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01st June 2024 – Issue 432

Securities Exchange Board of India vide circular dated May 30, 2024, has issued Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors

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- Securities and Exchange Board of India(SEBI), vide circular number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022, had issued Master Circular for FPIs, DDPs and Eligible Foreign Investors under the Securities and Exchange Board of India(Foreign Portfolio Investors), Regulations 2019. Subsequently, various circulars has been issued pertaining to FPIs and DDPs.
- The provisions of the aforesaid circulars are incorporated in this Master Circular which supersedes the earlier Master Circular dated December 19,2022. This Master Circular shall come into force from the date of its issue.
- The Master circular is herein attached.

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Securities Exchange Board of India vide circular dated May 30, 2024, has issued Comprehensive guidelines for Investor Protection Fund (IPF) and Investor Services Fund (ISF) for Stock Exchanges having commodity derivatives segment

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- SEBI vide circulars dated September 26, 2016, June 13, 2017, March 14, 2018 and October 22, 2021has issued provisions for Investor Protection Fund and Investor Service Fund for commodity derivatives segment. Further, circular on Price Dissemination through SMS/Electronic Communication Facility was issued on August 30, 2016. These aforementioned Circulars have been rescinded with issuance of Master Circular for Commodity Derivatives Segment dated August 04, 2023. SEBI vide Circular dated May 30, 2023 has issued Comprehensive guidelines for Investor Protection Fund and Investor Services Fund at Stock Exchanges and Depositories(excluding Commodity Derivatives Exchanges)with inclusion of new provisions. Further, representations were received from market participants with respect to propositions on Ease of Doing Business in commodity derivatives segment. Considering these developments, the IPF and ISF guidelines for commodity derivatives segment are being revised.
- The Circular shall come into force from June 01, 2024.
- The Master circular is herein attached.

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Securities Exchange Board of India vide circular dated May 29, 2024, has issued Norms for acceptable collaterals and exposure of Clearing Corporations

- SEBI vide circular dated May 29, 2024, has issued Norms for acceptable collaterals and exposure of Clearing Corporations
- In order to further strengthen the risk management framework of CCs, it has been felt to review the existing collaterals accepted by CCs and also to have prudential norms for exposure of CCs.

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- SEBI has reviewed the existing collaterals accepted by CCs and specified the prudential norms for exposure of CCs. As per the amended norms units of growth plan of overnight mutual fund schemes shall be accepted as Cash Equivalent by CCs with a haircut of 5%. Earlier, a limit of 10% was specified. The 10% haircut remains unchanged for other overnight mutual fund plans. Further, the Prudential Norms for Exposure of CCs has also been specified. The circular shall be effective from 01st Aug, 2024.
- The Master circular is herein attached.

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TIME BARRED SUIT CAN BE DISMISSED EVEN IF NO OBJECTION TO LIMITATION IS RAISED BY DEFENDANT: SUPREME COURT

The Hon'ble Supreme Court Bench comprising of Justice B.R. Gavai & Justice Sandeep Mehta while adjudicating an Special Leave Petition against Judgment dated 27.03.2014 passed by the Division Bench of High Court of Judicature at Andhra Pradesh, Hyderabad, has held that as per the mandate of Section 3 of the Limitation Act, 1963, the court has to dismiss any suit instituted after the prescribed period of limitation irrespective of the fact that limitation has not been set up as a defence.

BRIEF FACTS OF THE CASE

Parties before the Supreme Court and on M. Balraj Reddy as had constituted a partnership firm defendant No. 1 namely "M/s Shivraj Reddy & Brothers" (hereinafter being referred to as 'firm') on 15th August, 1978 with its primary business being the construction of buildings on a contract basis with respect to the works of the Government and Municipalities.

Respondent No. 1- Plaintiff instituted O.S. No. 67 of 19972 seeking relief of dissolution of the firm and rendition of accounts. The learned II Additional Chief Judge, City Civil Court, Hyderabad (hereinafter being referred to as 'trial Court'), allowed the original suit filed by respondent No. 1-plaintiff and passed a decree dated 26th October, 1998 declaring the firm-defendant No. 1 to be dissolved and directed defendant Nos. 2 to 4 to tender accounts of the firm from the year 1979 onwards till October, 1998 and further, granted liberty to respondent No. 1-plaintiff to file a separate application seeking appointment of an Advocate Commissioner for taking accounts of the firm and for other appropriate reliefs

Being aggrieved, the firm-defendant No. 1 and defendant No. 2 preferred C.C.C. Appeal No. 35 of 1999 before the High Court of Judicature of Andhra Pradesh at Hyderabad. Learned Single Judge of the High Court vide judgment dated 19th October, 2001 allowed C.C.C. Appeal No. 35 of 1999 on the ground that O.S. No. 67 of 1997 was barred by limitation as one of the partners in subsisting partnership firm, Shri M. Balraj Reddy expired in 1984, therefore the firm stood dissolved immediately on the death of the partner. Since the original suit was filed in 1996, it was barred by limitation.

