



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

Supreme Court Calls for Responses on Plea Alleging Large-Scale Insolvency Fraud

The Supreme Court of India has issued notices to the Centre, the Telangana government, the CBI, the Enforcement Directorate (ED) and the Serious Fraud Investigation Office (SFIO) on a petition seeking an independent probe into a massive corporate fraud. The plea alleges collusion involving state authorities and a senior judicial figure in a multi-crore insolvency fraud, urging a court-monitored

investigation. The bench, led by Chief Justice Surya Kant and Justice Joymalya Bagchi, has directed the respondents to file their replies, setting the stage for further hearing as official positions are clarified.

For More Details, Please Visit:

<https://m.economictimes.com/news/india/supreme-court-issues-notices-to-centre-others-on-plea-for-probe-into-multi-crore-rupees-insolvency-fraud/articleshow/127288789.cms>



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News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

NCLT Cannot Decide Trademark Ownership under IBC Section 60(5): Supreme Court

The Supreme Court has reportedly reaffirmed that an approved Resolution Plan only acknowledges rival claims and does not confer undisputed title on the Successful Resolution Applicant (SRA). Emphasizing the limited jurisdiction of the NCLT under the IBC, the Court held that issues relating to trademark ownership must be adjudicated by the appropriate civil courts or statutory authorities and not determined within insolvency proceedings.

In this case, the principal issue before the Supreme Court was whether the Adjudicating Authority (NCLT), while exercising jurisdiction under Section 60(5) of the IBC, could conclusively determine title to a trademark and declare it to be an asset of the Corporate Debtor. A related question was whether such a declaration was permissible when the approved Resolution Plan itself acknowledged rival claims and did not record an undisputed transfer of title in favour of the Successful Resolution Applicant (SRA).

Relying on earlier precedents, the Supreme Court reiterated that NCLTs cannot assume the role of civil courts or replace specialised statutory forums. The Court noted that the Resolution Plan expressly recognised competing claims and merely reflected the SRA's belief that the assignment was invalid, without conferring clear title. It underscored that insolvency proceedings are meant to address financial distress and facilitate resolution, not to adjudicate or alter proprietary and intellectual property rights.

For More Details, Please Visit: <https://rawlaw.in/supreme-court-of-india-holds-insolvency-tribunals-cannot-decide-trademark-title-disputes-section-60-jurisdiction-limited-gloster-trademark-not-declared-asset-of-corporate/>

News Roundup

NCLAT Upholds Approval of Adani Power's Takeover of Vidarbha Power

The Appellate Tribunal has upheld Adani Power's ₹4,000-crore acquisition of Vidarbha Power under the insolvency resolution framework, clearing key legal hurdles and enabling the takeover to proceed. The approval allows Adani Power to strengthen its generation capacity while facilitating the resolution of the distressed power company under the IBC. The Tribunal also dismissed two petitions challenging the Resolution Plan, filed by Western Coalfields and an employee of Vidarbha Power. Media reports indicate that the Committee of Creditors (CoC) never passed a resolution seeking extension of the CIRP beyond 180 days. Despite this, the Resolution Professional filed a modified Resolution Plan through an affidavit dated April 2, 2025, after 185 days, which was contested by the Successful Resolution Applicant (SRA). The CIRP of Vidarbha Industries commenced on September 30, 2024.

For More Details, Please Visit: <https://economictimes.indiatimes.com/markets/stocks/news/adani-power-in-focus-as-nclat-clears-rs-4000-crore-vidarbha-power-acquisition/articleshow/126751462.cms>

NCLAT Chennai initiated Contempt Proceedings against the RP for attempting to bypass an interim appellate order

The Court reportedly stated that repeated non-compliance weakens the authority of the insolvency framework and hampers the effective implementation of the IBC. It emphasized that Resolution Professionals (RPs) play a central role in insolvency resolution and are expected to maintain high standards of due diligence, neutrality, and legal compliance. NCLAT further remarked that unless strict action is taken in appropriate cases, indiscipline would continue, and therefore, the fraternity "needs to be taught a lesson" through enforcement of contempt powers to ensure accountability and uphold the sanctity of judicial orders.

For More Details, Please Visit: <https://www.barandbench.com/news/litigation/resolution-professional-fraternity-untouched-by-contempt-needs-to-be-taught-a-lesson-nclat-chennai>

Restaurant Chains' promoter company in USA files for bankruptcy over high debt, legal woes

FAT Brands, the parent company of restaurant chains such as Fatburger, Johnny Rockets, and Round Table Pizza, has filed for bankruptcy protection in Houston, USA, after its business took a hit from the indictment of its former CEO and rising costs on its \$1.4 billion in debt. According to media reports, the company and its franchisees operate over 2,200 restaurants, and those restaurants will remain open for business. FAT Brands reportedly entered bankruptcy with just \$2.1 million in cash on hand, and the court has allowed it to use some of that cash to ensure that \$400,000 in recently issued checks do not bounce when employees go to cash them.

For More Details, Please Visit: <https://www.reuters.com/legal/litigation/fatburger-owner-files-bankruptcy-over-high-debt-legal-woes-2026-01-27/>



Exclusion of any member of CoC is a serious issue: NCLAT

The Appellate Tribunal held that exclusion of any member of the Committee of Creditors (CoC), howsoever small voting share it is having, is a serious issue and the same could only be decided after providing ample opportunity of being heard to the parties. This judgement came in the matter of *Jogihali Wind Energy Pvt. Ltd. v. Yogesh Mehra and Ors.*

The court observed that exclusion of the applicant on the ground that the appellant's voting share in the CoC was insufficient to alter the fate of the Resolution Plan was not legally sustainable. It further noted that the IL&FS group companies' entities were incorrectly linked with IL&FS Finance, against which money-laundering case was initiated by the Enforcement Directorate (ED). It was also observed that no ED investigation was pending against these IL&FS entities and there was no legal impediment to their inclusion in the CoC.

For More Details, Please Visit: <https://ibclaw.in/jogihali-wind-energy-pvt-ltd-vs-yogesh-mehra-and-ors-nclat-new-delhi/>

EVENT PHOTOGRAPH



69th Batch of Pre-Registration Educational Course (PREC) from 15th January 2026 to 21st January 2026 through Online Mode

IIPI to conduct 03 Webinars in February

The first webinar will be held on Friday, 6th February, covering the topic "*IBC Interface with Corporate, Taxation & Labour Laws.*" The second webinar is scheduled for Friday, 13th February, on "*IBC Amendment Bill, 2025.*" The third webinar will take place on Friday, 27th February, on "*Restructuring and Turnaround Skills for IPs.*" All webinars will be conducted from 3 PM to 6 PM.

Registered participants will be eligible for CPE credit upon attending the program, with 2 hours of credit for IPs and 3 hours of credit for RVs for each webinar.

For More Details, Please Visit:

<https://www.iipicai.in/wp-content/uploads/2026/01/Fe b-2026-Webinar-Flyer.pdf>