

Insolvency and Bankruptcy Board of India
7th Floor, Mayur Bhawan, Connaught Place, New Delhi – 110001

23rd March, 2023

Subject: Judgment¹ dated 17th March, 2023 of Supreme Court in the matter of SREI Multiple Asset Investment Trust Vision India Fund Vs. Deccan Chronicle Marketeers & Others [Civil Appeal No.1706 of 2021 with other appeals]

I. Brief Background:

Deccan Chronicle Holdings Ltd. (DCHL) (CD), has been in the business of printing, publication and sale of daily newspapers under the trade names, “*Deccan Chronicle*” and “*Andhra Bhoomi*”. On 10.12.2018 the resolution plan of the appellant was approved by the CoC with 81.39% voting share. On 03.06.2019, AA approved the resolution plan subject to the outcome of the pending I.A. No.155 of 2018 pertaining to ownership of trade names post approval of the resolution plan. AA in vide order dated 14.08.2019 disposed of this IA declaring that the trademarks (“*Deccan Chronicle*” and “*Andhra Bhoomi*”) belong to the CD and it has exclusive right to use the trademark. NCLAT, vide its order dated 02.09.2022, had set aside the order dated 14.08.2019 of AA and held that AA has transgressed its jurisdiction in holding the ownership rights of the CD over the trademarks which amount to a modification/alteration of the approved resolution plan by CoC, which is impermissible in law. SRA/ appellant filed an appeal before SC.

II. Issue:

Whether NCLAT was right in observing that AA has transgressed its jurisdiction, by modifying the approved resolution plan?

III. Findings & Observations of the Hon’ble Supreme Court –

SC held that approved resolution plan mentions perpetual exclusive right to use the trademarks by the CD which were also available to SRA. SC observed “*the right to exclusive use of the trademarks belonging to the CD is always available to the SRA, but not the ownership rights.*” SC while dismissing the appeal held that AA has exceed its jurisdiction, while adjudicating application I.A. No.155 of 2018, post approval of resolution plan. Thus declaration of the ownership rights of the CD over the trademarks amount to a modification/alteration of the approved Resolution Plan by CoC, which is impermissible in law.

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