On reviewing Clauses 37(a) and 37(b), the Court observed that Clause 37(a) clearly provides for arbitration under the Arbitration and Conciliation Act, to be conducted by a sole arbitrator. Clause 37(b) specifies Noida/Delhi (U.P./Delhi) as the seat and venue—thereby making both locations valid arbitral seats under the agreement.

Referring to the *Inder Mohan* case, the Court reiterated that if an exclusive jurisdiction clause is made expressly "subject to" the arbitration clause, then the jurisdiction follows the seat of arbitration. Similarly, *Vedanta Limited* established that when multiple seats are designated, the courts at any of those seats may have jurisdiction.

Accordingly, the Court interpreted Clause 92.10 in light of Clause 91.2, which explicitly grants New Delhi courts exclusive jurisdiction. It held that arbitration-related disputes fall under the jurisdiction of the courts at the designated seat, which includes Delhi.

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The Court also clarified the internal hierarchy of the clauses—ruling that Clause 37(b) (on venue) is subordinate to Clause 37(a) (on arbitration framework). This interpretation harmonizes all relevant provisions, assigning arbitrable matters to courts at New Delhi (the seat) and reserving Noida courts for non-arbitrable disputes.

**Conclusion**

The Court allowed the petition, holding that the arbitration clause prevails in determining jurisdiction, and that courts at the designated seat—New Delhi—retain jurisdiction over disputes under the arbitration agreement.

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**Case Title:** *M/s KLA Const. Technologies Pvt. Ltd. v. M/s Gulshan Homz Private Limited*
**Case Number:** ARB.P. 90/2025

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