# VEDANAM वेदनम्

**Issue: November 2024**

## *WHY VEDANAM?*

We, Mehta & Mehta, present you with our monthly newsletter which covers regulatory updates, case laws and study articles.

Vedanam is a thoughtfully curated newsletter designed to provide legal professionals, scholars, and enthusiasts with the latest developments, trends, and analysis from the dynamic world of law.

We hereby release our **November** 2024 issue.
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# SEBI UPDATE: INVESTMENTS IN OVERSEAS MUTUAL FUNDS/ UNIT TRUSTS BY INDIAN MUTUAL FUNDS

Mutual Funds are permitted to invest in overseas securities which also includes investment in overseas Mutual Funds/Unit Trusts ('MF/UTs').

In order to facilitate ease of investment in overseas MF/UTs, to bring transparency in the manner of investment, and to enable Mutual Funds to diversify their overseas investments, the following has been decided based on feedback received from the industry, consultation with Mutual Fund Advisory Committee and public consultation:

**Investment Guidelines:**

Indian Mutual Fund schemes can invest in overseas MF/UTs, provided these do not exceed 25% exposure to Indian securities.

When investing in such MF/UTs, the Indian Mutual Fund schemes must ensure:

**Pooling:** The MF/UT pools contributions into a single vehicle, with no segregated portfolios.

**Pari-passu & Pro-rata:** Investors share returns proportionately, with no distinct investor-specific portfolios.

**Independent Management:** An autonomous investment manager oversees the overseas MF/UT, avoiding direct or indirect influence.

**Public Disclosure:** The MF/UT discloses portfolios at least quarterly.

**No Advisory Agreement:** No advisory agreement between the Indian Mutual Fund and the overseas MF/UT to avoid conflicts of interest.

**Monitoring and Rebalancing of Investment Exposure:**

At the time of investment, the Indian Mutual Fund must confirm that the overseas MF/UT's exposure to Indian securities remains within the 25% limit.

If the exposure exceeds this limit, a 6-month observance period is allowed to monitor rebalancing by the MF/UT.

During this observance period:

No additional investments can be made in the MF/UT.

Investment may resume if the exposure falls back below the 25% limit.

If the MF/UT does not rebalance within the observance period, a further 6-month liquidation period is provided to the Indian Mutual Fund scheme to exit the investment.

**Non-compliance Consequences:**

Failure to comply with rebalancing requirements will result in restrictions on fresh subscriptions, the launch of new schemes, and levy of exit loads.

**Exemptions from Fundamental Attribute Change:**

Indian Mutual Fund schemes do not require a fundamental attribute change if they need to shift investments to another MF/UT due to the overseas MF/UT's exposure breaching the 25% limit, provided the objectives align, and investors are notified.

Link: Investments in Overseas Mutual Funds/ Unit Trusts by Indian Mutual Funds

# SEBI UPDATE: DISCLOSURE OF EXPENSES, HALF YEARLY RETURNS, YIELD AND RISK-O-METER OF SCHEMES OF MUTUAL FUNDS

**Disclosure of expenses, half yearly returns and yield of a scheme**

Disclosure of expenses, returns during the half year and yield of direct and regular plans shall be as under

The expenses disclosed in terms of Sl. No. 6.4 of Twelfth Schedule read with Regulation 59 SEBI (Mutual Funds) Regulations, 1996 shall contain separate disclosures for total recurring expenses for direct and regular plans, apart from the disclosure of total recurring expenses of the scheme.

In terms of Sl. No. 7.1 and 7.2 of Twelfth Schedule read with Regulation 59 SEBI (Mutual Funds) Regulations, 1996, returns during the half year and compounded annualized yields respectively shall be separately disclosed for direct and regular plans.

**Colour Scheme for Risk-o-meter**

"Risk-o-meter shall have the following six levels of risk for mutual funds with the given colour scheme –

i. Low Risk – Irish Green [#08A04B]
ii. Low to Moderate Risk – Chartreuse [#7FFF00]
iii. Moderate Risk – Neon Yellow [#FFFF33]
iv. Moderately High Risk – Caramel [#C68E17]
v. High Risk – Dark Orange [#FF8C00]
vi. Very High Risk –Red [#F70D1A]

The above given colour scheme of risk-o-meter shall be applicable for all digital and polychrome printed promotion materials/disclosures for the schemes.

**Disclosure of change in Risk-o-meter**

Clause 17.4.1 (h) of the Master Circular stands modified as under:
"Any change in risk-o-meter of the scheme or its benchmark shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of Page 4 of 4 that particular scheme.

The provisions of this circular shall come into effect from December 05, 2024.

Link: Disclosure of expenses, half yearly returns, yield and risk-o-meter of schemes of Mutual Funds

# RBI UPDATE: AMENDMENT TO THE MASTER DIRECTION - KNOW YOUR CUSTOMER (KYC) DIRECTION, 2016

The Master Direction on KYC has been amended to

(a) align the instructions with the recent amendments carried out in the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 vide Gazette Notification dated July 19, 2024,

(b) incorporate instructions in terms of the corrigendum dated April 22, 2024 issued by the Government of India to the Order dated February 2, 2021 on the 'Procedure for implementation of Section 51A of the Unlawful Activities (Prevention) Act, 1967', and

(c) revise certain existing instructions.

**Customer Acceptance Policy**

Paragraph 10(f) of the Master Direction is amended to read as follows: REs shall apply the CDD procedure at the UCIC level. Thus, if an existing KYC compliant customer of a RE desires to open another account or avail any other product or service from the same RE, there shall be no need for a fresh CDD exercise as far as identification of the customer is concerned.

**CDD Procedure and sharing KYC information with Central KYC Records Registry (CKYCR)**

Paragraph 56(h) of the Master Direction is amended to read as follows:

In order to ensure that all KYC records are incrementally uploaded on to CKYCR, REs shall upload/update the KYC data pertaining to accounts of individual customers and LEs opened prior to the above-mentioned dates as per clauses (e) and (f), respectively, at the time of periodic updation as specified in paragraph 38 of this Master Direction, or earlier, when the updated KYC information is obtained/received from the customer. Also, whenever the RE obtains additional or updated information from any customer as per clause (j) below in this paragraph or Rule 9(1C) of the PML Rules, the RE shall within seven days or within such period as may be notified by the Central Government, furnish the updated information to CKYCR, which shall update the KYC records of the existing customer in CKYCR. CKYCR shall thereafter inform electronically all the reporting entities who have dealt with the concerned customer regarding updation of KYC record of the said customer. Once CKYCR informs an RE regarding an update in the KYC record of an existing customer, the RE shall retrieve the updated KYC records from CKYCR and update the KYC record maintained by the RE.

