

Shephali

REPORTABLE

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
APPEAL NO. 396 OF 2017
WITH
OFFICIAL LIQUIDATOR'S REPORT NO. 252 OF 2015
IN
COMPANY PETITION NO. 278 OF 2014**

THE STATE OF MAHARASHTRA,
Through the Home Department,
having it's Office at Mantralaya,
Hutatma Rajguru Chowk,
Madam Cama Marg,
Mumbai – 400 032.

... APPELLANT

~ VERSUS ~

**ARYARUP TOURISM CLUB
RESORTS PRIVATE LIMITED (IN
LIQUIDATION),**
Through The Official Liquidator, High
Court, Bombay.

... RESPONDENT

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WITH
APPEAL NO. 85 OF 2018
IN
OFFICIAL LIQUIDATOR'S REPORT NO. 126 OF 2013
WITH
COMPANY APPLICATION NO. 630 OF 2015
IN
COMPANY PETITION NO.182 OF 2012
WITH
OFFICIAL LIQUIDATOR'S REPORT NO. 264 OF 2015
IN
COMPANY APPLICATION NO. 234 OF 2010
IN
COMPANY PETITION NO. 326 OF 2010

THE STATE OF MAHARASHTRA,
Through the Home Department,
having it's Office at Mantralaya,
Hutatma Rajguru Chowk,
Madam Cama Marg,
Mumbai – 400 032.

... APPELLANT

~ VERSUS ~

- 1. CITY LIMOUZINES (INDIA) LTD**
(IN LIQUIDATION),
Through the Official Liquidator,
High Court, Bombay.

2. **CITY REALCOM LTD (IN LIQUIDATION),**
Through Official Liquidator,
High Court, Bombay.

... **RESPONDENTS**

APPEARANCES

FOR THE APPELLANT IN BOTH MATTERS **Mr AA Kumbhakoni, Advocate-General, with Akshay Shinde, 'B' Panel Counsel, Hemant Haryan, AGP & Majoj Badgujar.**

FOR OFFICIAL LIQUIDATOR IN APP/396/2017. **Mr Naushad Engineer.**

FOR OFFICIAL LIQUIDATOR IN APP/85/2018. **Mr Prathamesh Kamat, with Sapana Rachure.**

CORAM : G.S.Patel & Gauri Godse, JJ.

DATED : 25th August 2022

ORAL JUDGMENT (Per GS Patel J):-

1. The two Appeals, both disposed of by this common order and judgment, are by the State of Maharashtra. The appeals are on a matter of principle. Very shortly stated, the concern of the State Government, as voiced by the learned Advocate-General, Mr Kumbhakoni, is that as a result of the impugned orders dated 9th June 2017, the beneficial provisions of the Maharashtra Protection

of Interest of Depositors (In Financial Establishments) Act 1999 (“the MPID Act”) are entirely denuded and reduced to meaninglessness when the financial establishment in question is a corporate entity in liquidation. In that situation, Mr Kumbhakoni argues, the assets of the company are vested in the Official Liquidator (“OL”). It is the OL who then invites claims and makes a distribution of the sale proceeds of the company’s assets in order of priority prescribed by statute, that is to say by the Companies Act. Only whatever is left, and Mr Kumbhakoni says there is almost always nothing left, is then made available to the MPID Court for distribution amongst the hapless depositors. They are all treated as unsecured creditors of the company in liquidation and enjoy no priority at all. This is not the purpose or the objective of the MPID Act, Mr Kumbhakoni says.

2. We have understood his submission to mean that while there may not be a repugnancy between the Companies Act and the MPID Act, that is to say that the two statutes are not in conflict, each operating in its own sphere, there are nonetheless ‘competing interests’. On the one hand, there are the interests of creditors of the company under the Companies Act and those who enjoy a statutorily-defined priority in distribution. On the other are the interest of these small depositors for whose benefit the State enacted the MPID Act.

