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INDIA'S BOLD STEP: LIBERALIZING FDI POLICY IN THE SPACE SECTOR

In a ground-breaking move aimed at propelling India's space sector onto the global stage, the Union Cabinet, led by Prime Minister Shri Narendra Modi, recently approved amendments to the Foreign Direct Investment (FDI) policy governing the space industry with the most notable aspect of the allowance of 100% FDI in the space sector, signaling India's openness to international investment and collaboration in this strategically significant domain. This strategic decision underscores India's commitment to unlocking the full potential of its space capabilities through enhanced private participation, as outlined in the visionary Indian Space Policy 2023.

Under the amended policy, the entry routes for various activities are as follows:

- Satellites-Manufacturing & Operation, Satellite Data Products, Ground Segment & User Segment - Up to 74% FDI is permitted under the automatic route, with government approval required beyond this threshold.
- Launch Vehicles and associated systems or subsystems, Creation of Spaceports for launching and receiving Spacecraft - Up to 49% FDI is allowed under the automatic route, with government approval necessary beyond this limit.
- Manufacturing of components and systems/sub-systems for satellites, ground segment, and user segment - Up to 100% FDI is permitted under the automatic route, encouraging investment in critical manufacturing capabilities.

In conclusion, the liberalization of the FDI policy in the space sector represents a significant milestone in India's journey towards becoming a global space power. By embracing greater private sector participation and international collaboration, India is poised to realize its vision of leveraging space for the benefit of humanity while driving economic growth and prosperity at home. These reforms herald a new era of opportunity



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and innovation in India's space sector, laying the groundwork for a brighter and more prosperous future.

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Ministry of Corporate Affairs vide notification dated February 14, 2024, has issued the Companies (Registration Offices and Fees) Amendment Rules, 2024

- MCA vide notification dated February 14, 2024, has issued the Companies (Registration Offices and Fees) Amendment Rules, 2024.
- The Registrar of the Central Processing Center established under sub-section (1) of section 396 shall examine or cause to be examined every application or e-Form or document required or authorised to be filed or delivered as provided under sub-rule (3), for approval, registration or taking on record by the Registrar. The Registrar shall take a decision on the application, e-forms or documents within thirty days from the date of its filing excluding the cases in which an approval of the Central Government or the Regional Director or any other competent authority is required.
- The notification shall come into force with effect from 16th day of February, 2024.

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Ministry of Corporate Affairs vide notification dated February 19, 2024, has introduced the Change Request Form (CRF) on MCA-21

- MCA vide notification dated February 19, 2024, has introduced the Change Request Form (CRF) on MCA-21.
- In Change Request Form (CRF) has been made available on V3 portal for the



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convenience of users of MCA-21 services. This web- based Form is to be used only under exceptional circumstances, for making a request to Registrar of Companies (RoCs), for the purposes which cannot be catered through any existing form or services or functionality available either at Front Office level (users of MCA-21 services) or Back Office level (RoCs).

- The notification is enclosed herewith.

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SPORTA TECHNOLOGIES PVT. LTD., DREAM 11'S SPORTS PLATFORM OWNER ADMITTED INTO CORPORATE INSOLVENCY RESOLUTION PROCESS BY NCLT MUMBAI

The Hon'ble National Company Law Tribunal, Mumbai Bench – V, comprising of Reeta Kohli, Hon'ble Member (Judicial) and Madhu Sinha, Hon'ble Member (Technical) vide Order dated 09.02.2024 has admitted Sporta Technologies Private Limited (“Corporate Debtor”) into Corporate Insolvency Resolution Process upon an Application filed under Section 9 of the Insolvency and Bankruptcy Code, 2016, by its Operational Creditor, Reward Business Solutions Private Limited (“Operational Creditor”).

BRIEF FACTS OF THE CASE

The Operational Creditor was the owner of Unit Nos. 801 and 802, Tower B, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel Mumbai – 400013 and entered into a Lease and License Agreement dated 27.12.2019 with the Corporate Debtor, granting lease of the property. The Agreement provided for a monthly license fee of INR 49.83 lacs for the first three years and INR 57,31,181 for the remaining 2 years.

The Corporate Debtor since the inception of the Agreement did not pay the monthly license fee to the Operational Creditor and as such an outstanding amount



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of INR 7,61,08,246/- for the period of 28.03.2020 to 27.04.2021. The Operational Creditor thereafter issued a demand notice dated 20.04.2021 under Section 8 Form 3 under Rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 and the Operational Creditor did not comply with the demand laid out in the notice. The Operational Creditor thereafter moved its Application under Section 9 of IBC before the Hon'ble NCLT, Mumbai Bench.

The Corporate Debtor in its objections had attempted to establish pre-existing disputes between the parties qua the Agreement. The Corporate Debtor asserted that the leased premises were attached by the Enforcement Directorate and that there was a dispute with respect to the company to which the monthly license fee was to be paid. However, the Corporate Debtor had admitted to its default and liability under the Agreement.

CONCLUSION

The Hon'ble NCLT, exercising its summary jurisdiction took into account only the existence of an admitted debt and corresponding default, held that that the Corporate Debtor cannot be permitted to take undue advantage by withholding the license payment purely on the ground of whom it should have been paid to. The Corporate Debtor chose not to fulfill its financial obligation even after being in receipt of the demand notice issued by the Operational Creditor. The Hon'ble NCLT held that the Corporate Debtor ought to have exercised its due diligence and reasonable prudence should have made the payment and logically saved itself from the rigors of consequent CIRP.

Case Title: Piyush Jani, Resolution Professional for Reward Business Solutions Private Limited v. Sporta Technologies Private Limited

Case No: CP No. 775/(IB)-MB-V/2021



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