



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



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Latest updates On Insolvency & Bankruptcy

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"It does not matter how slowly you go as long as you do not stop "

➤ JSPL acquires Monnet Power for ₹410 cr

Jindal Steel and Power Ltd (JSPL) has acquired the under-construction power plant of Monnet Power under the insolvency resolution process for ₹410 crore. Payments for the acquisition was made a day ago, sources told businessline.

The payment was funded from internal accruals of the steelmaker. Adani Power was one of the contenders for the plant. Located near Malibrahmani in Angul (Odisha), the 1,050-MW power plant is expected to be operational over the next 12 months, sources said.

The coal-fired power plant was offered on a slump sale basis in an auction on November 2, at a reserve price of ₹400 crore. According to JSPL officials, the company will use the plant to supply power to its steel plants at Angul.

Proximity of power plant to coal blocks — Utkal C, B1 and B2 coal mines — owned by the steelmaker, is seen as one of the major reasons for the bid. JSPL is expected to make these mines operational by the end of this fiscal.

The official said, the power plant, once operational, will be 20-25 per cent more efficient than existing plants in terms of coal usage. Benefits are expected to accrue to the company's power consumption costs over the next few quarters too.

"The acquisition is primarily for captive usage and will improve our bottomline going forward," the official said adding that the power plant is some 5-7 km away from the coal mine and the company's steel plant there.

In February 2020, following bankruptcy proceeding, Monnet Power — a subsidiary of Monnet Ispat — invited bids for sale of its power plant in Odisha. The Angul plant had two units of 525 MW capacity each.

Proceedings under the Insolvency and Bankruptcy Code were instituted against the company by IDFC Bank. Monnet Power owed around ₹6,000 crore to a consortium of lenders, including State Bank of India and Punjab National Bank.

As there was no successful resolution, an application, based on the decision of committee of creditors, was filed for liquidation of the company in December 2018. The application for liquidation was subsequently admitted to the NCLT, those aware said.

Source: The Hindu Business line

Read Full news at: <https://www.thehindubusinessline.com/companies/jspl-acquires-monnet-power-for-410-cr/article66238890.ece>

➤ **Yes Bank files IBC plea against Zee Learn subsidiary**

Yes Bank has moved the National Company Law Tribunal (NCLT) to initiate corporate insolvency resolution process (CIRP) against Digital Ventures Pvt. Ltd, a wholly-owned unit of Zee Learn Ltd.

The private lender has led the petition under Section 7 of the Insolvency and Bankruptcy Code, which allows a nancial creditor to le an application for initiating the process. The NCLT has issued a notice to Digital Ventures.

Spokespeople at Yes Bank and Zee declined to comment.

Digital Ventures is engaged in providing digital solutions including maintaining websites of companies and creating multimedia presentations for other firms.

They are also trying to sell their stakes in the company to deal with financial crisis. It all started with wrong bets in different verticals and those mistakes cost them their fortune which they acknowledged and still regret taking those decisions and which mounted their debt and still their crisis is far from over. In addition to bearing the brunt of lenders, they are also facing regulatory concerns," said Sonam Chandwani, managing partner, KS Legal and Associates.

In April, a similar insolvency application was filed by the private lender before the NCLT to initiate the insolvency process against Zee Learn. The lender had claimed that the total amount in default was ₹468 crore.

The company said at the time that it is in the process of verifying the bank's claim. Since 2003, Zee Learn has run Asia's largest pre-school chain Kidzee comprising about 1,900 schools in 750 cities across India and neighbouring countries, as well as the Mount Litera Zee School chain of KG to class XII schools comprising over 120 schools across 110 locations.

Source: Mint

Read Full news at: <https://www.livemint.com/companies/news/yes-bank-files-ibc-plea-against-zee-learn-subsiidiary-11670517106232.html>



Insolvency Professional Agency of Institute of Cost Accountants of India
(A Section 8 Company registered under Companies Act, 2013)
CMA Bhawan, 3, Institutional Area, Lodhi Road
New Delhi - 110003