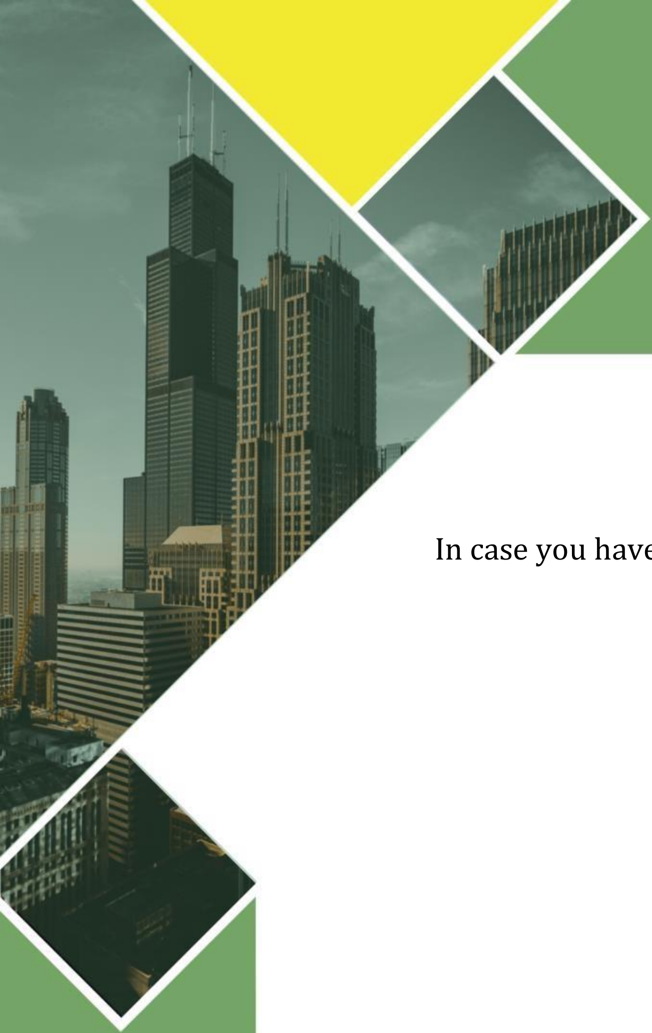
Aggrieved by the decision of learned Single Judge, respondent No. 1-plaintiff preferred LPA No. 47 of 2002 before the learned Division Bench of the High Court, which allowed the appeal and 4 set aside the judgment dated 19th October, 2001 passed by the learned Single Judge in C.C.C. Appeal No. 35 of 1999, observing that the plea of limitation was never raised during the pleadings in the trial Court and learned Single Judge ought not to have dealt with that issue at all. Being aggrieved, appellants have preferred the present appeal by special leave.

SUPREME COURT'S JUDGMENT

Reversing the findings of the High Court's Division Bench, the bench comprising **Justices BR Gavai and Sandeep Mehta** upon placing reliance on the case of ***V.M. Salgaocar and Bros. v. Board of Trustees of Port of Mormugao and Another, (2005) 4 SCC 613*** observed that as per the mandate of Section 3 of the Limitation Act, the court has to dismiss any suit instituted after the prescribed period of limitation irrespective of the fact that limitation has not been set up as a defence.

The court noted that the filing of a suit for the rendition of an account of the partnership firm by another partner ought to be filed within the prescribed limitation period of three years being calculated from the date of the partner's death. Any suit filed beyond the limitation period would not be maintainable due to the enforcement of a specific bar to entertain the time-barred suit under the Limitation Act.

Case No: SLP (CIVIL) NO. 4237 OF 2015
Case Title: S. Shivraj Reddy (Died) Thr is LRs & Anr. v. S. Raghuraj Reddy & Ors.



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