

Bankruptcy court approves ASG Hospital's revival plan for Vasan Health Care

By Maulik Vyas, ET Bureau Last Updated: Feb 06, 2023, 11:04 AM IST

Synopsis

The Chennai bench of the National Company Law Tribunal (NCLT) presided over by members Justice Ramalingam Sudhakar and Sameer Kakar while approving the resolution plan observed that it is binding on the Corporate Debtor (Vasan Health Care) and other stakeholders involved so that the revival of the company shall come into force with immediate effect.



M.K. Rajagopalan and Dr Agarwals Healthcare Ltd had also bid separately for Vasan Health.

The [bankruptcy court](#) on Friday approved [ASG Hospital](#) Pvt Ltd's [resolution plan](#) to acquire [Vasan Health Care](#) Pvt Ltd for the consideration of Rs 520 crore.

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“By and large, all the compliances have been done by the RP and the Resolution Applicant (ASG Hospital) for making the plan effective after approval by this Adjudicating Authority,” observed the tribunal.

Jodhpur-headquartered ASG Hospital had emerged as the successful bidder and its resolution plan was approved by Vasan Health Care's secured creditors with 97.9% voting in February 2022. According to the company's website, it has 49 hospitals across 41 cities in India.

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As per the resolution plan, Out of the total consideration of Rs 520 crore, ASG Hospital will infuse toward the working capital requirements within a period of one year while Rs 394 crore will be paid to various creditors within 30 days from the date of approval of the resolution plan by the NCLT.

“Monitoring Committee shall have the powers and functions of the Board of Directors,” observed the tribunal in its 61-page order. “The monitoring committee shall stand disbanded and the reconstituted board of the RA shall take control of the management of the CD upon payment to all creditors on

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Originally, the company was admitted under the Corporate Insolvency Resolution Process (CIRP) in April 2017 in a petition filed by its operational creditor Alcon Laboratories (India) Pvt Ltd. The company had admitted liabilities of about Rs 1,629 crores. The Chennai-based bankrupt company's financial lenders include [Edelweiss](#) ARC, [Kotak Mahindra Bank](#) and [Union Bank of India](#) among others.

“The order recognises the primacy of value maximization and accords the highest importance to it even against potential delay,” said Kunal K Nanavati, managing partner of law firm Nanavati Associates. “It also recognises the wider scope of operative powers that the COC has or can grant itself in seeking out such value maximization.”

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