

# IBC AU COURANT

Insolvency Professional Agency of Institute of Cost Accountants of India



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*"The most successful entrepreneurs I know are optimistic. It's part of the job description." —  
Caterina Fake*

## *Updates on Insolvency and Bankruptcy Code*

### ➤ NCLT commences Insolvency Resolution Process for Ortel Communications

Ortel Communications announced that the Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench passed order for Commencement of Insolvency Resolution Process (CIRP) under Section 9 of the Insolvency & Bankruptcy Code, 2016 for Ortel Communications. Anil Bhatia has been appointed as Interim Resolution Professional (IRP) to carry on the functions  
*Source: Business- Standard*

Please find the full news at:

[https://www.business-standard.com/article/news-cm/nclt-commences-insolvency-resolution-process-for-ortel-communications-118120500161\\_1.html](https://www.business-standard.com/article/news-cm/nclt-commences-insolvency-resolution-process-for-ortel-communications-118120500161_1.html)

### ➤ [Insolvency bids: Defaulting winners may land in jail](#)

Concerned over several instances of successful bidders under the insolvency resolution process for stressed companies failing to make the promised payments on time — the most prominent one being that of UK-based Liberty House in the Amtek Auto case — the government is mulling to invoke a stringent provision in the Code, that provides for a jail term, to deal with such wilful defaulters among winning bidders.

*Source: Financial Express*

Please find the full news at:

<https://www.financialexpress.com/industry/insolvency-winners-default-stern-steps-soon-jail-term-provision-may-be-involved/1403773/>

### ➤ [Section 7 IBC Application Cannot Be Rejected On Account Of “Usurious Penal Interest” Governed By Usurious Loans Act: NCLAT](#)

The NCLT has held that an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 cannot be rejected on the ground of “usurious and extortionate penal interest”, which is governed by Usurious Loans Act, 1918. The Tribunal was hearing an appeal challenging an order passed by the Mumbai NCLT, whereby an application under Section 7 of the Code for initiation of corporate insolvency resolution process against M/s. Luthra Water Systems Private Limited (corporate debtor) was admitted.

*Source: Livelaw*

Please find the full news at:

<https://www.livelaw.in/s-7-ibc-application-cannot-be-rejected-on-account-of-usurious-penal-interest-governed-by-usurious-loans-act-nclat-read-judgment/>

### ➤ [Government to raise NCLT members to 60 from 32 soon to ease pressure](#)

The government has intensified efforts to ease the pressure on the NCLT and is learnt to be in the final stages of hiring judicial and technical members for it. The number of NCLT members will be raised to 60 from 32. This is part of a bid to address the slow pace in bad loan resolution despite it being a time bound exercise under the law.

*Source: Economic Times*

Please find the full news at:

<https://economictimes.indiatimes.com/news/economy/policy/government-to-raise-nclt-members-to-60-from-32-soon-to-ease-pressure/articleshow/66940172.cms>