Paragraph 56(j) of the Master Direction is amended to read as follows:

For the purpose of establishing an account-based relationship, updation/ periodic updation or for verification of identity of a customer, the RE shall seek the KYC Identifier from the customer or retrieve the KYC Identifier, if available, from the CKYCR and proceed to obtain KYC records online by using such KYC Identifier and shall not require a customer to submit the same KYC records or information or any other additional identification documents or details, unless–

1. there is a change in the information of the customer as existing in the records of CKYCR; or
2. the KYC record or information retrieved is incomplete or is not as per the current applicable KYC norms; or
3. the validity period of downloaded documents has lapsed; or
4. the RE considers it necessary in order to verify the identity or address (including current address) of the customer, or to perform enhanced due diligence or to build an appropriate risk profile of the customer.

Link: Amendment to the Master Direction - Know Your Customer (KYC) Direction, 2016

# RBI UPDATE: FULLY ACCESSIBLE ROUTE' FOR INVESTMENT BY NON-RESIDENTS IN GOVERNMENT SECURITIES – INCLUSION OF SOVEREIGN GREEN BONDS

The Government Securities that are eligible for investment under the FAR ('specified securities') were notified by the Bank vide the following circulars:

1. FMRD.dated March 30, 2020;
2. FMRD.dated July 07, 2022;
3. FMRD.dated January 23, 2023;
4. FMRD.dated November 08, 2023; and
5. FMRD dated July 29, 2024.

It has now been decided to also designate Sovereign Green Bonds of 10-year tenor issued by the Government in the second half of the fiscal year 2024-25 as 'specified securities' under the FAR.

Link: Fully Accessible Route' for Investment by Non-residents in Government Securities – Inclusion of Sovereign Green Bonds

## IBBI UPDATE: CENTRALIZED ELECTRONIC LISTING AND AUCTION PLATFORM FOR THE SALE OF ASSETS UNDER LIQUIDATION PROCES

Regulation 33 (1) of the IBBI (Liquidation Process) Regulations, 2016 (Liquidation Regulations) provides that, "The liquidator shall ordinarily sell the assets of the corporate debtor through an auction in the manner specified in Schedule I." Further, Clause (7) of Para 1 of Schedule I of the Liquidation Regulation provides that, "From a date to be notified through circular by the Board, the liquidator shall sell the assets only through an electronic auction platform empanelled by the Board." Currently, the liquidators in the various liquidation process are selling the assets through various auction platforms and the details of a company's assets are typically made public only at the time of the auction notice. This practice leads to information asymmetry, as potential buyers have limited time to assess the value of the assets, often resulting in lower recovery rates. A centralised listing and auction platform where details of all assets under liquidation of CD are continuously available to the public provides an effective solution to these problems.

IBBI has collaborated with the Indian Banks' Association (IBA) to facilitate the auction of assets through the eBKray platform which is presently owned and managed by PSB Alliance Private Limited (a consortium of 12 public sector banks). eBKray has been conducting auctions for assets mortgaged to public sector banks under the SARFAESI Act for the past five years.

PSB Alliance has developed a module within the eBKray platform to facilitate the listing and auction of assets under IBC. This centralized platform offers detailed information on corporate debtor assets, including photographs, videos, and geographical coordinates.

It will be a single listing platform to host all assets being sold in liquidation cases. This platform will require liquidators to list all assets of the CD as mentioned in the Asset Memorandum, including comprehensive details such as the status of the attachment or lien, geographical coordinates, and the likely date of auction. For GCS, the entire CD would be listed on this platform.

The platform may be accessed by the prospective buyers at https://ebkray.in and FAQs and guide to use the platform are placed at https://ibbi.gov.in/en/home/psb-alliance.

Link: Centralized Electronic Listing and Auction Platform for the Sale of Assets under Liquidation Process

# IBC CASE LAW: REVIVAL/RESTORE OF CIRP PETITION EVEN NO LIBERTY WAS GRANTED TO THE APPLICANT TO GET THE PETITION REVIVED NOR THERE WAS ANY STIPULATION IN THE CONSENT TERMS – OCS GROUP (INDIA) PVT. LTD. VS. MYSTICAL CONSTRUCTIONS PVT. LTD. – NCLT MUMBAI BENCH

**Brief about the decision:**

***Facts of the case***

- The Applicant filed Company Petition under Section 9 of the Insolvency and Bankruptcy, 2016 bearing No. 3937 of 2018, against the Respondent Company
- The Directors of Respondent Company, i.e. the Respondents/Contemnors, herein approached the Applicant with the intention to settle the dispute and offered to make the payments in 10 instalments through post-dated cheques commencing from 20.10.2019 to which the Applicant also agreed.
- Accordingly, consent terms dated 22.07.2019 were signed and executed between the Respondents and the Applicant, and in compliance thereof, the Respondent handed over 10 PDCs being signed by the Contemnor to the Applicant. On the basis of said consent terms, the abovementioned petition was disposed of vide order dated 22.07.2019.
- When the aforesaid cheques were presented for encashment, the same were dishonored. After dishonor of cheques, the Applicant requested the Respondent to make the payment of the dishonored cheques and also to regularize their payments by addressing a letter dated 21.12.2019 to the Respondent but till date, no response has been received from the Respondent and/or contemnors.
- There is no clause in the consent terms dated 22.07.2019 that in the event of non-encashment of the post-dated cheques, the Petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 would be revived nor any such liberty was granted by the Bench in its order dated 22.07.2019.

***Submission of the parties***

- Counsel for the Applicant has contended that the Respondents are guilty of contempt as they have not adhered to the consent terms dated 22.07.2019, on the basis of which the Petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 filed by the Applicant was withdrawn. In the order dated 22.07.2019, liberty was granted to the Applicant that in case of defiance or default committed by the Corporate Debtor, the matter could be mentioned before the Bench

for appropriate action. Therefore, according to the Counsel for the Applicant, it is a fit case for issuing contempt against the Respondents for having violated the terms and conditions of the consent terms dated 22.07.2019 with impunity.

- On the other hand, Counsel for the Respondents has argued that the application is not maintainable in as much as it is not in the appropriate format. No liberty was granted to the Applicant to get the Petition revived in case a default of consent terms was committed by the Respondents. Even otherwise, the Petition under Section 9 of the IBC, 2016 cannot be revived as the amount in question falls below the threshold limit of Rs. 1 crore. So far as the default in respect of dishonored cheques is concerned, as against cheques dated 20.04.2020, 20.05.2020, 20.06.2020 and 20.07.2020, the same is hit by Section 10A of the IBC, 2016.

