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News Update

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*Knowledge SBU Initiative

Kerala HC Dismisses Challenge to Delhi NCLT Order Based on Kerala Credit Facility

While holding that the writ petition filed under Article 226 of the Constitution challenging an order of the National Company Law Tribunal (NCLT), Delhi would not lie within the State of Kerala, the Kerala High Court has held that merely because a credit facility has been availed from the State of Kerala, the part of the cause of action with reference to the provisions of IBC, would not arise in that State.

"There cannot be any dispute that the proceedings have to lie only before the NCLT having territorial jurisdiction over the place where the registered office of the corporate person is situated. Even from the pleadings in the writ petition, it is clear that, as regards the 3rd respondent herein, the registered office was not in Kerala and was at New Delhi. It is in such circumstances that the 1st respondent instituted the proceedings before the NCLT, Delhi. Therefore, merely for the reason that a credit facility has been availed from the State of Kerala, in my opinion, the part of the cause of action, with reference to the provisions of IBC, does not arise in the State of Kerala," said the Court. Regarding dealing with the issue of maintainability of writ petition, the Bench explained that Article 226(2) of the Constitution permits the petitioner to prefer a writ petition when a part of the cause of action has arisen within the State.

For More Details, Please Visit: *https://www.verdictum.in/kerala-high-court/kn-marzook-v-dhanlaxmi-bank-limited-2026ker36249-ibc-proceedings-corporate-person-office-1615753*

NCLT Approved Resolution Plan for Mastana Foods

The Delhi bench of the NCLT has approved a resolution plan worth ₹135.39 crore submitted by a consortium of HR Commercials Pvt. Ltd. and Crown Steels for Mastana Foods Pvt. Ltd.

The company was reportedly admitted into the insolvency process on September 18, 2019, on a petition filed by the State Bank of India (SBI). The HR Commercials -Crown Steels consortium emerged the highest bidder and subsequently enhanced the offer to ₹135.39 crore and secured the highest net present value of ₹127.52 crore of which SBI will receive ₹127.30 crore.

For More Details, Please Visit: *https://www.livelawbiz.com/ibc/nclt-delhi-approves-hr-commercialscrown-steels-consortium-rs-13539-cr-resolution-plan-for-mastana-foods-pvt-ltd-537743*

News Roundup

IBBI Mandates Going Concern Assessment before CoC Decides on Continuation of Operations

The Insolvency and Bankruptcy Board of India (IBBI) has reportedly amended the Corporate Insolvency Resolution Process (CIRP) framework to require Resolution Professionals (RPs) to prepare a Going Concern Assessment Report. This will help the Committee of Creditors (CoC) decide whether the Corporate Debtor should continue operations during the insolvency process. If operations are to continue, the CoC will also determine their scope and duration. The changes have been brought in through IBBI (Insolvency Resolution Process for Corporate Persons) (Fourth Amendment) Regulations, 2026. Under the amended framework, the Going Concern Assessment Report must set out estimated income, expenditure, and cash flows arising from continued operations, said a media report.

For More Details, Please Visit:
https://ibbi.gov.in/uploads/legalframwork/9ff2e33e257d8f22ab3dc142ccce6e29.pdf

NCLT Dismissed Former Employee's Plea To Admit CIRP Against Spicejet

The CIRP petition was filed by a former SpiceJet pilot claiming ₹1.7 crore in unpaid employment dues from March 2020 to August 2022. According to media reports, SpiceJet has delayed salary payments to many pilots since March, with the cash-strapped carrier seeking an emergency loan under a government-backed credit scheme to stabilize operations. SpiceJet was India's second-largest domestic carrier by market share in 2019, carrying about 15% of passengers, but has since fallen to fourth place with a 3.4% share.

For More Details, Please Visit: *https://www.moneycontrol.com/news/business/markets/nclt-rejects-spicejet-former-employee-s-plea-to-admit-ibc-against-airline-shares-rise-5-13947896.html*

Mattress Company Sleep Number Plans $415 Million Bankruptcy Sale

According to media reports, mattress company 'Sleep Number' has filed for bankruptcy in New York and plans to sell its assets under a $415 million buyout offer from Canadian bedding company Sleep Country Canada Inc. Sleep Number, which recently entered into a sponsorship agreement with NFL star Travis Kelce, entered bankruptcy with $672 million in debt. President Donald Trump's "unpredictable" tariff policy reportedly disrupted the company's global supply chain for smart beds and mattresses, increased operating costs, and significantly affected its bottom line, claimed the company.

For More Details, Please Visit: *https://www.reuters.com/legal/litigation/mattress-company-sleep-number-plans-415-million-bankruptcy-sale-2026-06-12/*

Trust is True Currency for IPs: MCA Secretary

Ms. Deepti Gaur Mukherjee, Secretary, Ministry of Corporate Affairs (MCA) has emphasized the importance of code of conduct for Insolvency Professionals (IPs) and said their financial intellect will be useless if there is no "ethical anchor".

"All your financial intellect, and strategic thinking are completely useless if you don't have ethical anchor," said Ms. Mukherjee. She further emphasized that the spirit of IBC is important, and the IPs should never misrepresent facts.

"We cannot outsource our fundamentals duties," said Ms. Mukherjee said and highlighted the need for integrity, objectivity and impartiality. She further said that IPs should look to maximize value of assets as well as exhaust every avenue to revive the CD.

For More Details, Please Visit:
https://money.rediff.com/amp/news/market/trust-is-true-currency-for-insolvency-professionals-official/48761420260613

EVENT PHOTOGRAPH

Webinar on "Cross Border and Group Insolvency Framework" organized by IIIPI on June 12, 2026.

6th Batch of EDP (For IPs) Cross Border Insolvency Under IBC

The 6th Batch of the Executive Development Program (EDP) on Cross-Border Insolvency for Insolvency Professionals (IPs) will be conducted online on 16–17 June 2026.

The programme offers 8 CPE hours and comprises 12 hours of learning spread over two days. With limited seats available, interested participants are encouraged to register at the earliest. Registrations will close on 15 June 2026 at 5:00 PM.

For More Details, Please Visit: *https://www.iiipicai.in/wp-content/uploads/2026/06/flyer-6th-batch-cross-border.pdf*