

MANISHA NIMESH MEHTA

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Date: 27th Feb 2024

To

The Chairman

Securities and Exchange Board of India (SEBI)

Plot No. C4-A, G Block,

Bandra Kurla Complex,

Bandra (East), Mumbai - 400 051.

Subject: Complaint Against M/S LG Electronics India Pvt. Ltd. for Financial Misconduct, Misrepresentation in DRHP, and Concealment of MSME Dues

Dear Sir/Madam,

I Mrs. Manisha Mehta representing **Perfect Infraengineers Ltd.** (hereinafter referred to as "the Petitioner"), hereby file a formal complaint against **M/S LG Electronics India Pvt. Ltd.** (hereinafter referred to as "the Respondent"), highlighting serious financial irregularities, misleading information provided in their Draft Red Herring Prospectus (DRHP), and the concealment of critical facts regarding outstanding dues owed to **Micro, Small, and Medium Enterprises (MSMEs)**, specifically the Petitioner. These actions not only harm the Petitioner but may also mislead investors and result in significant public financial losses.

Brief Facts of the Case:

1. Maintenance Services Contract & Outstanding Payments:

- On **23rd December 2017**, the Petitioner entered into an Annual Maintenance Contract (AMC) with the Respondent for maintenance services of VRV machines.

- The Petitioner issued invoices for the services provided, specifically **Invoice No. AMC17181630129** dated **24th January 2018** (Rs. 3,75,526) and **Invoice No. AMC1819-1630021** dated **1st June 2018** (Rs. 3,72,526). The total outstanding payment of Rs. **7,45,052** remains unpaid, along with 21% annual interest as per the terms agreed.

2. C-Form and VAT Issues - Misleading and Irrelevant Dispute:

- The Respondent raised a dispute based on the non-deposit of VAT for the financial years 2015-16 and 2016-17 under the Maharashtra Value Added Tax Act (MVAT Act). The matter pertains to a separate transaction involving the installation of LG Chillers at Pune and Rajasthan, which is unrelated to the maintenance contract.
- The Petitioner has already settled the C-Form issue by paying **INR 97,84,984** on **12th February 2019**, in addition to issuing the necessary GST payments, resolving the dispute. However, the Respondent continued with a **cheque bounce case** under the Negotiable Instruments Act (Case No. 868/2018) despite the dispute being resolved in 2019.

3. Ongoing Legal Harassment and Unwarranted Case:

- Despite resolution of the underlying issue and payment made, the Respondent has failed to withdraw the cheque bounce case, causing unwarranted harassment to the Petitioner and a further strain on its business operations. The Respondent is fully aware that the legal case is no longer maintainable.

4. Material Non-Disclosure in DRHP for Upcoming IPO:

- The Respondent is currently planning a **large Initial Public Offering (IPO)** and has filed a **Draft Red Herring Prospectus (DRHP)** with the relevant authorities.
- Notably, the Respondent has failed to properly disclose the **ongoing financial disputes** with the Petitioner in the DRHP, including the significant **outstanding payments**, unresolved legal matters, and the financial loss faced by the Petitioner due to the Respondent's actions. This omission could mislead potential investors and result in them making decisions based on incomplete and inaccurate financial information.

5. Concealment of Outstanding Dues to Micro, Small, and Medium Enterprises (MSMEs):

- The Respondent has **deliberately failed to disclose its outstanding dues to the Petitioner, a Micro, Small, and Medium Enterprise (MSME)**, in their DRHP, as required under applicable laws. The Petitioner's dues are a clear liability, yet these have been concealed by the Respondent, misrepresenting their financial standing.
- The non-disclosure of such critical information about liabilities to MSMEs, as required under the **Micro, Small, and Medium Enterprises Development (MSMED) Act, 2006**, raises serious concerns. The Petitioner has suffered financially due to this non-payment, and the failure to disclose these liabilities could mislead investors and regulatory authorities, making the IPO filing incomplete and misleading.

6. Misleading SEBI and Investors:

- The Petitioner is concerned that the Respondent is deliberately concealing material facts in the DRHP to present a falsely favorable financial position, which could mislead investors and lead to wrongful public investment in the upcoming IPO.
- The Petitioner's outstanding debts, unresolved disputes, and the legal actions mentioned above should have been disclosed in the DRHP to provide investors with a full and transparent picture of the Respondent's financial liabilities.

Request for SEBI's Immediate Intervention:

Given the above facts, we urge SEBI to intervene and take the following actions:

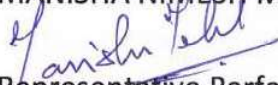
1. **Investigation:** Conduct an investigation into the Respondent's financial conduct, particularly regarding the ongoing dispute with the Petitioner, failure to settle the debts owed, and concealment of dues to MSMEs.
2. **Disclose Material Information:** Direct the Respondent to disclose the complete and accurate details of the ongoing financial disputes, liabilities, and legal cases with the Petitioner, including dues owed to MSMEs, in the **DRHP** filed for their upcoming IPO.
3. **Ensure Transparency:** Ensure that all material facts, including outstanding debts to MSMEs, unresolved legal matters, and financial irregularities, are disclosed to investors, to provide a transparent and accurate picture of the Respondent's financial stability and credibility.

4. **Investor Protection:** Prevent potential harm to investors who may unknowingly invest in a company with unresolved financial issues and disputed liabilities, leading to public loss.

The Respondent's failure to disclose such critical information in the DRHP may not only mislead investors but also have a detrimental effect on the overall market, undermining the integrity of the securities market. Therefore, we request SEBI to ensure the protection of public interest and take appropriate action against any misleading practices.

Thank you for your attention to this matter. We trust that SEBI will act promptly to address the issues raised and ensure that the Respondent's IPO is conducted transparently and ethically.

MANISHA NIMESH MEHTA


Representative Perfect Infraengineers Ltd

Cc Mr Kwang-Mo Koo

Chairman LG Electronics India Pvt Ltd

CC Secretary

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