***Decision of Adjudicating Authority***

**A. Contempt case**

- A minute perusal of the application reveals that the application has been filed against the Corporate Debtor along with Gulam Hussain Dost Mohd. Sheliya, Abubakar Miyaji Seliya, Salim Abdul Charoliya who are stated to be the directors of the Corporate Debtor. It has not been mentioned anywhere in the application that the cheques in question which were issued at the time of execution of the consent terms were signed by these directors. It has also not been stated in the application that these directors were responsible for managing day to day affairs of the Corporate Debtor. The consent terms were signed by one Mr. Sumeet Singh, Authorised Signatory of the Corporate Debtor, as stated in the consent terms, who was authorised vide the resolution dated 19.05.2018 passed by the board of directors of the Corporate Debtor. Even Mr. Sumeet Singh, Authorised Signatory has not been arrayed as a party in this application.
- In the prayer clause of the application, it has been stated that contempt be issued against the Company Secretary, Chief Financial Officer, and several other officers of the Respondent Company for not fulfilling the terms of the consent terms but no name of the officers has been mentioned in the application.
- In these circumstances, in our considered view, no contempt action can be initiated on the basis of the averments made in the application under consideration.

**B. No liberty has been granted to the Applicant to get the Petition revived**

- In the order dated 22.07.2019, though no liberty has been granted to the Applicant to get the Petition revived, yet there is an observation

that the Petitioner/Applicant would be at liberty to mention to the Bench for appropriate action in case default of the consent terms is committed by the Corporate Debtor. It is not disputed that a default has been committed as all the cheques were dishonored and no payment whatsoever has been made by the Corporate Debtor, as promised in the consent terms. In the given situation, in our considered view, the Corporate Debtor cannot be allowed to take advantage of its own wrongs. The Applicant cannot be rendered remediless in the given situation. No doubt, no liberty was granted to the Applicant to get the Petition revived nor there was any stipulation in the consent terms but our predecessor Bench definitely gave liberty to the Applicant to mention the matter for appropriate action against the Corporate Debtor in the event of default of the consent terms.

- The said liberty in the given situation can be construed to be a liberty to get the Petition revived and it would be just and equitable if the Petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 filed by the Applicant, which was dismissed on the basis of consent terms, is revived to be decided on merits. In case neither the Petition is revived nor a contempt is issued against the Corporate Debtor, it will cause grave injustice to the Applicant who would be rendered remediless.

**C. Question of the threshold limit of Rs. 1 crore**

- So far as the question of the threshold limit of Rs. 1 crore is concerned, as raised by the Counsel for the Respondents, the same is not relevant here as the Petition was filed in the year 2018 when the threshold limit was Rs. 1 lakh only which was subsequently enhanced to Rs. 1 crore. Needless to say, the applicable threshold limit at that time was Rs. 1 lakh only.
- Therefore, merely because the threshold limit was subsequently increased to Rs. 1 crore, it cannot be said that the C.P. (IB) No. 3973/2018 cannot be restored.

**D. Disposed of**

- As a result of the above discussion, we partly allow the IA No. 1375/2022 with an order that delay, if any, in filing the application shall stand condoned and the C.P.(IB) No. 3973/2018 under Section 9 of the Insolvency and Bankruptcy Code, 2016 which, was disposed of as withdrawn vide order dated 22.07.2019 on the basis of consent terms, is hereby restored and revived. Registry is directed to list the C.P. (IB) No. 3973/2018 for hearing on 03.01.2025.

Link: Revival/restore of CIRP petition even no liberty was granted to the Applicant to get the Petition revived nor there was any stipulation in the consent terms – OCS Group (India) Pvt. Ltd. Vs. Mystical Constructions Pvt. Ltd.

# IBC CASE LAW: NCLT, HAVING DERIVED ITS POWERS UNDER THE IBC, HAS NO JURISDICTION PER SE TO DECIDE ON AN ORDER PASSED BY THE ADJUDICATING AUTHORITY UNDER PMLA AND TO DIRECT THE ED TO RELEASE ATTACHMENT UNLESS SECTION 32A OF THE CODE IS TRIGGERED – DSK MOTORS PVT. LTD. VS. DEPUTY DIRECTOR DIRECTORATE OF ENFORCEMENT – NCLT MUMBAI BENCH

**Brief about the decision:**

***Facts of the case***

- Various assets of DSK Group which includes immovable properties and bank balance aggregating to total value of Rs. 47,440.02 lakhs were provisionally attached by the Directorate of Enforcement (ED/Respondent) vide Provisional Attachment order No. 01/2019 dated 14.02.2019 under the Prevention of Money Laundering Act, 2002 (PMLA, 2002).
- Thereafter, the Corporate Debtor was admitted to Corporate Insolvency Resolution Process (CIRP) vide order dated 09.04.2019.
- While the Corporate Debtor was undergoing CIRP, the Adjudicating Authority of PMLA, 2002, vide order dated 05.08.2019, confirmed the provisional attachment dated 14.02.2019.
- The Resolution Professional filed an appeal under section 26(1) of the PMLA, 2002.
- The Liquidation process of the Corporate Debtor commenced vide order dated 17.03.2020.
- It is the case of the Liquidator that the properties of the Corporate Debtor attached by the ED vide order dated 14.02.2019 are also mortgaged to the financial creditors of the Corporate Debtor and unless the attached properties are released, the Liquidator cannot proceed with the liquidation process of the Corporate Debtor which has to be completed in a time bound process.

***Decision of the Adjudicating Authority***

- The Prevention of Money Laundering Act, 2002 (PMLA) and the Insolvency and Bankruptcy Code, 2016 (IBC) are two distinct and independent legislative pieces with different objects.(p28)
- From Kiran Shah vs. Directorate of Enforcement (2022) ibclaw.in 10 NCLAT, it is clearly understood that while the PMLA concentrates on preventing money laundering and to recover proceeds of crime, the IBC aims at insolvency resolution of the Corporate Debtor. **Thus, this Tribunal, having derived its powers under the I&B Code, has no jurisdiction per se to decide on an order passed by the Adjudicating Authority under PMLA and to direct the ED to release attachment unless Section 32A of the Code is triggered.**