3. The learned Single Judge, RD Dhanuka J, considered precisely this question. In summary, he concluded that where a company is ordered to be wound up, there is an *automatic* vesting of

the assets of the company in the company court, represented for all practical purposes by the OL. An order by the State Government under the MPID Act notifying the company cannot have the effect of divesting the company court of the assets of the company or of transferring that asset-vesting to the MPID Court. The Companies Act 1956 (and now its successor statute, the Companies Act 2013) provide that unsecured creditors are entitled to receive their dues pro-rata only after “preferential payments” are made to secured creditors and those ranked *pari passu* with secured creditors. The competent authority or the MPID Court is not jurisdictionally competent to adjudicate on these preferential payments or, for that matter, on the claims of any other unsecured creditors, workmen or persons referred to in Section 530 of the Companies Act 1956. The protective net of the MPID Act covers only a single class of creditors. While it belongs to a broader genus of ‘creditors’, it actually addresses the concerns of only a small species of that genus viz., those who have placed deposits with the company. Other unsecured creditors are not covered by the MPID Act. The State’s MPID Act is emphatically not for the benefit or protection of other investors or creditors of the financial establishment.

4. Dhanuka J returned this finding and said that the experience of one or two companies in liquidation could not be universalized or broadened in defeasance of the provisions of the Companies Act. He held in paragraph 111 of the impugned order that the powers of the competent authority and the MPID court under the MPID Act could not prevail over the powers of the company court or of the OL. As he sharply pointed out, the MPID Court is entirely silent on any aspect of winding up of a company. It cannot take away powers

conferred under the Companies Act. It cannot undermine duties, obligations and responsibilities demanded by the Companies Act. Dhanuka J said, and in our view correctly, that the two statutes must be construed harmoniously. He achieved precisely such a harmony by holding that, on winding up of companies that are 'financial establishments' under the MPID Act, all assets of these companies in liquidation would vest in the OL. All creditors (including depositors) could then lodge their claims before OL. The MPID Act did not contemplate a situation of winding up of financial establishment and for adjudication of claims of other creditors. Indeed, other creditors outside the purview of the MPID Act could not apply to the MPID Court for an adjudication or a realisation of their claims. For these reasons, and on this analysis, one that we have only very briefly summarised, Dhanuka J rejected the submission made on behalf of the State Government that the competent authority under the MPID Act did have the power to deal with all the properties and assets of any financial establishment, including a company in liquidation.

5. Dhanuka J also rejected the argument that the only competent authority under the MPID Act was empowered to administer the assets and properties in the interests of the depositors. Dhanuka J concluded that the OL is a trustee and a custodian of all assets and properties of a company in liquidation and must deal with them in accordance with the provisions of the Companies Act. The provisions of Section 6 of the MPID Act excluding the jurisdiction could not oust the jurisdiction of the company Court. In paragraph 120, Dhanuka J returned the finding that there is no conflict between the two statutes and that both operate in distinct fields. He

then addressed the specific reliefs sought and issued a series of directions.

6. The facts are not many. We will take them for the purposes of illustration in the case of Aryarup Tourism Club Resorts Private Limited (“**Aryarup**”). The first order of winding up was of 26th September 2014. A liquidator stood appointed. On 29th October 2014, the OL found that the registered office was originally owned by one Santosh Dhuwali prior to 2006. The next day, 30th October 2014, the OL issued notice to the ex-directors of Aryarup and to the Petitioning Creditor as also his Advocates. He scheduled a meeting few days later and called upon the ex-directors to furnish necessary particulars including information about creditors and debtors. The ex-directors were to file a statement of affairs of the company as required by Section 454 of the Companies Act 1956.

7. On 10th November 2014, the Petitioning Creditor wrote to the OL with some bank and property details. He informed the OL that there were criminal complaints against the directors. But the Petitioner sought time. On 16th December 2014, the OL wrote to the Senior Inspector of Police pointing that the OL had been appointed and was seeking to ascertain the factual position regarding the affairs of the company. Since the OL had been told that there were some criminal investigations, the OL sought information. It was not until 31st December 2014 that the State Government issued a notification under Section 5 of the MPID Act appointing a competent authority. On 12th January 2015, the authorities at the EOW informed the OL that the police had seized

bank accounts with a balance in an aggregate of over Rs.12.51 crores, 43 acres of land in Rajasthan and another 27 acres in Thane. On 7th April 2015, the OL filed a Report No. 252 of 2015 for directions to the authorities to deliver custody, control and charge of the properties of Aryarup to the OL.

8. On 7th September 2015, the MPID authorities filed an Affidavit in Reply to this Official Liquidator's Report and submitted that it is those authorities under the MPID Act that should be allowed to continue exercising powers. On 12th May 2016 the State Government issued a notification attaching the properties.

