ITEM NO.1 **COURT NO.5** **SECTION XVII**

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Civil Appeal No(s). 1487-1488/2018

GURLAL SINGH GREWAL & ORS. **Appellant(s)**

VERSUS

M/S UPPER INDIA STEEL MANUFACTURING AND ENGINEERING COMPANY LTD. & ORS. **Respondent(s)**

IA 17101/2018 – PERMISSION TO FILE LENGTHY LIST OF DATES
IA 17098/2018 – PERMISSION TO PLACE ON RECORD SUBSEQUENT FACTS
IA 17100/2018 – STAY APPLICATION

Date : 01-05-2019 These matters were called on for hearing today.

CORAM :
HON'BLE MR. JUSTICE ROHINTON FALI NARIMAN
HON'BLE MR. JUSTICE VINEET SARAN

For Appellant(s) **Mr. Neeraj Kishan Kaul, Sr. Adv.**
Mr. Abhimanyu Mahajan, Adv.
Mr. Amit Narang, Adv.
Mr. Devanshu Sajlan, Adv.
Mr. Deepak Joshi, Adv.
Mr. Akash Lamba, Adv.
Mr. Ashok Mathur, AOR

For Respondent(s) **Mr. Shyam Diwan, Sr. Adv.**
Mr. Saurabh Kalia, Adv.
Mr. Jayant Mehta, Adv.
Mr. Sameer Chaudhary, Adv.
Ms. Parika Thakral, Adv.
Kushal Sarkar, Adv.
Mr. Vikas Mehta, AOR
Mr. Vasanth Bharani, Adv.

UPON hearing the counsel the Court made the following
O R D E R

Having heard learned learned Senior Counsel appearing for the parties for sometime, we are of the view that the business of the Company needs to be valued. The parties are not *ad idem* as to the date on which such valuation should take place.

According to Mr. N.K. Kaul, it should take place as at 31.03.2007 as has been held by the NCLT judgment whereas according to Mr. Shyam Diwan, it should be valued as at present as on 31.03.2019.

The NCLT, in its judgment, has stated as follows:

"However, considering all the facts and circumstances especially that the respondent company is a single indivisible business and is a going concern, it would not be in the interest of the company to order division of assets. However, it would be appropriate for the valuer to consider the immovable assets while determining the fair value of shares."

"We hold that it would be just and proper that the respondent group namely, R-2 to R-13 and particularly R-2 and R-3, who are admittedly in the control of the affairs of the company be directed to buy out the shares held by the petitioners in the company at a fair price to be determined by an independent valuer. The instant petition therefore stands disposed of with the following orders:"

"M/s. Ernst & Young, 6th Floor, Wing A & B, Worldmark-1, Aero City, IGI Airport Hospitality District, Opp. Holiday Inn, Mahipalpur, New Delhi 110 037 is appointed from out of the list of valuers submitted by the petitioners and agreed to by the respondents, as an independent valuer for fair value of the shares held by the petitioners of the company. The cut off date for determining the value of the shares will be 31.3.2007 i.e. the date nearest to the filing of the petition. While computing the share value, the Valuers shall also consider the asset based valuation as the Respondent Company has a large asset base.

The date of filing of the petition is April, 2007. Hence, the said valuer will find out the fair value of the shares of the company as on 31.3.2007 on the basis of going concern by all recognized methods and applicable rules and regulations as applicable on the said date in this regard."

We, therefore, appoint M/s Ernst & Young to submit a Valuation Report to this Court on or before 30.06.2019. The Report should indicate the share value of the Company as on 31.03.2007 as well as on 31.03.2019. This Report will be placed before this Court before the next date of hearing.

In the meanwhile, the Canara Bank need not file any proceedings in any Court or forum for recovery of loans, and shall not classify the account as NPA.

List on Wednesday, the 10th July, 2019.

(R. NATARAJAN)	**(RENU DIWAN)**
COURT MASTER (SH)	**ASSISTANT REGISTRAR**