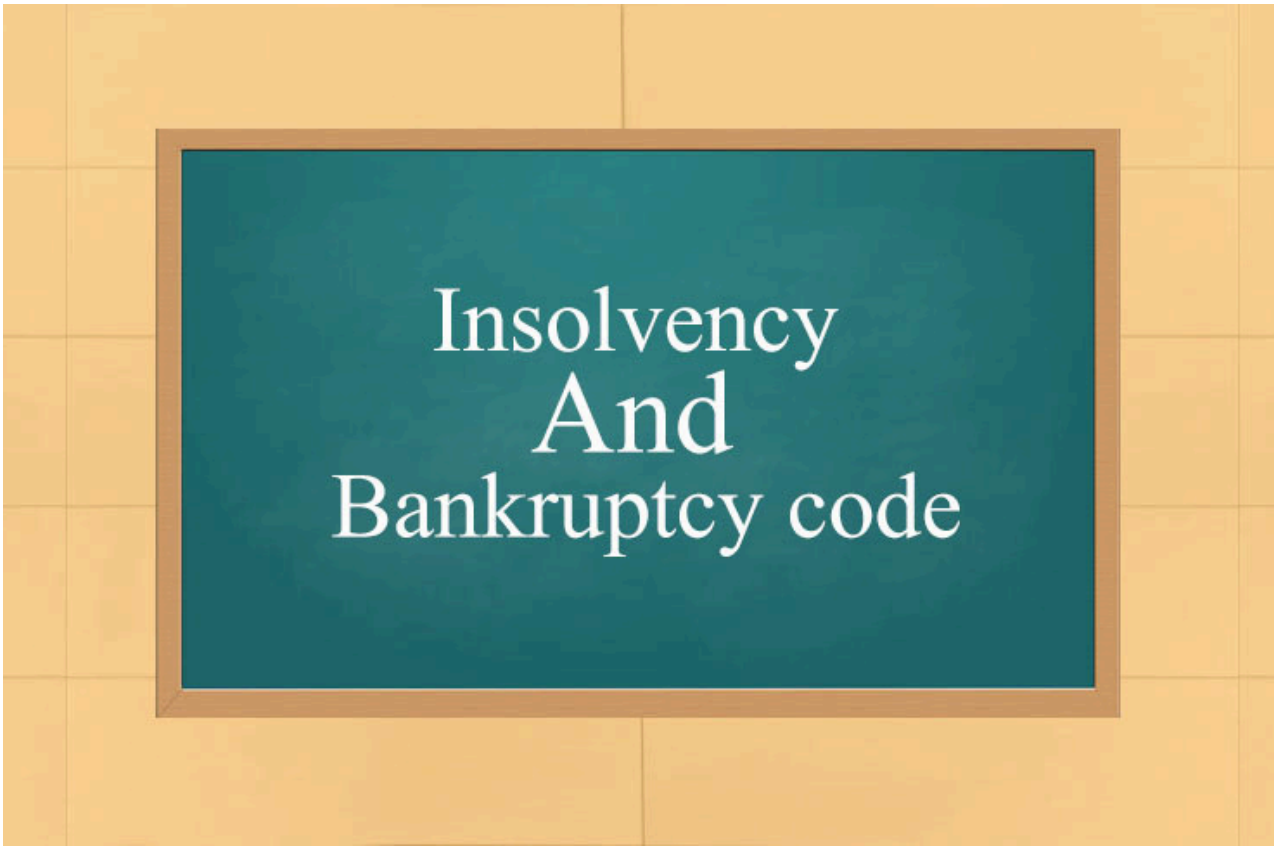
- Section 32A was inserted to the Code vide Act No. 1 of 2020 w.e.f. 28.12.2019, which came as a beneficial provision enabling the successful resolution Applicants or as the case may be, auction purchasers during liquidation, to take over the corporate debtor without any burden of the past liabilities incurred by the erstwhile management of the Corporate Debtor.(p31)
- During the course of the hearing, the Liquidator placed reliance on section 32A of the Code to contend that under IBC, the properties of the Corporate Debtor is protected from all kinds of attachments which also includes attachment under PMLA. On the other hand, Ld. Counsel for the ED argued that section 32A of the Code has no retrospective effect and in the present case since the liquidation order was passed prior to the insertion of section 32A, the Liquidator cannot take recourse under 32A of the Code.(p32)
- From JSW Steel Limited vs. Mahender Kumar Khandelwal & Anr. (2019) ibclaw.in 153 NCLAT, it is clear that section 32A of the Code operates retrospectively. However, this ipso facto is not enough to attract section 32A in the present case and it is important to see the essential conditions required to get the immunity under section 32A. The Hon'ble Supreme Court in Manish Kumar vs. Union of India & Anr. *(2021) ibclaw.in 16 SC* while upholding the constitutional validity of section 32A of the Code had provided an elaborated analysis of the applicability of section 32A of the Code.(p33-35)
- From the above, it is clear that applicability of section 32A is contingent upon fulfilment of the following two essential conditions:

i. A resolution plan must be approved by the Adjudicating Authority; or sale of property of the corporate debtor must be completed during the liquidation process, as the case may be;
ii. The resolution plan or sale during liquidation, as the case may be, should result in change of the management of the Corporate Debtor.

- Ld. Counsel for the Liquidator relied on the judgment passed by Hon'ble Bombay High Court in *Mr. Shiv Charan & Ors. Vs. Adjudicating Authority under PMLA & Anr. (2024) ibclaw.in 154 HC*. The case of *Shiv Charan (supra)* is distinguishable since the observations made therein pertain to a circumstance where resolution plan was approved by the Adjudicating Authority. Admittedly, in the case at hand, no resolution plan has been approved by the Adjudicating Authority and the Corporate Debtor is presently undergoing liquidation. The judgment does not answer whether attachment can be lifted prior to the sale of property/assets of the Corporate Debtor during Liquidation. In fact, in *Shiv Charan (supra)*, the Hon'ble Bombay High Court has clearly emphasized that Section 32A(2) affords immunity where successful sale of assets of the corporate debtor is effected to an unconnected purchaser in liquidation proceedings.

- Thus, it is clear that unless the pre-requisites under section 32A of the Code is fulfilled, there is no impediment to the ED or the Adjudicating Authority under PMLA to go ahead with the proceedings under PMLA. As already discussed above, recourse under section 32A of the Code is available only under two circumstances. One, after approval of a resolution plan by the Adjudicating Authority and two, after completion of sale under liquidation, with fulfilment of the other conditions specified therein. In the present case, neither of the two essential conditions of section 32A of the Code has been fulfilled.(p38)
- From the averments in the application, it is seen that the Liquidator is still in the process of selling the Corporate Debtor under liquidation. Since the assets and properties of the Corporate Debtor have not yet been sold to an unconnected purchaser as required under section 32A of the Code, the benefit under section 32A cannot be availed at this stage. In view thereof, the prayer seeking release of attachment on all properties and assets of the Corporate Debtor is rejected.
- Accordingly, the IA/1854/2020 is dismissed and disposed of. No order as to costs.

Link: NCLT, having derived its powers under the IBC, has no jurisdiction per se to decide on an order passed by the Adjudicating Authority under PMLA and to direct the ED to release attachment unless Section 32A of the Code is triggered – DSK Motors Pvt. Ltd. Vs. Deputy Director Directorate of Enforcement



# IBC CASE LAW: IS OPERATIONAL CREDITOR BEING A SOLE PROPRIETORSHIP, REPRESENTED BY ITS PROPRIETOR, ENTITLED TO FILE INSOLVENCY PETITION? DOES A SECURITY DEPOSIT GENERATING ANNUAL INTEREST NOT QUALIFY AS AN OPERATIONAL DEBT WITHIN THE DEFINITION OF SECTION 5(21) OF THE IBC? – BINOD TEXTILES VS. JBS CLOTHING COMPANY LTD. – NCLT MUMBAI BENCH

**Brief about the decision:**

This Company Petition was filed on 18.01.2020 under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) by M/s. Binod Textiles, the Operational Creditor, a sole proprietorship firm, through Mr. Binod Kumar Jain, Proprietor, for initiating CIRP in respect of M/s. JBS Clothing Company Ltd., the Corporate Debtor.

