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Insolvency Professional Agency of Institute of Cost Accountants of India



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Updates on Insolvency and Bankruptcy Code

➤ SC urges govt to resolve PMLA vs IBC deadlock

If the Enforcement Directorate (ED) attaches properties purchased under the insolvency process for financial crimes of the previous owner, it would frustrate the objective of the Insolvency and Bankruptcy Code (IBC), the Supreme Court observed on Tuesday, asking the central government to quickly resolve the conundrum.

"This is worrying...objective of the IBC will be frustrated," remarked a bench headed by Chief Justice of India NV Ramana. Why should the ED be allowed to attach properties that are bought by a new purchaser in an auction lawfully conducted under the IBC, the bench asked solicitor general Tushar Mehta. The bench, which also comprised justices Krishna Murari and Hima Kohli, pointed out that nobody would be interested to buy assets under the insolvency process if the central agency can attach such properties under the money laundering law on account of illegalities committed by previous owners. "Suppose a property was purchased using tainted money and it is put up for auction. It would have been a different scenario if the previous entity (corporate debtor or promoter) sold it privately, but that is not the case. There is an auction approved by you under IBC. How can ED then attach such properties?" it asked Mehta, who appeared for the central government and the ED in the matter.

Source: Hindustan Times

Read Full news at:

<https://www.hindustantimes.com/india-news/sc-urges-govt-to-resolve-pmla-vs-ibc-deadlock-101649182048745-amp.html>

➤ US-based Nithia Capital acquires steel maker CREST for Rs 600 crore

US-based advisory and investment firm Nithia Capital on Tuesday announced the acquisition of Crest Steel and Power Pvt Ltd (CREST) in Chhattisgarh for Rs 600 crore through an insolvency proceeding. This acquisition has been completed under an insolvency process in partnership with Amalgam Steel Private Limited (ASPL), Nithia Capital said in a statement.

"Nithia Capital (Nithia) completes acquisition of CREST in partnership with Amalgam Steel Private Limited with Nithia retaining majority control of the partnership," the statement said.

CREST is an integrated plant with a sponge iron capacity of 225 kilo tonne per annum (KTPA). The plant has over 400 acre land, providing "extensive room" for brownfield expansion with a private railway siding, Nithia said.

Jai Saraf, founder and CEO of Nithia Capital, said, "The acquisition is an important and strategic step for Nithia and our second steel investment in India. With our newly forged partnership with Amalgam Steel, we believe CREST will soon achieve a successful turnaround, and is well set on its planned growth programme. This transaction is further proof of the success of the Insolvency and Bankruptcy Code (IBC).

Source: Business Standard

Read Full news at:

https://www.business-standard.com/article/companies/us-based-nithia-capital-acquires-steel-maker-crest-for-rs-600-crore-122040501102_1.html



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