



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*“Do one thing every day that scares you.”*

## ➤ **Moratorium During Insolvency Process Does Not Bar Cheque Dishonour Proceedings Against Persons Referred U/S 141 Of NI Act: Kerala High Court**

The **Kerala High Court** yesterday (on February 12), observed that during the Corporate Insolvency Resolution Process, initiation of cheque dishonour proceedings, due to the moratorium, is prohibited only against the corporate debtor and not against the persons referred under Section 141 of the Negotiable Instruments Act (N.I. Act). In other words, the accused persons in charge of and responsible to the company for the conduct of the business will continue to be liable for cheque dishonour offences.

“(i) When the Corporate Insolvency Resolution Process of the company is underway, the corporate debtor would be covered by the moratorium provision contained in Section 14 of the Code by which continuation of Section 138/141 proceedings against the corporate debtor and initiation of Section 138/141 proceedings against the said debtor during the corporate insolvency resolution process are interdicted. (ii) The moratorium provision under Section 14 of the Code would apply only to the corporate debtor. (iii) The natural persons referred to in Section 141 of the N.I. Act continues to be statutorily liable under Chapter XVII of the N.I. Act.,” the Bench of Justice K Babu held.

The facts of the present case are such that the respondent had filed a complaint against the petitioner company under Section 138 (**Dishonour of cheque**) of the Act. Petitioner's former Chief Executive Officer and former Directors were also impleaded. Following this, in an insolvency petition, the NCLT initiated a Corporate Insolvency Resolution Process against the petitioner and declared the moratorium. Pertinently, inter-alia, the moratorium prohibits the continuation of pending suits or proceedings against the corporate debtor.

**Source: Live Law**

**Read Full news:** <https://www.livelaw.in/ibc-cases/section-7-application-decide-first-when-application-us-54c-is-filed-after-14-days-from-section-7-applicationnclat-283608>

## ➤ **IBBI mandates timely reporting of insolvency assignments on portal**

Regulator IBBI has made it mandatory for insolvency professionals to report their assignments on its electronic portal within the prescribed time to streamline record-keeping. In a circular dated February 11, the insolvency regulator said, "The IPs (insolvency professionals) are mandated to intimate the insolvency and bankruptcy board of India (IBBI) of his/her appointment under various processes under the Code".

Currently, the IPs add their assignments on the IBBI portal for appointments for interim resolution professionals (IRPs) or resolution professionals (RPs) under the corporate insolvency resolution process (CIRP), as well as for liquidators in liquidation and voluntary liquidation processes, the Board said.

However, there is no requirement for adding assignments relating to RPs under the insolvency resolution of personal guarantors, bankruptcy trustee under the bankruptcy process of personal guarantors and administrator under insolvency and liquidation proceedings of financial service providers, it added.

**Source: Business Standard**

**Read Full news:** [https://www.business-standard.com/finance/news/ibbi-mandates-timely-reporting-of-insolvency-assignments-on-portal-125021301745\\_1.html](https://www.business-standard.com/finance/news/ibbi-mandates-timely-reporting-of-insolvency-assignments-on-portal-125021301745_1.html)

