



Bhushan family bickering headed for a solution

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MUMBAI: The family dispute in the Rs 7,000-crore Bhushan Group seems to be headed towards a solution. The contentious issues in the group, including the untangling of cross-shareholdings and ownership of investment firms, are likely to be resolved with the warring parties favouring an independent valuation of each one's holdings.

The warring parties—the group's founder Brij Bhushan Singhal and his younger son Neeraj in one group and his elder son Sanjay in the other—have been locked in legal battle for the last three years. Senior Singhal had moved the Company Law Board (CLB) against Sanjay Singhal asking for his reinstatement as chairman and

managing director in Sanjay-controlled group company Bhushan Power and Steels Limited (BPSL). Sanjay Singhal had moved to the Delhi High Court last year.

When contacted, Bhushan Steel MD Neeraj Singhal told ET: "The valuation of each other's holdings by an independent valuer of repute, such as KPMG or Pricewaterhouse, will benefit all involved parties, including banks." Sanjay Singhal declined to talk on the issue on the plea that "the matter is sub judice." However, sources close to him said he also welcomes an independent valuation.

Sources close to the development said the proposed valuation ahead of the next Delhi High Court hearing on the family dispute in April signals that "the brothers are serious to resolve the protracted legal battle." "It's difficult for any legal or quasi-legal authority to resolve any family dispute. The parties involved should find out some solutions, if needed with the help of mediators, on their own," said a legal eagle in Mumbai.

According to the legal expert, who has witnessed many similar family disputes in the country, the warring parties now will have to fix the base time for the valuation. Sources close to the Neeraj camp said the valuation should be done on the basis of their holdings in December, 2002.

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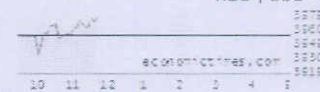
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