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9th November 2024 – Issue 450

Reserve Bank of India vide notification dated November 06, 2024 has amended the Master Direction - Know Your Customer (KYC) Direction, 2016

- RBI vide notification dated November 06, 2024 has amended 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.
- The amended provisions in the Master Direction shall come into force with immediate effect.
- The notification is attached herein.

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Securities and Exchange Board of India vide circular dated November 05, 2024, has introduced certain disclosures to be made by the Mutual Funds Industry

- Securities and Exchange Board of India vide circular dated November 05, 2024, has introduced certain disclosures to be made by the Mutual Funds Industry.
- Disclosure of expenses, half yearly returns and yield of a scheme shall be made by the Mutual Funds Industry. For all other regulatory disclosures where expenses, expense ratio, returns and/or yield of the schemes are required to be



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disclosed, separate disclosures shall be made for both regular and direct plans.

- In addition to the existing labels relating to levels of risk i.e. Low, Low to Moderate, Moderate, Moderately High, High and Very High, the Risk-o-meter shall also be depicted using a colour scheme.
- In order to standardize the format of disclosure and for ease of understanding of the change in level of risk for unitholders, the Mutual Funds shall disclose the existing risk-o-meter along with the revised risk-o-meter.
- The provisions of this circular shall come into effect from December 05, 2024.
- The circular is attached herein.

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Insolvency and Bankruptcy Board of India vide circular dated October 29, 2024, has introduced Centralized Electronic Listing and Auction Platform for the Sale of Assets under Liquidation Process

- Insolvency and Bankruptcy Board of India vide circular dated October 29, 2024, has introduced Centralized Electronic Listing and Auction Platform for the Sale of Assets under Liquidation Process.
- 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.
- Initially, the platform is envisioned to be deployed on a pilot mode and it will be improved based on the experiences of usage. The full-fledged roll-out of the platform will be notified thereafter.
- This circular shall come into force with effect from 01st November 2024.



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- The circular is attached herein.

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SUPREME COURT ORDERS LIQUIDATION OF JET AIRWAYS ON FAILURE OF RESOLUTION PLAN

The Supreme Court invoked its extraordinary powers under Article 142 of the Constitution to order the liquidation of Jet Airways in view of the "peculiar and alarming" circumstance that the resolution plan has not been implemented for five years.

The Court set aside the NCLAT Order which allowed the cash-strapped Jet Airways' ownership transfer to the Successful Resolution Applicant (SRA) without complete payment in accordance with the resolution plan.

The Court directed the NCLT Mumbai Bench to appoint a liquidator forthwith and commence proceedings for the liquidation of the corporate debtor. The amount of Rs 200 crores already infused by the SRA, Jalan KalRock Consortium (JKC), stands forfeited. The lenders and creditors are entitled to encash the Performance Bank Guarantee of Rs 150 crores furnished by the SRA.

The bench of CJI DY Chandrachud and Justices JB Pardiwala and Manoj Misra had reserved the judgment on October 16. The NCLAT order was challenged by SBI-led lenders of the cash-strapped Airlines.



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BRIEF FACTS OF THE CASE

The main issue before the Court was the challenge to the decision of the NCLAT which allowed the completion of the transfer of ownership of the airlines to the SRA without paying the complete 350 crores as per the approved Resolution Plan. As per the resolution plan, the SRA was to pay a sum of Rs 4783 Crores, and infuse 350 crores in the first tranche of the payment as agreed. In the January 18 order, the Supreme Court set aside the NCLAT's August 8, 2023 decision to allow the SRA to adjust the first tranche of payment of 350 crores against a Performance Bank Guarantee (PBG) which was given as security by the lenders. The bench had directed that (1) the SRA on or before 31 January 2023 deposit Rs 150 crores to the SBI escrow account, failing which the SRA shall be treated as non-compliant with the RP; (2) The PBG of 150 crores shall continue to remain in operation and effect until the final disposal of the appeal before the NCLAT and shall be subject to the outcome of the same;

Notably, the NCLAT in March 2024 directed the monitoring committee of Jet Airways to complete the pending transfer of ownership of the airlines to JKC within a period of 90 days and allowed the adjustment of the PBG of Rs 150 Crores towards the pending tranche payment of Rs 350 crores by the SRA.

Case Number: C.A. NO. 5023-5024/2024

Case Title: *State Bank of India and Ors. v. The Consortium of Mr. Murari Lal Jalan and Mr. Florian Fritsch an Anr.*



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