9. Further Affidavits were filed. A total amount of about Rs 21 crores was said to be in the asset bank of Aryarup. The impugned order followed on 9th June 2017.

10. There is no doubt that for both Aryarup and for City Limouzines, deposits were been taken by the companies. In the City Limouzines case, the order of winding up was 1st October 2010. This was the order by which the provisional liquidator was appointed. On 3rd December 2010 was the final order of winding up and the vesting in the company court. The Section 4 notification in respect of City Limouzines by the State of Maharashtra did not follow until as late as 1st March 2016.

11. The MPID Act says that it is a statute to protect the interest of depositors in financial establishment. The phrases "deposit" and "financial establishment" are both defined in Section 2 thus:

“2. Definitions.—In this Act, unless the context otherwise requires,—

(c) “deposit” includes and shall be deemed always to have included any receipt of money or acceptance of any valuable commodity by any Financial Establishment to be returned after a specified period or otherwise, either in cash or in kind or in the form of a specified service with or without any benefit in the form of interest, bonus, profit or in any other form, but does not include—

(i) amount raised by way of share capital or by any way of debenture, bond or any other instrument covered under the guidelines given, and regulations made, by the SEBI, established under the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(ii) amounts contributed as capital by partners of a firm;

(iii) amounts received from a Scheduled bank or Co-operative bank or any other banking company as defined in clause (c) of Section 5 of the Banking Regulation Act, 1949 (10 of 1949);

(iv) any amount received from—

(a) the Industrial Development Bank of India,

(b) a State Financial Institution,

(c) any financial institution specified in or under section 6-A of Industrial Development Bank of India Act, 1964 (18 of 1964), or

(d) any other institution that may be specified by the Government in this behalf;

(v) amounts received in the ordinary course of business by way of—

- (a) security deposit,
- (b) dealership deposit,
- (c) earnest money
- (d) advance against order for goods or services;
- (vi) any amount received from an individual or a firm or an association of individuals not being a body corporate, registered under any enactment relating to money lending which is for the time being in force in the state; and
- (vii) any amount received by way of subscriptions in receipt of a Chit.

Explanation I.- “Chit” has the meaning as assigned to in clause (b) of Section 2 of the Chit Funds Act, 1982 (40 of 1982);

Explanation II.- “Any credit given by a seller to a buyer on the sale of any property (whether movable or immovable) shall not be deemed to be a deposit for the purposes of this clause;

(d) “Financial Establishment” means any person accepting deposit under any scheme or arrangement or in any other manner but does not include a corporation or a co-operative society owned or controlled by any State Government or the Central Government or a banking company defined under clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949).”

12. Notably, “financial establishment” does not mean only a company. It can even include an individual person. This is perhaps one of the most determinative aspects in the present Appeals. The

MPID Act even conceptually is not limited to companies at all. We come now to Section 4, 5 and 6 of the Act which read thus:

“4. Attachment of properties on default of return of deposits.—

(1) Notwithstanding anything contained in any other law for the time being in force—

(i) where upon complaints received from the depositors or otherwise, the Government is satisfied that any Financial Establishment has failed,—

(a) to return the deposit after maturity or on demand by the depositor; or

(b) to pay interest or other assured benefit; or

(c) to provide the service promised against such deposit; or

(ii) where the Government has reason to believe that any Financial Establishment is acting in the calculated manner detrimental to the interests of the depositors with an intention to defraud them;

and if the Government is satisfied that such Financial Establishment is not likely to return the deposits or make payment of interest or other benefits assured or to provide the services against which the deposit is received, the Government may, in order to protect the interest or depositors of such Financial Establishment, after recording reasons in writing, issue an order by publishing it in the Official Gazette, attaching the money or the property believed to have been acquired by such Financial Establishment, either in its own name or in the name of any other person from out of deposits, collected by the Financial Establishment, or if it transpires that such

money or other property is not available for attachment or not sufficient for repayment of the deposits, such other property or the said Financial Establishment or the promoter, director, partner or manager or member of the said Financial Establishment as the Government may think fit.

(2) On the publication of the order under Sub-section (1), all the properties and assets of the Financial Establishment and the persons mentioned therein shall forthwith vest in the Competent Authority appointed by the government, pending further orders from the Designated Court.

