

[illegible]

NAME OF THE PARTIES: Edelweiss Asset Reconstruction Co. Ltd.
v/s.
Reid Taylor (India) Ltd.

ORDER

M.A. 04/2019

M.A. 79/2019

Not on board. Taken on board. Counsel for the Applicant is directed to serve notice to the Respondent and file proof of service. List this Application on 28.01.2019.

ORDER

Counsel representing the Financial Creditors, Counsel representing the RP, Counsel representing the Employee's Association and the Proposed Investor (SPGP Holdings of Hongkong) are present. Mr. Agarwal, who represented the Proposed Investor, expressed his inability to deposit any amount as EMD for the submission of Resolution Plan.

When this Bench questioned him as to how he contended that his net worth is more than Rs. 50 crores and how he is in a position to make some deposit, the proposed investor Mr. Agarwal could not give any tenable or reasonable explanation and sought apology from this Bench.

However, one Mr. Shah, representing CFM Asset Reconstruction Pvt. Ltd., who received the information on the present financial position of the Corporate Debtor approached this bench with the help of Workers Association and submitted that his net worth is more than Rs. 100 crores and he has assets under management to an extent of about Rs. 1250 crores. He has also submitted that as a senior citizen and as a former banker, he would like to do something beneficial to the country and the Corporate Debtor further assured that he would be in a position to come back to this Bench as to how much he can deposit towards EMD in order to prove his bona fides. This Bench required him to deposit an amount of at least Rs. 5 crores while

submitting the Resolution Plan, in case he is really interested to proceed further in this matter.

Mr. Shah categorically stated that he needs the approval from his directors and most probably he may deposit at least Rs. 2 crores initially to seek details of the Company and then deposit the balance of Rs. 3 crores at the time of submitting any resolution plan.

This Bench sought the opinion of the Financial Creditors and the Counsel representing the Resolution Professional whether it is a correct business proposition to afford him an opportunity to proceed further in the efforts for the revival of the Company. The Financial Creditors present in the Court expressed their willingness for granting 48 hour's time to Mr. Shah representing CFM Asset Reconstruction Pvt. Ltd., on the condition that he must come back to this Bench with clear proof on their Financials and also his ability to deposit at least Rs. 2 crores towards EMD subject to necessarily approvals from his side and further deposit an amount of Rs. 3 Crores at the time of submission of Resolution Plan.

This Bench is making all the possible efforts to somehow revive the Company in the interest of all the parties concerned but at the same time the manner in which the Hongkong based Company has come forward and painted a rosy picture to take over the Corporate Debtor and later could not raise up to the expectation of this Bench, as projected by them, this Bench expresses anguish for the same.

This Bench expects Mr. Shah to honestly make an effort and come back to this Bench with true picture of their financials and real intentions to further proceed in this matter. In the event no investor is coming forward despite the best efforts made, we are left with no other option but to proceed as per law.

When this order is being dictated, the Counsel representing the Financial Creditors required the proposed investor to submit a copy of their financial statements, so that they would be in a position to analyze the same within 48 hours. All the submissions made by the Financial Creditors to extend their helping hand in the revival of the Company are to be noted that no prejudice with regard to their rights and contentions.

List this matter on 17.01.2019 at 4 p.m.

SD/ –

V. NALLASENAPATHY
Member (Technical)

SD/ –

BHASKARA PANTULA MOHAN
Member (Judicial)

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