



Visa Power IRP invites resolution plans (Reuters)

The interim resolution professional (IRP) for Visa Power on Tuesday invited resolution plans for the company from interested bidders under the corporate insolvency resolution process (CIRP). On December 22, 2017, the Kolkata bench of the National Company Law Tribunal (NCLT) had admitted a petition filed by Bank of Maharashtra (BoM) to initiate insolvency proceedings against Visa Power, which was setting up a 2x270-megawatt (MW) coal-fired independent power plant at Raigarh in Chhattisgarh. The tribunal had appointed Anil Goel the IRP.

According to the order admitting the insolvency petition, Visa Power owes a consortium of lenders `1,964 crore, while the total project cost is `2,619 crore. The order states that a facility agreement dated March 5, 2010, was executed between Visa Power and the consortium of lenders, where Punjab National Bank (PNB) was the lead bank.

Failing to recover `94.08 crore, inclusive of interest and its principal exposure to the company, BoM dragged it to the insolvency court. According to BoM, Visa Power had not submitted any restructuring plan for its debt. The last joint lenders' forum (JLF) meeting before BoM moved NCLT was held on August 5, 2017. At the meeting, it was proposed that PNB Investment Services may be appointed to identify an alternate use for the assets of the Raigarh project and to find a strategic investor, financial investor or buyer for it.

In May 2016, BoM had also issued a loan recall notice following defaults in repayments and servicing of credit facilities by the company.

Stressed assets in the power sector have been a cause for concern for banks after a chunk of troubled assets in the steel sector — the other significant source of stress — took the Insolvency and Bankruptcy (IBC) route to resolution. A lack of PPAs and other structural issues has led to many power projects defaulting on loan repayment obligations.

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