

## VHEL

VHEL Industries Ltd (VIL) (formerly known as Vikas Hybrid & Electronics Ltd) incorporated in 1986, made a Rights Offer of 16% partly convertible debentures of Rs.80/- each for cash aggregating Rs.726 lakh in 1993. The issue was open on February 25, 1993 and closed on March 24, 1993. Part A of the convertible debentures was compulsorily and automatically converted into one share of Rs.10/- each at a premium of Rs.30/- per share on allotment. Part B was non-convertible portion of the Debenture (NCD), supposed to be redeemed at end of 5<sup>th</sup>, 6<sup>th</sup> & 7<sup>th</sup> year of the allotment on 30.04.1998 (Rs.15/-), 30.04.1999 (Rs.15/-) & 30.04.2000 (Rs.10/-).

The company filed a reference in BIFR on 10.3.1999.  
The company paid interest upto 31.3.1996.

The company, subsequently, defaulted in payment of interest and instalment of principal as it was facing severe financial crisis.

The matter regarding appointment of Nominee director was examined and IFCI appointed Shri D.R. Gangopadhyay, former CGM (Vigilance) as its Nominee Director in 2000. However, the company did not co-opt the nominee director on the board as IFCI had already initiated legal action against the company by filing OA in DRT in 1998.

OA was filed as a debenture Trustee by IFCI vide **OA no 46/08**, final arguments have been heard and matter is reserved for final orders. The case is pending before DRT -I.

The said debentures are secured by way of charge on moveable and immoveable properties situated at Bhiwadi, Rajasthan. IFCI proposes to take action under SRFAESI Act, 2002 for which it has sought consent of other secured creditors. Once the property is sold, the pro-rata share of Debenture holders out of the sale proceeds would be kept aside for distribution to debenture holders.

