

Mukerian Paper Ltd.

The company was established in 1977.

The company was in profit till 1995. But started incurring losses from 1997 and thereafter filed a reference in BIFR.

The company committed default in payment of interest from the date of first due date i.e. 25.4.1997 and also did not pay first instalment which fell due on 26.10.1998. IFCI filed mortgage suit in Civil Court on 28.2.2001 but there was no further progress in the case due to pendency of reference in BIFR. As legal action had already been initiated, no Nominee director was appointed by IFCI in the capacity of Debenture Trustee.

IFCI received consideration towards assignment of its debt in September, 2008 by entering into MOU with ARCIL.

The assets of the company were put on sale vide Sale Notice 13th November, 2009 under SRFA &ESI Act, 2002.

Against the sale, the company filed an SA bearing No.13 of 2010 in DRT Chandigarh on 7.2.2010 praying to maintain stay quo. However, DRT did not grant interim relief on the ground that the sale has already taken place. The company filed an Appeal in DRAT and DRAT granted "Status Quo" order vide order dated 7.1.2011 and remanded the case back to DRT.

DRT dismissed the SA vide order dated 12.9.2011. The company preferred an appeal in DRAT against the order of DRT and DRAT vide order dated 19.3.2012 directed company to deposit 25% of the amount claimed in the Notice issued under SRFA &ESI Act, 2002 (Rs.213 crore).

The said order has again been challenged in Punjab & Haryana High Court by filing a writ on 11.5.2012. As the matter is sub-judice, IFCI could not proceed with the distribution of the amount of Rs.6.60 crore deposited with IFCI.