**A. Insolvency petition filed by the proprietorship firm**

- The Operational Creditor is a proprietorship firm. However, both the Application as well as demand notice on 23.11.2019 were signed by Mr. Binod Kumar Jain, as the Proprietor of the Operational Creditor. The name of the operational creditor in Part I of the Application is mentioned as 'M/s Binod Textiles'. The Application is signed by Shri Binod Kumar Jain in his capacity as the Proprietor of M/s Binod Textiles. The Distributor Agreement was signed for 'Binod Textiles' by Mr. Binod Kumar Jain as the Proprietor. Hence, it can be safely held that the Operational Creditor being sole proprietorship, represented by Shri Jain, is entitled to maintain this Application.
- The Hon'ble Calcutta High Court in Devendra Surana Vs. Bank of Baroda & Ors. [WP No. 5521 (W) of 2017] held that a natural person and a sole proprietorship firm are the same legal entity. In the instant matter, the Application was filed by 'M/s Binod Textiles' represented by Mr. Binod Kumar Jain, who is the sole proprietor, and hence, there exists no difference between Binod Textiles and Mr. Jain as far as their right to be the Applicant. Therefore, the Operational Creditor is entitled to maintain this Application under Section 9 of IBC against the Corporate Debtor and the issue is decided in favour of the Operational Creditor.

**B. A security deposit generating annual interest at the rate of 10% does not qualify as an operational debt**

- As per Clause 3 (Third Bullet Point) of the Distributor Agreement dated 29.05.2018, executed between the parties, the Operational Creditor was required to deposit the security amount of Rs.5,00,000/- at the time of its appointment as distributor of its Brand in the State of Jharkhand, on which interest at the rate of 10%

per annum was also to be paid by the Corporate Debtor. This Clause demonstrates that the nature of transaction of the security amount was not towards the security of the goods supplied or services rendered rather it was to be paid for the purpose of distributorship for the Corporate Debtor's Brand. Although there is no provision for forfeiture of security deposit in the Distributor Agreement, a security deposit generating annual interest at the rate of 10% does not qualify as an operational debt within the definition of Section 5(21) of the IBC. It has been held by the Hon'ble NCLAT, Principal Bench in Carestream Health India Pvt. Ltd. Vs. Seaview Mercantile LLP (2024) ibclaw.in 342 NCLAT that refundable security deposit and interest on the deposit of such security amount is a financial debt under Section 5(8)(f) of the IBC. This position of law has been upheld by the Hon'ble Supreme Court in Global Credit Capital Limited Vs. Sach Marketing Pvt Ltd & Anr. (2024) ibclaw.in 125 SC.

- In view of the legal position, there exists no operational debt in the matter and this issue is decided against the Operational Creditor.

**C. Disposed of**

- In view of the foregoing discussions, no operational debt is due and payable by the Corporate DebtorD to the Operational Creditor. Once operational debt under the IBC is not proved, the Application deserves to be rejected. The IBC is not a tool for recovery of debt by creditors and the NCLT is not a forum for the same.
- This Application bearing C.P. (IB) No. 755/MB/2020 under Section 9 of the IBC, filed by M/s. Binod Textiles, the Operational Creditor, for initiating CIRP in respect of M/s. JBS Clothing Company Limited, the Corporate Debtor is rejected.

Link: Is Operational Creditor being a sole proprietorship, represented by its Proprietor, entitled to file insolvency petition? Does a security deposit generating annual interest not qualify as an Operational Debt within the definition of Section 5(21) of the IBC? – Binod Textiles Vs. JBS Clothing Company Ltd.

# IBC CASE LAW: WHETHER A DEPOSIT LYING WITH A THIRD PARTY CAN BE ADJUSTED AGAINST PRE-CIRP DUES BY IT DURING THE MORATORIUM UNDER SECTION 14 OF IBC? – CENTRAL TRANSMISSION UTILITY OF INDIA LTD. VS. MR. SUMMIT BINANI RP OF KSK MAHANADI POWER COMPANY LTD. AND ANR. – NCLAT CHENNAI

**Brief about the decision:**

***Facts of the case***

- KSK Mahanadi Power Company Ltd. (Corporate Debtor) is a company engaged in business of power generation.
- On 05.12.2012, the Corporate Debtor entered into a Transmission Service Agreement (TSA) with Central Transmission Utility of India Ltd. (CTUIL) for transmitting power from generating point to point of distribution companies in certain states.
- On 01.08.2018, CTUIL issued a notice to the Corporate Debtor for termination of the TSA on account of non-opening of the requisite letter of credit.
- 30.10.2018, the Termination Notice was challenged before the Central Electricity Regulatory Commission (CERC) wherein the Corporate Debtor was directed to open a letter of credit of Rs. 108.44 crores. On 08.02.2019, the aforementioned proceedings were disposed of as infructuous as the Corporate Debtor had made a cash deposit of Rs. 108.44 crores in lieu of the letter of credit as payment security mechanism and the same is for transmission charges dues payable by the Appellant.
- On 03.10.2019, the Corporate Debtor was admitted into CIRP.
- On 03.01.2020, CTUIL issued a notice of regulation of electricity to the Corporate Debtor for making defaults. On 21.01.2020, the above notice of regulation was challenged before the CERC wherein the Corporate Debtor was directed to pay Rs. 100 crores along with current transmission charges. In compliance with the order dated 21.01.2020, the Corporate Debtor deposited the amount of Rs. 100 crores in instalments.
- CTUIL filed its claim with the Resolution Professional for an amount of Rs. 356.41 crores.
- On 28.03.2020, CTUIL invoked the security deposit of Rs. 108.44 crores for adjustment of the same against the outstanding amounts for pre-CIRP period.
- 03.06.2020, CTUIL issued another notice on regulation of power supply w.e.f. 18.06.2020. On the same day, CTUIL issued another notice asking the Corporate Debtor to open a letter of credit for an amount of Rs. 134.71 crores.

- The Corporate Debtor filed an application bearing number I.A. No. 487 of 2020 challenging the notices dated 03.06.2020 and the action of CTUIL to adjust the security deposit of Rs. 108.44 crores against pre-CIRP dues.
- The NCLT vide the Impugned Order dated 09.10.2020 held that such appropriation of security deposit after initiation of CIRP was in contravention to the provisions of the Code.
- CTUIL preferred the present appeal assailing the Impugned Order.

