



NCLAT refuses to stay Electrosteel delisting

The National Company Law Appellate Tribunal (NCLAT) on Wednesday refused to stay the delisting of Electrosteel Steels shares by its new promoter Vedanta.

Renaissance Steel, whose bid was rejected by the committee of creditors (CoC), had earlier moved a fresh plea in the appellate tribunal seeking to halt the process. Renaissance has already moved a petition challenging Vedanta's eligibility to bid for Electrosteel.

The NCLAT's two-member bench, headed by chairman Justice SJ Mukhopadhaya, however, said that all decisions being taken by Vedanta over Electrosteel would be subject to the outcome of its final decision on the petition filed by Renaissance.

On June 5, Electrosteel had informed the stock exchanges that Vedanta's resolution plan provided that it would be delisted on completion of transaction. Vedanta's subsidiary, Vedanta Star, had offered the existing shareholders an equivalent exit price of `9.54 per equity share after completion of the transaction steps for capital restructuring.

On May 30, NCLAT allowed Vedanta to make a `5,320 crore upfront payment to lenders for acquiring Electrosteel Steels with a caveat that the payment would be subject to the outcome of the petition filed by Renaissance Steel challenging Vedanta's bid.

On June 21, Electrosteel Steels informed exchanges that it has remitted the amount to its financial creditors. National Company Law Tribunal (NCLT) had approved Vedanta's resolution plan for Electrosteel Steels in April.

On May 17, the NCLAT admitted the petition of Renaissance Steel challenging Vedanta's bid for debt-ridden Electrosteel.

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