



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*The best way to predict your future is to create it.*

*The best way to predict your future is to create it.*

## ➤ SC admits appeal by Dept of State Tax in Siddheshwar Industries insolvency case

The Supreme Court on Monday admitted an appeal by the Department of State Tax seeking to be treated as a secured creditor in a case related to the corporate insolvency resolution process of debt-ridden Siddheshwar Industries. The department said that tax laws override the Insolvency and Bankruptcy Code 2016, a stand that was rejected by the National Company Law Appellate Tribunal in July.

A Bench led by Chief Justice DY Chandrachud sought response from Siddheshwar Industries and its resolution professional and tagged the matter with the similar appeals pending adjudication by a larger bench.

The debt-laden firm is allegedly liable to pay sales tax to the tune of over Rs. 58.21 crore. CIRP was initiated against Siddheshwar in May 2018 on an application by Gandhar Oil Refinery.

Challenging the NCLAT's July order that rejected its plea, the department told the SC that the NCLAT should have taken notice of the fact that the Committee of Creditors cannot secure their own dues at the cost of statutory dues owed to any government or governmental authority. The debts of the nature of "crown debts" are to be paid in full while passing the resolution plan, senior counsel Shyam Mehta argued.

**Source: The Economic Times**

**Read Full news:** <https://economictimes.indiatimes.com/news/india/sc-admits-appeal-by-dept-of-state-tax-in-siddheshwar-industries-insolvency-case/articleshow/114432609.cms?from=mdr>

## ➤ Dalmia Bharat ends Tolling agreement with Jaypee amid ongoing insolvency uncertainty

Cement-maker Dalmia Bharat has discontinued its tolling arrangement with Jaypee, for use of manufacturing facilities of the latter, and taken an impairment loss of ₹113 crore in view of ongoing uncertainty over the deal.

Jaypee's assets could now see fresh bidding in the NCLT, say sources. Dalmia Bharat had, for five-odd quarters, initiated a tolling arrangement with Jaypee (JP Associates), which was recently discontinued. The arrangement allowed the cement-maker access to the key Central India market under its own brand.

"We have discontinued the tolling arrangement with Jaypee, and right now we are catering to Central India through our facilities in the East," Puneet Dalmia, Managing Director and CEO, Dalmia Bharat said during a post result analyst call.

In December 2022, Dalmia Bharat had signed a deal to acquire Jaypee's cement and power assets for an enterprise value of ₹5,666 crore. It was then touted as the largest deal in the sector. The acquisition included cement plants with a capacity of 9.4 million tonnes per annum, clinker assets of 6.7 million tonnes, a 280 MW thermal power plant and a 74 per cent stake in Bhilai Jaypee Cement. Definitive agreements were executed in 2023.

Earlier, the company top brass had referred to the "uncertainty" surrounding the deal, with JP going into insolvency and called it a "surprise" which was not anticipated. On June 3, the NCLT, Allahabad, accepted accepted Jaiprakash Associates for corporate insolvency, following ICICI Bank's application for debt resolution dating back to September 2018.

**Source: The Hindu Business Line**

**Read Full news :** <https://www.thehindubusinessline.com/companies/dalmia-bharat-ends-tolling-agreement-with-jaypee-amid-ongoing-insolvency-uncertainty/article68779130.ece>