***Question***

Whether a deposit lying with a third party can be adjusted against pre-CIRP dues by it during the moratorium under Section 14 of IBC?

***Decision of the Appellate Tribunal***

- As soon as a company is admitted under CIRP, moratorium under Section 14 of IBC, 2016 triggers in. The moratorium under Section 14 starts from the Insolvency Commencement Date, which is defined in Section 5(12) of IBC, 2016.(p15-16)
- The judgment in Embassy Property Developments Pvt. Ltd. v. State of Karnataka (2020) ibclaw.in 12 SC (para 36) relates to the power of NCLT under Section 60(5)(c). The later part of the said paragraph strengthens the case of the Respondent, instead of the case of the Appellant as it states that once a liability is fastened on the Corporate Debtor by any statutory authority, the dues payable to the Government will come within the meaning of the expression of Operational Debt and the claim of the Government will have to be adjudicated and paid only in the manner prescribed in the resolution plan, as approved by the Adjudicating Authority. Apparently, the pre-CIRP dues have to be paid in a manner prescribed in the resolution plan.
- In *Municipal Corporation of Greater Mumbai v. Abhilash Lal and Ors., (2019) ibclaw.in 28 SC*, the Hon'ble Supreme Court has held that Section 238 will be of importance when the properties and assets of the Corporate Debtor are involved and not when the assets of the 3rd party like MCGM is involved. The present case is regarding security deposit, which till it is adjusted, remains the property of the Corporate Debtor.
- In further deciding the issue, the Hon'ble Appellate Tribunal is guided by ABG Shipyard Liquidator v. Central Board of Indirect Taxes & Customs (2022) ibclaw.in 103 SC and Indian Overseas Bank v. Dinkar T. Venkatsubramaniam, (RP) (2017) ibclaw.in 50 NCLAT.
- In *Paschimanchal Vidyut Vitran Nigam Ltd. v. HAS Traders & Others, (2023) ibclaw.in 81 SC,* the Hon'ble Supreme Court has held that IBC will prevail over provisions of the Electricity Act, 2003, despite the latter containing two specific provisions which open with non-obstante clauses (Sections 173 and 174).

- In the scheme of the IBC, 2016 once a Corporate Debtor is admitted into CIRP, all recovery action for past dues come to a standstill. During CIRP period, the Corporate Debtor has to be kept as a going concern and all essential supplies of goods or services have to be continued, subject to payment of dues "arising from such supply during the moratorium period", that is, on payment of current dues. Recovery of past dues is specifically prohibited and the specified procedure envisages that the creditor will file claim, in proper form, before IRP/RP, which has been done in the present case.
- **The Appellant could not have adjusted the 'security payment deposit' against pre-CIRP dues**. In the light of the provisions of IBC, 2016 and the guidance provided by the judgments cited above, it is clear that the Ld. NCLT was correct in directing that the security payment deposit be not adjusted against the past dues of pre-CIRP period, but instead be adjusted only against the dues arising post CIRP.
- The Hon'ble Appellate Tribunal does not find any reason to interfere in the order of Ld. NCLT. This appeal, accordingly, is **dismissed**. All connected IAs, if pending, are closed. No order as to costs.

Link: Whether a deposit lying with a third party can be adjusted against pre-CIRP dues by it during the moratorium under Section 14 of IBC? – Central Transmission Utility of India Ltd. Vs. Mr. Summit Binani RP of KSK Mahanadi Power Company Ltd. and Anr.

# IBC CASE LAW: EFFECT OF NCLT'S APPROVAL OF RESOLUTION PLAN ON APPLICANT'S CLAIM IN ARBITRATION APPLICATION UNDER SECTION 11 OF ARBITRATION ACT TO BE DECIDED BY ARBITRAL TRIBUNAL – PME POWER SOLUTIONS (INDIA) LTD. VS. AIREN METALS PVT. LTD. – RAJASTHAN HIGH COURT

**Brief about the decision:**

***Facts of the case***

- Applicant has filed instant arbitration application under Section 11 of the Arbitration and Conciliation Act, 1996 on 20.01.2022, seeking appointment of a sole Arbitrator.
- The Financial Creditor namely M/s Kedia Financial Services Pvt. Ltd. had initiated proceedings of Corporate Insolvency Resolution Process (CIRP) against Corporate Debtor/Airen Metals Pvt. Ltd., under Section 7 of the Insolvency and Bankruptcy Code, 2016, before the NCLT, Jaipur, which was admitted on 28.04.2022 and period of moratorium commenced.
- Pursuant to which belated claim was submitted by the Applicant, hence same was rejected by the Resolution Professional on 25.03.2023 and thereafter, vide order dated 31.03.2023, the NCLT, Jaipur has approved the resolution plan in respect of the Corporate Debtor (non-applicant-Company).
- Therefore, the Management of the Corporate Debtor has come in the hands of the Successful Resolution Applicants (SRA) viz. Mr. Rajendra Prasad Sharma, proprietor of M/s Rajbharti Industries, Smt. Bharti Sharma, M/s Polywin Industries and M/s Complex Cable Industries, jointly and by virtue of the approval of resolution plan.

***Decision of the High Court***

- The scope of arbitration application, in view of Section 11(6A) of the Arbitration and Conciliation Act, 1996 is confined and limited to the extent of examining the existence of arbitration agreement between the parties for resolution of dispute.
- A seven judges' Bench of the Hon'ble Supreme Court in In Re: Interplay Between Arbitration Agreements Under The Arbitration and Conciliation Act 1996 And the Indian Stamp Act, 1989 (2023) ibclaw.in 153 SC, has observed that the omission of Section 11(6A), through Arbitration and Conciliation (Amendment) Act, 2019 (Act 33 of the 2019), has not been notified in the official gazette and therefore, the said provision continues to remain in full force. In this judgment, placing reliance on previous judgments of the Apex Court delivered in cases of Duro Felguera, S.A. Vs. Gangavaram Port

Ltd. (2017) ibclaw.in 238 SC and Mayavati Trading Pvt. Ltd. v. Pradyuat Deb Burman (2019) ibclaw.in 171 SC, it has been held that the legislature confined the scope of reference under Section 11(6A) to the examination of existence of an arbitration agreement. It has been held that the referral Court only need to consider one aspect to determine the existence of an arbitration agreement- whether underlying contract contains arbitration agreement which provides for arbitration pertaining to the dispute which has arisen between parties to the agreement. Thus, this Court has to rely upon the provision of Section 11(6A) of the A&C Act.

