

NTPC to acquire three stressed power plants

● These include two of Jaiprakash Power, one of Jindal India on a slump sale basis

VIKAS SRIVASTAVA
Mumbai, June 9

NTPC, INDIA'S LARGEST public sector power producer, is planning to acquire two stressed power projects of Jaiprakash Power Ventures and one of Jindal India on a slump sale basis, as the developers failed to service debt and are now before the National Company Law Tribunal (NCLT).

People close to the development told *FE* that NTPC is separately negotiating with lenders to arrive at a deal so they can acquire the projects before the resolution

providers put up a bid to get new sponsors. The current sponsors are distressed and cannot run the project, so they are covered under Section 29A of the Insolvency and Bankruptcy Code (IBC) Amendment Act 2018. "If the negotiated deal is not possible, then the lenders will have to find new sponsors. It is at this stage that NTPC wants to find a solution by acquiring these assets with lenders taking a hair cut," the person involved in the process said.

The three projects being discussed are two belonging to the Jaiprakash Group — a 1,320 MW Nigrie project in Madhya Pradesh that faced financial issues after de-allocation of captive coal block Amelia North by the Supreme Court in 2013.

Continued on Page 11

Continuation

NTPC to acquire three stressed power plants

The captive block was won at a very aggressive price and the company later found it difficult to make the interest and principal payments leading to defaults.

The second project is the 1,980-MW Bara plant operating under Jaiprakash Group's subsidiary Prayagraj Power Company, which faced cost overrun issues due to delay in setting up of the project. The plant has reported losses due to increase in debt and interest rate and unavailability of coal. The third project is Jindal India's 1,200-MW Angul plant in Odisha. This project also suffered after the Supreme Court deallocated the coal mine attached to the plant.

When contacted, the NTPC spokesperson declined to comment on the development.

There are more than 18,000 MW stressed power projects in NCLT at present. These projects were identified on the basis of their inability to service loans due to various operational factors, like lack of PPAs or fuel linkages. There are a few cases where the stress has continued even after an earlier restructuring. The RBI's latest regulations on stressed assets provide resolution of these assets in 180 days, after which it would be mandatory that these projects are put under

