



# IBC AU-COURANT

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## ➤ **Aditya Birla Capital gets nod to bid for Reliance Nippon Life Insurance**

The Committee of Creditors (CoC) of Reliance Capital has approved a proposal by Aditya Birla Capital to bid for Reliance Nippon Life Insurance Company, a firm that did not get any bids in the ongoing insolvency process. The move would pave way for faster closure of Reliance Capital's ongoing bankruptcy process as the current deadline to submit binding bids ends on October 31.

Earlier, a valuer appointed by the administrator for Reliance Capital's insolvency proceedings had pegged the embedded value of the life insurance company at Rs 5,800 crore.

The approvals were accorded following the CoC meeting held last week, sources close to the development said.

The current deadline to submit binding bids ends on October 31, and the timeline to file the final resolution plan for Reliance Capital before the National Company Law Tribunal's (NCLT) Mumbai bench ends on November 1.

Gujarat-based Torrent Group — which has presence in pharmaceuticals, power and city gas distribution — had earlier partnered with Nippon Life Insurance to bid for Reliance Capital's 51% stake in Reliance Nippon Life Insurance Company. Reliance Capital holds a 51% stake in Reliance Nippon Life Insurance, and the remaining is held by Japan's Nippon Life.

The private sector insurer had recorded a total premium of Rs 5,037 crore for financial year FY22, as against Rs 4,736 crore posted during the year-ago period.

On November 29, 2021, RBI had superseded Reliance Capital's board following payment defaults and governance issues, and appointed Nageswara Rao Y as the administrator for its bankruptcy process.

Reliance Nippon Life Insurance, a Reliance Capital group company, was put under option-2, while the remaining assets of were put under option-1. While Reliance

Nippon Life Insurance had not got bids during the earlier bidding process, the remaining businesses of Reliance Capital received 14 non-binding bids. Torrent Group was among the companies that had submitted bids for Reliance Capital's assets under option-1.

**Source: Financial Express**

**Read Full news at:** <https://www.financialexpress.com/industry/aditya-birla-capital-gets-nod-to-bid-for-reliance-nippon-life-insurance/2713751/>

## ➤ **PFC to take Rattan India plant to bankruptcy court this year**

State-run Power Finance Corp. plans to file an insolvency plea against RattanIndia Power's 1350MW Nashik power plant within this year, said two people aware of the development.

The plant has a ₹8,000 crore debt, while PFC, the lead financier in the project, has an exposure of around ₹3,000 crore.

"Most of our stressed plants have been resolved. The one which needs to be resolved is the Sinnar (Nashik) project. We have to take it to NCLT (National Company Law Tribunal). We will take it to NCLT this year. The debt of the project is about ₹6 crore per megawatt," said one of the two officials.

The Nashik thermal power plant is situated near Sinnar, 40 km from Nashik city in Maharashtra. The plant has an installed capacity of 1,350MW, with coal linkages from Coal India Ltd (CIL) subsidiaries.

The other official noted that PFC was in talks with the Maharashtra government to take over the stressed project but that the state government was not interested.

The officials noted that Nashik is the last major project where PFC is the lead financier and needs to be taken for insolvency.

The move follows PFC's successful resolution of the 600 MW thermal power project of Jhabua Power Ltd, situated in the Seoni district of Madhya Pradesh, last month.

The project was resolved through the Corporate Insolvency Resolution Process (CIRP) mechanism, with ownership being transferred to a consortium of NTPC Ltd, PFC, REC Ltd and other lenders.

Last month, PFC successfully resolved the country's largest stressed asset in the power transmission sector— South East UP Power Transmission Company Ltd.

The transaction involved a one-time upfront settlement amount of ₹3,251 crore along with a payout of part of the existing cash balance.

The board of PFC, on 12 August 2022, approved the creation of Power Asset Management Co. (PAMC) to take over stressed power assets.

PAMC will be a 50:50 joint venture between PFC & REC. The REC board also approved the proposal for subscribing to 50% equity in PAMC on 5 August.

PAMC will be a professional organization which will have the expertise to acquire stressed power assets and operate, maintain and complete them.

Other projects under CIRP include the 3,600MW KSK Mahanadi Power project and the 1,920MW Lanco Amarkantak Power project. Bids have come for Lanco Amarkantak but the committee of creditors (CoC) are yet to select the winning bid.

For KSK Mahanadi, PAMC, the consortium of PFC and REC, along with NTPC, plan to jointly submit a bid as the CoC has sought fresh bids for the project.

"The process is being restarted, and there is time for bid submission till October-November. PFC, REC and NTPC together will put in the bid. We have kept NTPC as a partner in that. We need technical expertise also. We are a financial institution. We will look into the structuring, but the operations will have to be done by someone else, and so NTPC would also take a stake in that," said the first official mentioned above.

"This is a decision to ensure that none of the projects are taken at throwaway prices," the official added. PMAC has also bid for the Amarkantak project.

**Source: Mint**

**Read Full news at:** <https://www.livemint.com/companies/news/pfc-to-take-rattanindia-plant-to-bankruptcy-court-this-year-11665939866018.html>