- **As far as contention of the learned counsel for non-applicant that the claim of applicant has extinguished on account of approval of the CIRP plan by the NCLT, Jaipur vide judgment and order dated 31.03.2023 and the claim does not survive at all, this Court is of considered opinion that such contention touches to merits of the claim, which can be considered and examined by the Arbitrator.** This Court being a referral Court, in exercise of its jurisdiction under Section 11 of the A&C Act, 1996, would refrain to enter into merits/ demerits of the claim.
- Nevertheless, prima facie, it may be observed that the CIRP plan has been approved during the pendency of this arbitration application, which had been filed much prior thereto i.e. on 20.01.2022. Thus, on the date of filing of the arbitration application, the claim of applicant put forth qua the Corporate Debtor was obviously survived. The effect of approval of CIRP against Corporate debtor by the NCLT, on the claim of applicant, can be seen and decided by the arbitration tribunal, taking into consideration the provision of Sections 31(1) and 32-A of the IBC, 2016 and in the light of judgment of the Apex Court in case of Ghanashyam Mishra and Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Company Ltd. & Ors. *(2021) ibclaw.in 54 SC*.
- As a final result, the instant arbitration application is allowed and this Court appoints a sole Arbitrator to adjudicate/ resolve the dispute between parties in accordance with provisions of the Arbitration and Conciliation Act, 1996.

Link: Effect of NCLT's approval of Resolution Plan on Applicant's claim in arbitration application under Section 11 of Arbitration Act to be decided by Arbitral Tribunal – PME Power Solutions (India) Ltd. Vs. Airen Metals Pvt. Ltd.

# RD LOWERS ROC PENALTY ON CO. & DIRECTORS FOR INADEQUATE MSME-1 DISCLOSURES, CITING DIRECTOR'S HEALTH ISSUES DURING FILING

**Background of the case**

1. This case relates to an appeal filed by the company M/s. Samsung R & D Institute India-Bangalore Private Limited against the adjudication order passed by the Registrar of Companies of Bangalore, Karnataka, for the failure to disclose the required details in the MSME-1 form filed by the company. The adjudication order bearing No. ROC (B)/Adj. Ord.454-405/ Samsung R & D/ Co. No 35309/2023/2519 dated 15th November 2023 under section 454 of the Companies Act 2013 passed by the Registrar of Companies, Karnataka for violation of provisions of section 405 of the Companies Act 2013 levied penalty upon the company and its directors to a tune of Rs. 11.67 lakh.

Against the order of the Registrar of Companies of Bangalore, Karnataka, an appeal was filed by the company challenging the penalty of Rs. 11.67 lakh levied, before the Regional Director (South Eastern Region) Ministry of Corporate Affairs, Hyderabad. Upon hearing the appeal, the Regional Director slashed the penalty amount from Rs.11.67 lakh to Rs.7 lakh based on the submissions made by the representatives of the company on behalf of the company and its directors. We shall go through this case in detail in order to understand the rationale behind the reduction in penalty granted by the Regional Director.

**The Company**

2. M/s/ Samsung R & D Institute India-Bangalore Private Limited incorporated on 23rd December 2004 under the provisions of the Companies Act 1956, having its registered office at #2870, Phoenix Building, Bagmane Constellation Business Park, Outer Ring Road, Doddane Kundi Circle, Maratha Halli Post, Bangalore in the state of Karnataka. The company falls under the jurisdiction of the Registrar of Companies of Karnataka, and the office of the Registrar of Companies is situated at Bangalore. As per the details available at the Ministry of Corporate Affairs portal, the company have two directors on its board. The company is in the business of advanced research and development hub of Samsung Electronics business, which includes the consumer electronics division and IT and Mobile communications division.

**Background of the case**

3. As per the adjudication order passed by the Registrar of Companies of Bangalore the company did not provide the complete disclosures of

the specific information in form MSME-1 for the duration April 2022 to September 2022 and also for October 2022 to March 2023 within the prescribed time.

**Penalty levied by Registrar of Companies / Adjudication Officer**

4. The Registrar of Companies / Adjudicating Officer of Bangalore passed an adjudication order dated 15th November 2023, adjudication of penalty under section 454 for default in compliance with the requirements of section 405 of the Companies Act 2013 against the company and its directors as per the details shown below.

| Violation of Section | Delay period | Penalty on company / directors | Penalty imposed |
|---|---|---|---|
| | | | Rupees |
| Section 405 of the Companies Act 2013 – inadequate disclosure of required details as mandated under the provisions of the Act | 266 days (1.11.2022 to 25.07.2023) | Company | 2,85,000 |
| | | Director -1 | 2,85,000 |
| | | Director -2 | 2,85,000 |
| | 85 Days | Company | 1,04,000 |
| | (1.05.2023 to 25.07.2023) | Director -1 | 1,04,000 |
| | | Director -2 | 1,04,000 |
| **Total** | | | **11,67,000** |

**Appeal filed by the company**

5. The adjudication order on this matter was passed by the Registrar of Companies, Bangalore on 15th November 2023. As per provisions of section 454(6), an appeal under sub-section (5) of section 454 is to be filed within a period of 60 days from the date of which the copy of the order made by the adjudicating officers is received by the aggrieved person. The company filed an appeal under Section 454 (5) of the Companies Act, 2013 in Form ADJ on 12th January 2024. On examination of the Application/Appeal, it was seen that the said appeal was filed within sixty days from the date of passing the adjudication order by the Registrar of Companies, Karnataka, in terms of provisions of section 454(6) of the Companies Act 2013.

**Main Contention of the appeal**

6. The main contention of the appeal was that the default committed by the company was unintentional and due to oversight resulting from

a clerical error on the part of the company officials. The company also pointed out in the appeal petition that this error was rectified later by the company by belatedly disclosing the required details through the MSME-1 form filed on 25th July 2023 for both the period mentioned in the adjudication order (i.e. for the period April 2022 to September 2022 and also for the period October 2022 to March 2023). The appeal petition ended with a prayer to the Regional Director that the above default may be condoned considering the matter leniently since the company had already rectified its default as soon as the company realized the default.

**Personal hearing**

7. Upon receipt of the appeal, the Regional Director granted an opportunity of being heard and the personal hearing and the personal hearing date was fixed as on 1st February 2024 and accordingly the company and its directors / officers were asked to be present for the personal hearing before the appeal is being heard.

**The day of the personal hearing**

8. M/s/ Samsung R & D Institute India-Bangalore Private Limited and the concerned directors had appointed an authorized representative – a practicing company secretary - who had appeared on behalf of the company and its director and represented the matter and made the submissions on the day of personal hearing i.e. on 1st February 2024.

The learned practicing company secretary, during the personal hearing, once again reiterated the grounds already taken while filing the appeal petition by the company. Further to the above, the learned advocate, while reiterating the grounds taken in the appeal, had stated that the director was not able to concentrate on this compliance matter as he underwent various health issues and had to undergo treatment during the period from April to August, 2019 and was able to file e-Form INC-20A after his recovery only and thus a delay of 106 days has taken place and hence the advocate sought the condonation for the delay which had occurred beyond the control of the director on his health grounds.

