



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*"The best way to predict the future is to create it."*

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## ➤ **Insolvency proceedings: SC dismisses plea by wife of late Nitin Desai against NCLAT order**

The Supreme Court has rejected an appeal filed by Naina Desai, the wife of late art director Nitin Desai, against the National Company Law Appellate Tribunal (NCLAT) order dismissing his appeal against the National Company Law Tribunal (NCLT) order.

On July 25, the NCLT's Mumbai bench had initiated a corporate insolvency resolution process (CIRP) against ND's Art World Private Limited in view of an outstanding debt of Rs 252.48 crore, and appointed Jitender Kothari as the insolvency resolution professional (IRP). The NCLAT on August 1 had dismissed Desai's appeal against the NCLT order.

However, following Nitin's death, Naina challenged the NCLAT order before the Supreme Court; and an apex court bench comprising Justices Sanjiv Khanna and S V N Bhatti on September 11 rejected Naina's appeal and noted, "We could not find a good ground and reason to interfere with the impugned judgment, and hence, dismissed the appeal."

Nitin — a national award-winning art director — was found dead in his studio on August 2. In an audio note recovered from his studio, Nitin had allegedly blamed Bansal, Shah, and three others for his financial condition, police had said. Based on a complaint filed by Nitin's wife with the Raigad police, an FIR was registered against five persons under Indian Penal Code sections 306 (abetment of suicide) and 34 (when a criminal act is done by several persons in furtherance of the common intention of all...) at the Khalapur police station on August 4.

**Source: The Indian Express**

**Read Full news at:** <https://indianexpress.com/article/cities/mumbai/sc-dismisses-plea-art-director-nitin-desais-widow-nclat-order-8942603/>

## ➤ **IBBI addresses CIRP delays, proposes reforms to streamline process**

The Insolvency and Bankruptcy Board of India (IBBI) is trying to address delays in the Corporate Insolvency Resolution Process (CIRP) across four distinct phases—before admission, during admission, during resolution, and approval of the resolution, according to a senior board official.

“We are trying to find out or analyze the cause of delay at various levels, and are trying to speed up the processes. IBBI is looking to address the delays by categorizing them into four parts,” said Ravi Mital, Chairman of IBBI speaking at the 8th National Summit of Assocham on Saturday.

*Source: Business Standard*

*Read Full news at: [https://www.business-standard.com/companies/news/ibbi-addresses-cirp-delays-proposes-reforms-to-streamline-process-123091600908\\_1.html](https://www.business-standard.com/companies/news/ibbi-addresses-cirp-delays-proposes-reforms-to-streamline-process-123091600908_1.html)*

## ➤ **Bombay High Court seeks Attorney General response in challenge to IBC provisions on IRP appointment**

The Bombay High Court recently issued notice to Attorney General for India R Venkataramani in a petition challenging the constitutional validity of provisions of the Insolvency and Bankruptcy Code (IBC) which deal with the appointment of insolvency resolution professionals (IRPs).

A Bench of Justices BP Colabawalla and MM Sathaye ordered, “Since the constitutional validity of Sections 7(5) and 9(5) of the IBC are also challenged in the present Petition, notice is issued to the Attorney General of India returnable on September 27, 2023.”

Insolvency professional Poonam Basak, who was suspended for three years from the Insolvency and Bankruptcy Board of India (IBBI), has moved the Court with this petition.

*Source: Bar and Bench*

*Read Full news at: <https://www.barandbench.com/news/bombay-high-court-attorney-general-notice-challenge-ibc-provisions-irp-appointment>*

## ➤ **IBC is not a recovery mechanism, says NCLAT**

NEW DELHI: The Insolvency & Bankruptcy Code (IBC) is “not a recovery mechanism”, observed the National Company Law Appellate Tribunal (NCLAT), while dismissing a plea against United Telecoms filed by one of its operational creditors.

This is the second such observation from the Chennai bench of the insolvency appellate tribunal this month, after declining to entertain the petition from operational creditors.

Earlier, it had refused to entertain an insolvency petition against Wipro after observing that the bankruptcy law cannot be used as a means to recover debt against solvent companies.

*Source: The Times of India*

*Read Full news at: <https://timesofindia.indiatimes.com/business/india-business/ibc-is-not-a-recovery-mechanism-says-nclat/articleshow/103742205.cms?from=mdr>*

➤ **After IDBI Bank, now Axis Finance files plea in NCLAT against NCLT nod for Zee-Sony merger**

Zee Entertainment has been served with an appeal by Axis Finance against it in the NCLAT, Delhi challenging the NCLT's nod for its merger with Culver Max Entertainment, formerly known as Sony Pictures Networks India, the company said in a stock exchange intimation on Thursday.

The Mumbai bench of the National Company Law Tribunal on August 10 granted approval to the composite scheme between Zee, Sony, and Bangla Entertainment, a subsidiary of Sony. The NCLT had dismissed the objections raised by several lenders of ZEEL, including IDBI Trusteeship, IDBI Bank, Axis Finance, JC Flowers Asset Reconstruction Co and Imax Corp.

Now, this order has been challenged before the NCLAT. Recently, IDBI Bank also moved the appellate tribunal to challenge the Mumbai bench's approval for the merger.

**Source: The Economic Times**

**Read Full news at:** <https://economictimes.indiatimes.com/industry/media/entertainment/axis-finance-files-plea-in-nclat-against-nclt-nod-for-zee-sony-merger/articleshow/103657590.cms?from=mdr>

