

**BEFORE THE COMMITTEE CONSTITUTED UNDER THE
BOMBAY HIGH COURT ORDER DATED 2nd SEPTEMBER 2014
IN SUIT NO. 173 OF 2014 AND OTHER RELATED SUITS
COMPRISING OF MR. JUSTICE V.C.DAGA (RETD.) CHAIRMAN,
MR. J.S.SOLOMAN (ADVOCATE AND SOLICITOR-MEMBER)
AND MR. YOGESH THAR (CHARTERED ACCOUNTANT
MEMBER)**

MODERN INDIA LIMITED & ORS

..PLAINTIFFS

VS.

FINANCIAL TECHNOLOGIES (INDIA) LTD.

AND OTHERS

..DEFENDANTS

APPEARANCES

Mr. Ameet Naik, i/b Naik, Naik and Co.with Mr. Chirag Kamdar,
Ms.Anuja Jhununjhuwala and Mr. P.R.Ramesh, Advocates for
NSEL

Mr. Sachindra Dube, Mr. Joseph Massey, Mr. Neeraj Sharma,
Mr.Anand Daksha, for Mr. Ajay Dube NSEL

Mr.A.R.Birla, with Mr. Akshay Patil, Ms.Pooja Kothari and Ms.
Heral Thakkar i/b Federal and Rashmikant for plaintiff in Modern
suit.

Mr. G. Kameswearing Rao, Managing Director of Spin Cot Textiles
Pvt. Limited.

Mr. Sunil L.Patel with Mr. Uttam Tiwari i/b Sunil & Co. for White
Water Foods Pvt. Ltd.

Mr. Bhusan Shah with Ms. Namrata Shah i/b Mansukhlal Hiralal and Co. in L.J. Tanna suit.

Mr. Paresh Gerik i/b B.S. Mehta and Co.

Ms. Nidhi Shukla for NAKA

Mr. Gagan Suri for Yeturi Associates

Mr. Vijay K. Singh, Sr. Partner i/b Singh & Associates for Mohan India Pvt. Ltd. and group companies.

ORDER SHEET NO. 8
(Dated 22nd November 2014)

1. Pursuant to the notice issued to Spin-Cot Textiles Pvt. Limited, Mr. G. Kameswara Rao, Managing Director of Spin-Cot Textiles Pvt. Limited, appeared and tried to explain the transactions between him and NSEL
2. Mr. Rao has admitted before the Hon'ble High Court, as well as before this Committee that he is liable to pay to NESL an amount of Rs. 38.36 Crores. He has also pointed out that all his properties are attached by E.D. and E.O.W. both and that symbolic possession of the very same properties are also taken by the Indian Overseas Bank and Punjab National Bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short "Securitisation Act")
3. Mr. Rao has no objection if the Court Receiver takes possession of the properties and that he is ready to cooperate with the Court Receiver. In this view of the

matter, Mr. Naik is permitted to take up this issue on behalf of NSEL with the Court Receiver with a request to the Court Receiver to proceed to take possession of the properties expeditiously.

4. The Committee shall highly appreciate if the Court Receiver makes a report and forward the same with regard to the status of the properties and the steps taken for taking possession of the properties referred to in the Order dated 20th November, 2014 passed by the Hon'ble High Court.
5. Mr. Rao also submitted that so far as his textile Mill is concerned, as on date the said Mill is not functioning. That there is no stock left with the Mill. That all his properties are attached by various authorities. The bank accounts are frozen. Under these circumstances, he is finding it difficult to liquidate his liabilities. However, he submits that some of the viable parties are ready to take Mill for running either on licence or lease basis. However, this can only happen subject to the approval granted by various authorities including the present Committee and the Hon'ble High Court.
6. The committee is of the opinion that the parties should make an endeavour to put the Mill in operation so that some funds can be generated so as to clear the liabilities outstanding against Spin Cot Textiles Pvt. Limited. Mr. Rao is permitted to negotiate with the parties and to submit the proposal to the Committee so that the Committee can

consider the viability of either permitting lease or licence of the textile mill subject to approval of the Hon'ble High Court.

7. On being asked Mr. Rao is ready to furnish the books of account for the last 3 years so as to establish his case that money has gone to the Banks and that there are no stocks.
8. Mr. Rao also submits that EOW has already carried out the forensic audit so far as the properties are concerned. EOW is directed to furnish the copy of the Forensic Audit Report.
9. Mr. Naik has also brought to our notice the order passed by the Hon'ble High Court in Arbitration Petition No. 1651 of 2014 dated 20th November, 2014 wherein the Hon'ble High Court has directed the Court Receiver to take possession of the properties described at Sr. Nos. I to V and VIII of Exhibit "Z" referred to in the said order. That the Court Receiver has not yet taken possession of the said properties.
10. Mr. Naik also submitted that various properties attached are either mortgaged or charged with Indian Overseas Bank and/or Punjab National Bank. They have also taken symbolic possession of the mortgaged properties under the provisions of SECURITISATION Act. In this view of the matter in order to facilitate liquidity of the amount, it would be necessary to have joint efforts in collaboration with the Banks to liquidate properties.

11. In view of the above suggestion, the Committee directs that the notice be issued to the Indian Overseas Bank and Punjab National Bank of which addresses are provided by Mr. Rao so that the Bank Officials can appear and make their stand clear.
12. Issue notice to BSPN Exports Pvt. Ltd. at 6-2-30/B, Flat No.1093, Empress Court, Khairthabad, Hyderabad 500 004, returnable on 4th December, 2014.
13. Mr. Rao to appear on 4th December, 2014 and all the notices issued are made returnable on 4th December, 2014.



JUSTICE V.C.DAGA (Retd.)
CHAIRMAN



J.S.SOLOMON
ADVOCATE & SOLICITOR MEMBER



YOGESH THAR
CA
MEMBER