**Conclusion reached by the Regional Director**

9. Upon carefully considering the impugned order passed by the Registrar of Companies, Karnataka and after taking into the ground of appeal made out by the company and considering the submissions made by the practicing company secretary on the day of personal hearing i.e. 1st February 2024, on behalf of the company and its directors, the Regional Director decided to allow the appeal and

decided to modify the order by reducing the penalty imposed by the Registrar of Companies. Accordingly, the Regional Director reduced the penalty imposed by the Registrar of Companies to 60% i.e. from the penalty originally imposed for Rs. 3,89,000 to Rs. Rs. 2,33,000 each for the company and for the two directors of the company.

**Order passed by the Regional Director**

10. The Regional Director after allowing the appeal revised the penalties imposed by the Registrar of Companies Bangalore of Karnataka under and directed the company and its directors to make the revised amount of penalty through the MCA portal within 30 days' time period. The following table shows the reduced amount of penalty imposed by the Regional Director (South Eastern Region).

| Violation of Section | Penalty imposed on company / directors | Penalty imposed by ROC | Revised penalty imposed by RD |
|---|---|---|---|
| | | Rupees | Rupees |
| 405 of the Companies Act | Company | 3,89,000 | 2,33,400 |
| | Director -1 | 3,89,000 | 2,33,400 |
| | Director -2 | 3,89,000 | 2,33,400 |
| **Total** | | **11,67,000** | **7,00,200** |

The order passed by the Regional Director, directed the company and its directors to comply with the order and furnish the payment details once the penalty was paid as directed.

**Payment of the penalty by the company and its directors**

13. As directed by the Regional Director, the company and its directors made the penalty amount through the MCA portal and provided the following details of payment along with SRN number generated by the system.

| Sr. No. | Name of Company / Director | Date of payment | SRN Number | Payment of Penalty Amount |
|---|---|---|---|---|
| 1 | Company | 22-02-2024 | X68598283 | 2,33,400 |
| 2 | Director -1 | 22-02-2024 | X68599661 | 2,33,400 |
| 3 | Director -2 | 22-02-2024 | X68599547 | 2,33,400 |
| **Total Amount** | | | | **7,00,200** |

**Issue of the order by the Regional Director**

14. The order passed on 1st February 2024 by the Regional Director, upon hearing the case, was issued on 26th June 2024, after incorporating the payment of penalty details remitted the company and its directors.

**Despatch of the order**

12. The order in appeal was sent by the Regional Director to the company and its directors with a copy marked to the Registrar of Companies at Bangalore. The order copy was also sent to the Joint Secretary, e-Gov. Cell, Ministry of Corporate Affairs, A-Wing, Shastri Bhavan, Dr. Rajendra Prasad Road, New Delhi with a request to upload this order on the website of the Ministry.

**Complete order for reading**

13. The readers may like to read the complete details of the order in appeal passed by the Regional Director (South Eastern Region) Hyderabad on 26th June 2024 bearing no. 9/09/Adj/Sec 405 of 2023/Karnataka/RD/SER/2024 in the matter of Companies Act 2013/1705 in the matter of M/s. Samsung R & D Institute India-Bangalore Private Limited and the relevant website is https://www.mca.gov.in / content/mca/global/en/data-and-reports/rd-roc-info/rd-adjudication-orders.html ( order uploaded on 12th September 2024 under the RD of South Ease under the file name adjudications order for violation of section 405 of the Companies Act 2013 in the matter of M/s. Samsung R & D Institute India-Bangalore Private Limited).
The readers may also like to read the adjudication order passed by the Registrar of Companies of Bangalore on 15th November 2023, adjudication order bearing No. ROC (B)/Adj. Ord.454-405/ Samsung R & D/ Co. No 35309/2023/2519 - order of adjudication of penalty under section 454 of the Companies Act 2013 read with Rule 3 of the Companies (Adjudication of Penalties) Rules 2014 for violation of provisions of section 405 of the Companies Act 2013 by M/s. Samsung R & D Institute India-Bangalore Private Limited and the relevant website is https://www.mca.gov.in/content/mca/global/en/data-and-reports/rd-roc-info/rd adjudication- orders.html ( order uploaded on 18th December 2023 under the ROC of Bangalore under the file name adjudications order for violation of section 405 of the Companies Act 2013 in the matter of M/s. Samsung R & D Institute India-Bangalore Private Limited).

**Conclusion**

14. readers may be aware that the adjudication mechanism/appeal

procedure was introduced by the Government in order to promote ease of doing business and to reduce the burden of the National Company Law Tribunal / Special Court because the adjudication is being handled by bureaucracy. This process is really quicker, and one can get the order within the time-framed manner

Appeal against the adjudication order passed by the Registrar of Companies could be made by any of the aggrieved persons by the order as per the provisions of section 454 (5) of the Companies Act 2013. Such appeals are required to be made to the Regional Director having jurisdiction in the matter within a period of 60 days from the date a copy of the adjudication order is received by the aggrieved person.
In the instant case, the Regional Director (SER) of Hyderabad decided the appeal to reduce the penalties imposed by the Registrar of Companies to 60 % for both i.e. for the company and as well as for the directors (from Rs.11,67,000 to Rs. 7,00,200) after carefully considering the grounds taken by the company and its director. As stated in the appeal petition, the directors did not commit the default intentionally, and due to oversight coupled with a clerical error, the default happened. The company rectified the same soon after it came to their notice. The Regional Director, after considering the above, reduced the penalty to 60%, as discussed in the earlier paragraph.
It is evident from this case that the company and its directors could appeal against the adjudication order based on genuine cases and prefer an appeal against the order since the appeal is decided based on the circumstances and the merits of the case. No doubt, if a company has a very valid reason for the default, the appellate authorities would consider the same, and the company could get the right justice.

Reference: -
1. Companies Act 2013
2. Companies (Adjudication of Penalties) Rules 2014
3. Companies (Adjudication of Penalties) Amendment Rules 2019
4. Adjudication order dated 15th November 2023 passed by the Registrar of Companies of Bangalore, adjudication order bearing No. ROC (B)/Adj. Ord.454-405/ Samsung R & D/ Co. No 35309/2023/2519 - order of adjudication of penalty under section 454 of the Companies Act 2013 read with Rule 3 of the Companies (Adjudication of Penalties) Rules 2014 for violation of provisions of section 405 of the Companies Act 2013 by M/s. Samsung R & D Institute India-Bangalore Private Limited
5. Appeal order passed by the Regional Director (South Eastern Region) Hyderabad dated 26th June 2024 bearing no. 9/09/Adj/Sec 405 of 2023/Karnataka/RD/SER/2024 in the matter of Companies Act 2013/1705 in the matter of M/s. Samsung R & D Institute India-Bangalore Private Limited.

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