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"Peace begins with a smile."

➤ **IBC proceedings no bar to cheque bounce prosecution against directors under Section 138 NI Act: Bombay HC**

The Bombay High Court recently ruled that insolvency proceedings under the Insolvency and Bankruptcy Code (IBC) do not shield company directors from prosecution for dishonoured cheques under Section 138 of the Negotiable Instruments Act, 1881 (NI Act) [Ortho Relief Hospital and Research Centre Vs Anand Distilleries].

The Court stressed that while a corporate debtor may be protected during insolvency, the liability of its directors and signatories is personal and continues despite liquidation. Justice **MM Nerlikar** of the Nagpur Bench delivered the judgment on October 1.

"The Directors of the Company remain liable under Section 138 of the NI Act, even if Company's debt is resolved under the IB Code," the Court said.

The protection under Section 32A of the IBC extends only to the corporate debtor and not to its officer, the judge added. The observations were made while holding that the trial court had committed "gross error" in discharging the directors of Anand Distilleries.

The case arose from a loan transaction between Ortho Relief Hospital and Research Centre at Nagpur and M/s Anand Distilleries. In October 2015, the distillery, through its directors Abhaykumar and Anandkumar Bhambore, obtained a short-term loan of ₹15 lakh from the petitioner hospital. Towards security, a post-dated cheque was issued, signed by one of the directors as authorised signatory of the company.

Source: Bar And Bench

Read Full news: [Ortho Relief Hospital and Research Centre Vs Anand Distilleries](#)

➤ **Prior IBC Proceedings Don't Bar Criminal Prosecution Of Directors Under S. 138 Negotiable Instruments Act: Bombay High Court**

The **High Court of Bombay, Nagpur Bench**, comprising **Justice M.M. Nerlikar**, has held that the prior initiation of IBC proceedings does not bar criminal prosecution of directors under section 138 of the Negotiable Instruments Act.

Background of the Case

The petitioner extended a short-term loan of Rs. 15 lakhs to the respondent through its directors. A post-dated cheque was issued as a security by the director. The NCLT admitted the respondent company into the CIRP, and its failure resulted in the liquidation order. The petitioner lodged its claim with the interim resolution professional.

The petitioner deposited the cheque after the moratorium date; however, the same was dishonored due to insufficient funds. Therefore, the petitioner filed the complaint u/s 138 of the NI Act. The trial court dismissed the complaint, holding that the complaint is non-maintainable due to prior insolvency proceedings. Therefore, the petitioner approached the Hon'ble High Court under the writ jurisdiction.

Source: Live Law

Read Full news: [Prior IBC Proceedings Don't Bar Criminal Prosecution Of Directors Under S. 138 Negotiable Instruments Act: Bombay High Court](#)

➤ **Two Anil Ambani firms with Rs 830 cr dues get sold off for Rs 46 lakh**

Two companies formerly associated with the Anil Ambani-led Reliance Group – Thwink Big Content Private Limited and Pifiniti Movies Private Limited – were sold off to Micro Capitals Private Limited for a pittance (Rs 46 lakh) against total outstanding dues of Rs 827 crore. Curiously though, the insolvency process against the two were started by another Anil Ambani group company – Reliance Commercial Finance Ltd.

The Mumbai bench of the National Company Law Tribunal (NCLT) recently approved the resolution plans for Thwink Big Content Private Limited and Pifiniti Movies Private Limited. The plans, submitted by Micro Capitals Private Limited, were sanctioned on September 25, 2025, with total payouts of ₹21 lakh and ₹25 lakh respectively, offering minimal recoveries to financial creditors against admitted claims of hundreds of crores.

Source: Insolvency Tracker

Read Full news: [Two Anil Ambani firms get sold off for Rs 46 lakh](#)