(3) The Collector of a District shall be competent to receive the complaints from his District under sub-section (1) and he shall forward the same together with his report to the Government at the earliest and shall send a copy of the complaint also to the concerned District Police Superintendent or Commissioner of Police, as the case may be, for investigation.

5. Appointment of Competent Authority.- (1) The Government may while issuing the order under Sub-section (1) of section 4, appoint any of its officers not below the rank of the Deputy Collector, as the Competent Authority, to exercise control over the monies and the properties attached by the Government under Section 4 of a Financial Establishment.

(2) The Competent Authority shall have such other powers as may be necessary for carrying out the purposes of this Act.

(3) The Competent Authority shall, within thirty days from the date of the publication of the said order, apply to the Designated Court, accompanied by one or more affidavits stating the grounds on which the Government has issued the said order under Section 4 and

the amount of money or other property believed to have been acquired out of the deposits and the details, if any, of persons in whose name such property is believed to have been invested or acquired or any other property attached under Section 4, for such further orders as found necessary.

6. Designated Court.—

(1) For the purposes of this Act, the Government may, with the concurrence of the Chief Justice of the Bombay High Court by notification in the Official Gazette, constitute one or more Designated Courts in the cadre of a District and Sessions Judge for such area or areas or such case or class or group of cases, as may be specified in the notification.

(2) No Court including the Court constituted under the Presidency Towns Insolvency Act, 1909 (3 of 1909) and Provincial Insolvency Act, 1920 (5 of 1920), other than the Designated Court shall have jurisdiction in respect of any matter which the provisions of this Act apply.

(3) Any pending case in any other Court to which the provisions of this Act apply shall, on the date of coming into force of this Act, stand transferred to the Designated Court.”

13. On any reasonable reading, it is clear that the MPID Act does not contemplate a situation of a company in liquidation at all. There are two reasons for this. The first is that the MPID Act deals with a financial establishment as defined. It is not limited to a company. In that scenario, i.e. where the financial establishment is *not* a company, no question of winding up arises. Second, it appears from a careful reading of Section 4 that the MPID Act is in fact predicated on the financial establishment (where it is a company) *not* being in liquidation and of it being an active and going concern. This is inter

alia apparent from the provisions of Section 4 which speaks of an ongoing action not only against the financial establishment but also against a promoter, director — and then come the other words — partner, manager or member of the financial establishment. Mr Kumbhakoni's construct, if read in its strictest fashion, would probably result in a liability attaching to shareholders of the company because they would be 'members' of the financial establishment in question, i.e., the company. That is in fact not the contemplation of the Act at all. 'Member' in such a case must be read in the context of, say, an association of persons. But the liability does not stop at promoters or directors. It extends to partners and even to managers. All of these are internal indicators that tell us that the MPID Act is not in fact meant to apply to companies in liquidation in the manner Mr Kumbhakoni suggests. We do not mean by this that once a company is in liquidation, the MPID Act will not apply. It only means that the MPID Act cannot supplant the Companies Act in the matter of winding up and of liquidation of the company.

14. The definition of depositor also clearly indicates that even under the MPID Act a depositor does not elevate to the level of a secured creditor where the financial establishment is a company. We do not believe that in the guise of interpreting a statute we can inject words like this into the plain and unambiguous wording of the various provisions. The MPID Act is of 1999. The provisions of the Companies Act 1956 were long established and were in place before the MPID Act. The State Legislature must be presumed to have had those in mind at the time of enactment of the MPID Act.

15. Mr Kumbhakoni urges that it is the authorities under the MPID Act that actually set in motion and are most effective in harvesting or husbanding the assets of the defaulting company. This is done through the police agencies and then, as he somewhat colourfully put it, the OL swoops in and takes charge of all these assets. The result is that the depositors are left virtually without remedy or recourse.

16. The difficulty faced in one particular case, or even a dozen particular cases, cannot serve as a guide to interpretation of a statute. These situations, however heart-rending, will not suffice to achieve Mr Kumbhakoni's purpose before us today, which is nothing but to supplant the Companies Act with the MPID Act where a company is the financial establishment within the meaning of MPID Act.

