

## Uttam Value Steels delisting leaves investors in the lurch

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The saga of retail equity investors drawing a blank in the regulatory actions and insolvency cases continues with Uttam Value Steels being the latest to join the infamous list.

Retail investors have been at the receiving end of all the regulatory actions. Earlier this month, the RBI in an unprecedented move wrote-off the entire equity of Lakshmi Vilas Bank, leaving retail investors in lurch.

In June, Liberty House, which acquired Adhunik Metaliks under Insolvency and Bankruptcy Code, bought out the entire outstanding share at ₹0.09849500 a share and spent just ₹60 lakh for acquisition of the shares.

Uttam Value Steels will be delisted from both the exchanges from Tuesday as per the resolution plan of US-based hedge fund CarVal Investors led consortium.



The entire issued, subscribed and paid-up share capital of the company as at the date of order of NCLT, including the equity shares and the preference share shall stand cancelled without any payout, said the company. The public shareholding accounting for 54 per cent as of June quarter.

In fact, Uttam Value Steels investors were waiting through the entire insolvency proceeding hoping that the company would remain listed even after being taken over by new promoter, said Sanjay Mathur, an investors.

Unfortunately, resolution professionals keep details of the approved resolution plan

as top secret till the axe is put on investors neck, he added.

Nadiya Sarguroh, Senior Associate, MZM Legal, said the retail investors have no say in the corporate insolvency resolution process of the debtor company under the IBC. This has been categorically explained under Section 30 and 31 of the IBC and also the SEBI delisting norms for companies under the IBC, she said. "In the light of this the retail investors remain at the mercy of the successful resolution applicant and the Committee of Creditors who decide the fate of their investment whether the same will be completely wiped out, diluted or preserved," Sarguroh added.

The corporate debt of both – Uttam Value Steels and unlisted Uttam Galva Metaliks – was declared non-performing asset in 2018. A consortium of lenders led by State Bank of India dragged them to NCLT in June 2018.