

INSOLVENCY PROCEEDINGS

# NCLT admits SBI plea against Bhushan Energy

ENS ECONOMIC BUREAU  
NEW DELHI, JANUARY 8

THE NATIONAL Company Law Tribunal (NCLT) on Monday admitted the State Bank of India's (SBI) plea to initiate insolvency proceedings against Bhushan Energy (BEL).

The principal bench comprising president MM Kumar and member Deepa Krishnan appointed Navneet Kumar Gupta the interim resolution professional (IRP) for BEL. BEL owes Rs 399 crore to SBI.

The IRP, along with a committee of creditors (CoC), will come up with a resolution plan. If the committee is unable to find a solution within 180 days — this can be extended to 270 days — the company will be liquidated.

When contacted, BEL's counsel Ranaja Roy Gawai declined to comment on whether the company would appeal at the appellate tribunal challenging the NCLT order.

Incorporated in 2005, BEL is based in Dhenkanal, Odisha. It operates 485 MW of thermal power, developed in two phases, and supplies the entire genera-

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tion to BSL for use in its integrated steel plant, as per a power purchase agreement (PPA) signed between the two firms.

SBI had earlier nominated Savan Godiawala, from Deloitte, to act as the IRP for BEL. However, BEL had made a plea to change the IRP from consultancy firm Deloitte as the IRP for its already admitted parent, Bhushan Steel (BSL), is also from the same firm.

On July 27, the principal bench had admitted the insolvency petition filed by a consortium of lenders led by SBI against BSL and approved the appointment of Vijay Kumar V Iyer from Deloitte as the IRP. BEL reported a gross debt of Rs2,336 crore in FY16 and posted a net loss of Rs229 crore on revenues of Rs622 crore in the same period, Capitaline data showed. **FE**

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## AI terminates over 400 contractual employees