17. Before we turn to the decided case law on the subject, we pause to consider the inherent inconsistencies and vulnerabilities in the proposition that Mr Kumbhakoni canvasses before us. If what he says is correct, then whenever there is a financial establishment that is a company, and that company is in liquidation, then it is the MPID Court which would quite literally function as the OL but without any regard to the preferential payment hierarchy set up in the Companies Act itself. It is the MPID Court that would first disburse assets to depositors, leaving secured creditors without remedy although there is an assurance of preferential payment. Even worse would be the condition of workmen of the company. All these interests, statutorily mandated by the Companies Act, would, on an

acceptance of Mr Kumbhakoni's argument, be relegated to second place after the interests of depositors.

18. There is another aspect to this. Mr Engineer points out that under Section 7 of the MPID Act and particularly sub-section (4) the only distribution that is contemplated is a distribution to depositors. The MPID Court therefore has no jurisdiction over any other form of creditor.

19. From the Constitutional perspective to, the two operate in different fields. The Companies Act and the necessary parliamentary competence is traceable to Entries 43 and 44 of List I, the Union List in the VIIth Schedule to the Constitution. The legislative competence of the State Legislature in enacting the MPID Act is traceable, on the other hand to Entries, 1, 30 and 32 of the State List, i.e. List II of the VIIth Schedule to the Constitution of India. This takes us to a very quick consideration of Articles 246 and 254 of the Constitution of India, which read thus:

“246. Subject-matter of laws made by Parliament and by the Legislatures of States.—

(1) Notwithstanding anything in clauses (2) and (3), Parliament has exclusive power to make laws with respect to any of the matters enumerated in List I in the Seventh Schedule (in this Constitution referred to as the “Union List”).

(2) Notwithstanding anything in clause (3), Parliament and, subject to clause (1), the Legislature of any State [***] also, have power to make laws with respect to any of the matters enumerated in List III in the Seventh Schedule (in this Constitution referred to as the “Concurrent List”).

(3) Subject to clauses (1) and (2), the Legislature of any State [***] has exclusive power to make laws for such State or any part thereof with respect to any of the matters enumerated in List II in the Seventh Schedule (in this Constitution referred to as the “State List”).

(4) Parliament has power to make laws with respect to any matter for any part of the territory of India not included [in a State] notwithstanding that such matter is a matter enumerated in the State List.

254. Inconsistency between laws made by Parliament and laws made by the Legislatures of States. —

(1) If any provision of a law made by the Legislature of a State is repugnant to any provision of a law made by Parliament, which Parliament is competent to enact, or to any provision of an existing law with respect to one of the matters enumerated in the Concurrent List, then, subject to the provisions of clause (2), the law made by Parliament, whether passed before or after the law made by the Legislature of such State, or, as the case may be, the existing law, shall prevail and the law made by the Legislature of the State shall, to the extent of the repugnancy, be void.

(2) Where a law made by the Legislature of a State [***] with respect to one of the matters enumerated in the Concurrent List contains any provision repugnant to the provisions of an earlier law made by Parliament or an existing law with respect to that matter, then, the law so made by the Legislature of such State shall, if it has been reserved for the consideration of the President and has received his assent, prevail in that State:

Provided that nothing in this clause shall prevent Parliament from enacting at any time any law with respect to the same matter including a law adding to, amending,

varying or repealing the law so made by the Legislature of the State.”

(Emphasis added)

20. It is clear from the emphasized portions above that the State Legislature could never have framed an enactment or a legislation on any entry that falls within List I. There was simply no legislative competence for it. If this be so, the MPID Act cannot possibly be said to cover any portion of the field that is fully occupied by the Companies Act.

21. It is for this reason that Dhanuka J correctly said that the two operate in distinct fields, a position that Mr Kumbhakoni also accepts.

22. Several decisions of the Supreme Court have dealt with statutes that are *in pari materia* with the MPID Act though applicable to other States: Puducherry;¹ Andhra Pradesh² and Tamil Nadu *KK Baskaran v State Rep By Its Secretary, Tamil Nadu & Ors.*³

23. The constitutional validity of the Maharashtra Act itself has also been upheld by the Supreme Court in *KK Baskaran* by which a Full Bench decision of this Court invalidating the statute and holding it to be ultra vires was set aside.

1 (2012) 10 SCC 575.

2 (2013) 10 SCC 677.

3 2011 (3) SCC 793.

