**NCLAT Directs ED and MCA to reach a settlement on BPSL matter**

****

The National Company Law Appellate Tribunal (NCLAT) has asked the government’s probe agency, the Enforcement Directorate (ED) and the Ministry of Corporate Affairs (MCA) to talk among them and reach a consensus on the matter concerning the attachment of assets of Bhushan Power and Steel Limited (BPSL). While the Enforcement Directorate is of the opinion that it has all the rights to attach a company’s assets under the Prevention of Money Laundering Act (PMLA), the Ministry of Corporate Affairs believes that the agency cannot do this as the company is still under Insolvency process.

The case is being heard by the Appellate Tribunal’s three-member bench. The bench headed by Justice Mukhopadhaya (Judicial member) said that this matter does not require any amendment in the laws. The only thing is that both the authorities shall settle the matter among them and reach a similar conclusion. The bench asked the authorities to sort the matter as they belonged to the same wing of the Central government and that there is no need to amend any law.

The Appellate Tribunal also said that the Enforcement Directorate can claim whatever the dues the company owes under the Prevention of Money Laundering Act. The amount so claimed by the agency would be regarded as the operational debt and Bhushan Power and Steel Ltd. shall pay the dues.

The Tribunal asked the Directorate to sell the assets it has attached to creditors and it can be made entitled to receive the dues under the Insolvency and Bankruptcy Code, 2016.

Earlier through an affidavit filed before the Appellate Tribunal, the Enforcement Directorate said that the Appellate Tribunal has no jurisdiction over the attached assets and that it should revoke the order passed on October 14th which ordered Enforcement Directorate to release the attached assets belonging to Bhushan Steel. It also said that only the adjudicating authority under the Money Laundering Act had jurisdiction to this matter.