

In a blow to Dalmia Bharat's bid to acquire Binani Cement, the National Company Law Tribunal (NCLT) on Wednesday asked the Committee of Creditors (CoC) of Binani Cement to consider the revised offer from UltraTech Cement Ltd, an Aditya Birla Group company. The tribunal has, however, allowed Dalmia Bharat to match UltraTech's revised offer, if it so chooses.

The Dalmia Bharat controlled Rajputana Properties Pvt Ltd. (RPPL) was the highest bidder for Binani Cement. But UltraTech subsequently offered to increase its bid by ₹1,400 crore. The proposal was rejected by the CoC on the grounds that the higher bid was placed after the deadline was over. In its order, the Kolkata Bench of the NCLT directed the CoC to reconsider the resolution plan of RPPL if it is "willing to raise the offer above the offer of UltraTech." According to Justice Jinan KR and Justice Madan B Gosa vi, if both UltraTech and Dalmia Bharat are willing, the "CoC is expected to allow both resolution applicants in the bidding process". The progress report has to be filed by the resolution professional (RP) on June 4. The verdict evoked mixed reactions;

while Binani Cement's operational creditors welcomed it, Dalmia Bharat expressed surprise over the move.

As many as 70 operational creditors of Binani Cement – a clutch of MSMEs – have formed a forum called Binani Operational Creditors Forum to claim their dues from the new bidder. "We are happy as justice is being done," Hitesh Bindal, a spokesperson for the forum, told *BusinessLine*. "We are expecting our due of about ₹700 crore to come through following this order." While Binani Cement has more than 3,000 operational creditors, these 70 entities claim to account for nearly 80 per cent of the total dues. Commenting on the development, a Dalmia Bharat spokesperson said: "We are surprised by the order passed by the NCLT today. The RP and CoC followed the due process of law in approving the plan of Rajputana Properties, in which no flaw has been found. In our view, any revised offer from an unsuccessful resolution applicant outside the resolution process cannot become a basis of setting aside the decision of the CoC." "We have a strong conviction that we have followed the law as per the due process and believe that we will eventually succeed. We will take all the appropriate steps required," the spokesperson added. UltraTech's first bid for Binani Cement under the Insolvency and Bankruptcy Code (IBC) was lower than Dalmia's offer. The CoC therefore began negotiations with the H1 bidder, Dalmia's RPPL. However, UltraTech sought to revise its offer for Binani Cement, which was disallowed by the CoC. The CoC listed Dalmia Group as the preferred bidder for Binani Cement.

Thereafter, in a parallel deal, UltraTech signed an agreement with Binani Industries – the parent company of Binani Cement to buy its cement assets for ₹7,266 crore. Over the past two months, UltraTech revised the bid and is now said to be offering nearly

₹8,000 crore for Binani Cement, which will cover all the financial and operational creditor dues.