24. Mr Kumbhakoni's submission, however, is on the impact of the non obstante clause in Section 4 of the MPID Act. But this itself has been sufficiently addressed in *Vishal N Kalsaria v Bank of India & Ors.*⁴ While Mr Kumbhakoni relies on some portions, i.e. paragraphs 22, 25 and 29, the statement of law in paragraph 37 appears to us to be completely on point. The perceived conflict there was between Rent Control Act and the SARFAESI Act. The Supreme Court said that the expression "any other law for the time being in force" cannot mean to extend to each and every law enacted by the Central and State Legislatures. It can only extend to the laws *operating in the same field*.

25. A non obstante clause in Section 35 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act was also interpreted in *Central Bank of India v State of Kerala*.⁵ This decision inter alia also held that the two provisions would have to operate in the same field and something inconsistent in the other law had to be shown. Otherwise the two statutes would have to be construed harmoniously.

26. Both sides have drawn our attention to the decision of a Division Bench of this Court in *Prabhakar D Gune & Ors v Vishnukant Bapurao Urankar*.⁶ The Division Bench (SC Dharmadhikari and SB Shukre, JJ), which considered inter alia the MPID Act. The decision in *Prabhakar Gune* came after a Full Bench of this Court had held the MPID Act to be ultra vires in *Vijay C*

4 (2016) 3 SCC 762.

5 (2009) 4 SCC 94.

6 2013 SCC OnLine Bom 1111 : 2014 (1) Bom CR (Cri) 262.

Puljal v State of Maharashtra.⁷ The *Prabhakar Gune* Court noted that in *K Baskaran* a similar statute from Tamil Nadu had been upheld as being constitutional. One of the arguments before the *Prabhakar Gune* Court was precisely in regard to the so-called conflict between the Companies Act and the MPID Act. In paragraph 54, the Division Bench said that neither the Reserve Bank of India Act nor the Companies Act would apply in a situation where the MPID Act fully operated. But the Division Bench also noted in paragraph 38 the argument regarding a conflict between a MPID Act and the Companies Act. In paragraph 55, the Division Bench observed that any orders under the MPID Act would necessarily depend on the pendency or proceedings in relation to winding up of a company. It rejected the argument that there was an inconsistency and the corresponding submission that it was the MPID Act that “fully occupied the field”.

27. The early case of *Union of India v HS Dhillon*⁸ is authority, if any is needed, for the proposition that even if there is such a conflict it is the parliamentary legislation that will prevail.

28. Mr Kamat for the OL in the *City Limouzines* case also draws attention to the decision in *A Talukdar & Co v Official Liquidator*.⁹ There the Supreme Court took the view that once a company was ordered to be wound up the assets of the company come into the custody of a company court and no arrangement after winding up

7 2005 SCC OnLine Bom 1069 : 2005 (5) Bom CR 481 : (2005) 4 Mah LJ 5.

8 (1971) 2 SCC 779

9 (2016) 14 SCC 289.

without leave of that Court can be recognized regarding those assets. This is precisely the finding returned by Dhanuka J.

29. Mr Kamat also draws our attention to paragraph 51 of the Supreme Court regarding the Insolvency and Bankruptcy Code in *Innoventive Industries Ltd v ICICI Bank & Anr.*¹⁰ This is for the proposition that Presidential Assent is only required where a State Legislation is in regard to an act under an entry in List III of the VIIth schedule or one in the concurrent List. Mr Kumbhakoni's submission that the State Government obtained Presidential Assent will not move the subject off one List to another.

30. We find no provision in the MPID Act to support the stand taken by the State Government. There can be no divesting of the powers and authority of the company Court and of the OL only on account of the MPID Act.

31. The formulation by Mr Kumbhakoni possibly raises more questions than it answers. One such question is about territoriality. The MPID Act is limited to the State of Maharashtra. It is unclear what is to happen if a company has assets physically located outside the State and whether the MPID Court could ever take charge of those assets beyond its territorial limits. The company Court on the other hand has no such territorial restrictions because under company law every asset of the company in liquidation vests in the OL.

10 (2018) 1 SCC 407.

32. Viewed from this perspective, we find no infirmity in the impugned order. In our view the appeals do not warrant interference.

33. The Appeals are dismissed. There will be no order as to costs.

(Gauri Godse, J)

(G. S. Patel, J)