



No. B-5/2015-IPC(Pt.v)

Government of India

(भारत सरकार)

Ministry of Power

(विद्युत मंत्रालय)

नई दिल्ली, ०१ नवंबर, २०२३

New Delhi, the 01st November, 2023

To,

1. Principal Secretaries/Secretary (Power/Energy) of all State Governments/ UTs
2. CMDs, Thermal Generating Stations (Central, State GENCOs)

Sub: Advisory to all States/ GENCOs regarding participation in CIRP of NCLT for taking over of Stressed Thermal Power Assets - regarding – regarding.

The enactment of Insolvency & Bankruptcy Code, 2016 (“IBC”) has provided a significant push to the revival of stalled thermal power assets to the benefit of all stakeholders including power procurers, end consumers, creditors etc. In accordance with the thrust accorded by Hon’ble Minister of Power & NRE, central PSUs under the administrative control of Ministry of Power viz. NTPC, NHPC, SJVN, PFC, REC etc., have been successfully involved in resolving various stressed power assets under IBC either through direct participation in the Corporate Insolvency Resolution Process (CIRP) as a Resolution Applicant or by way of Lenders’ backed Resolution Plan (LbRP). Participation of Central PSUs have ensured that significant public investments and national resources stuck in stressed power assets are resolved and revived, providing much required capacity addition with definite cost and time savings in comparison to a greenfield investment. This has enabled availability of power at competitive prices to the end-consumers from stalled power project which would have otherwise been lost/ scrapped due to devaluation/liquidation.

2. In continuance to the above endeavour, it is requested that State owned Generating Companies (GENCOs) may also be encouraged to participate in the CIRP of stressed power assets, which are of strategic and commercial significance to the capacity addition plans of the concerned states. It is pertinent to mention here that benefit of taking National Company Law Tribunal (NCLT) route is that “Clean slate” principle is embedded in IBC’ 2016 and would safeguard the GENCOs from any unexpected liability thereon on account of issues/ claims of period, earlier to admission under IBC’ 2016. The approved resolution plan is binding on all the stakeholders involved including statutory claimants. Only the claims included in the Resolution Plan, approved by the Committee of Creditors (“COC”) and the Adjudicating Authority (i.e. NCLT) would be entertained and all the other creditors’ claims would stand

extinguished, which thus provides a 'clean slate' to the acquirer. Such reliefs are not available in case of resolution/ acquisition outside IBC' 2016.

3. It may be noted that stressed projects mainly face challenges like inadequate capital investment, shortage/ disruption in coal supply & FSA issues, inadequate working capital funding and prolonged recovery of receivables under power purchase agreements etc. Participation of GENCOs would ensure that such issues are addressed, thereby expediting revival of these assets. Their operational and implementation expertise would also help in reducing turnaround time and bringing these stressed assets to operation stage quickly in partnership with other concerned Government agencies. This would also help the states to meet their increasing power demand economically with significant control on such power generated. State owned Generating Companies (GENCOs) may therefore be advised to acquire the stressed power assets through IBC under NCLT route, and contribute to the overall generation capacity of the nation. An indicative list of the major projects, that are ready for takeover, is enclosed as **Annexure**.

4. This issues with the approval of Competent Authority.

Encl: as stated

Yours faithfully,


(Subhash Chand/सुभाष चंद)

Under Secretary to the Government of India

अवर सचिव, भारत सरकार

Ph./फोन: 23356938

Email: s.chand72@gov.in

@Endorsement

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Copy to:

1. Chairman, Central Electricity Authority
2. CMD, PFC Ltd.
3. CMD, REC Ltd.


(Subhash Chand/सुभाष चंद)

Under Secretary to the Government of India

अवर सचिव, भारत सरकार

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Copy also to NIC with a request to upload the same on the website.

ANNEXURE**LIST OF STRESSED PROJECTS – Ready for takeover:**

S. No.	Project Details	Capacity (MW)	Status
1	Rattan India Power Ltd - 5 X 270 MW TPP, Maharashtra	540	NCLT Status - Admitted; Resolution Process Stayed Operational Status – Commissioned Units Tentative Timelines - May be operational in 4 month during Q1, CY2024
		810	Operational Status – Commissioned Tentative Timelines - 3 units to take more than a year to be available during CY2025.
2	Coastal Energen Pvt. Ltd 2 x 600 MW Imported coal based TPP, Tamil Nadu	1200	NCLT Status - Admitted; Resolution process is in advanced stage Operational Status - Both the units are already operational;
3	KSK Mahanadi Power Co. Ltd 6 x 600 MW TPP, Chhattisgarh	1800	NCLT Status – Admitted; Resolution Process Stayed Operational Status – Three units (i.e. 1800 MW) are commissioned & operational.
		1800	Tentative Timelines : Remaining 3 units expected to be operational by CY 2026
4	Shri Maheshwar Hydel Power Corporation Ltd., 10 X 400 MW Hydel, Madhya Pradesh	400	NCLT Status - Admitted; Resolution Plan underway Operational Status - Incomplete Project Tentative Timelines – All units expected to be operational in 2-3 years post resolution
	Total	6,550	