

India NPL sales: Finance ministry, state-run lenders finalise list to sell or transfer to NARCL defaulted loans of 17 companies

27 Aug 2024

16:33 IST | Debtwire

By Rajhkumar K Shaaw

India's Ministry of Finance in a meeting last week with state-run lenders finalised a list to sell via auctions or transfer to government-controlled National Asset Reconstruction Co Ltd (NARCL) the defaulted loans of 17 companies, according to a source familiar with and a source with knowledge of the matter.

The finance ministry has asked the lenders to settle the 17 accounts by the end of the current financial year through 31 March 2025, both sources said.

The 17 companies are:

Jaiprakash Associates Ltd and Jaypee Cement Corp

McLeod Russel India Ltd

Agson Global Pvt Ltd

Gayatri Projects Ltd

Suratgarh Bikaner Toll Co Ltd

Sadbhav Engineering Ltd

Shri Govindraja Mills Ltd

Bareilly Highways Project Ltd

Gannon Dunkerly & Co

Abhijeet Ferrotech Ltd

Lakshmi Energy & Foods Ltd

Mumbai Metro One Pvt Ltd

Leo Meridien Infrastructure Projects & Hotels Ltd

SKS Power Generation (Chhattisgarh) Ltd

BGR Energy Systems Ltd

Gupta Power Infrastructure Ltd

Shri Girija Alloy & Power Ltd

Jaiprakash Associates Ltd (JAL) and Jaypee Cement Corp are undergoing Corporate Insolvency Resolution Processes (CIRP).

JAL was admitted into a CIRP by the Allahabad National Company Law Tribunal (NCLT) at the behest of ICICI Bank, according to a 3 June order of the tribunal. JAL's creditors decided to settle their claims via the court-supervised insolvency process instead of accepting an offer from NARCL to purchase the debt for INR 100bn (USD 1.2bn), according to a 6 June Economic Times report.

JAL's Interim Resolution Professional Bhuvan Madan has provisionally admitted claims totalling INR 515 bn (USD 6.14 bn) submitted by its financial creditors on 26 July, according to a 7 August exchange filing by the company.

JAL has approached the National Company Law Appellate Tribunal (NCLAT), seeking interim relief from the potential of irreversible harm being done to the company, including a possible attempt to sell the company's assets, via its ongoing CIRP, the Economic Times reported on 13

August, citing court proceedings. The next hearing of the case is scheduled for tomorrow (28 August), according to an NCLAT order.

JAL announced in a 14 August exchange filing that the NCLAT has pronounced an interim order on 13 August and further stayed the setting up of its subsidiary Jaypee Cement Corp's committee of creditors (CoC) until 17 September.

Jaypee Cement was admitted into a CIRP by the Allahabad NCLT on 22 July at the behest of creditor State Bank of India.

NARCL offers

NARCL in March this year made a INR 7 bn (USD 84 m) offer to acquire Kolkata-based tea producer McLeod Russel India Ltd's loans having a face value of INR 11.5 bn (USD 138 m) and in June offered INR 3.6 bn (USD 43 m) to acquire New Delhi-based aromatics maker Agson Global Pvt Ltd's INR 18.18 bn (USD 218 m) debt from the company's bank lenders, as reported.

Agson's promoters have filed an appeal in the NCLAT against the Delhi NCLT's 30 January 2024 order admitting the company into a CIRP. The NCLAT has stayed the formation of a CoC. The next hearing of the case is on 2 September 2024

NARCL has also made a INR 4.74 bn (USD 56.6 m) offer to take over the INR 91.5 bn (USD 1.09 bn) debt of engineering procurement and construction services provider Gayatri Projects Ltd, the Economic Times reported last week.

The finance ministry did not respond to requests for comment.