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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Each morning we are born again. What we do today matters most."

➤ Kerala High Court Dismisses Writ Against NCLT New Delhi Insolvency Proceedings, Cites No Jurisdiction

On 25 May, the Kerala High Court held that it cannot entertain a writ petition challenging insolvency proceedings initiated before the National Company Law Tribunal (NCLT), New Delhi, against a personal guarantor merely because the underlying credit facilities were availed in Kerala, since territorial jurisdiction under the Insolvency and Bankruptcy Code depends on the location of the corporate debtor's registered office.

Justice Harisankar V Menon dismissed a writ petition filed by a personal guarantor challenging an NCLT order that permitted initiation of insolvency proceedings against him. He held: *"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."*

The petitioner, a personal guarantor for credit facilities extended to a corporate debtor, challenged the insolvency proceedings on the ground that the original application before the NCLT named another individual as guarantor and that the bank later substituted his name after obtaining permission from the tribunal to rectify the application. He approached the Kerala High Court after the NCLT allowed the insolvency proceedings to continue against him.

Opposing the petition, the bank raised a preliminary objection and argued that the writ petition did not lie before the High Court since the petitioner had an alternative remedy before the NCLT. The petitioner, however, contended that the Kerala High Court had territorial jurisdiction because the loan transaction originated in Kerala, giving rise to part of the cause of action within the State. The Court examined Section 60 of the Insolvency and Bankruptcy Code and held that insolvency proceedings must lie before the NCLT having jurisdiction over the place where the corporate debtor's registered office is situated.

Source: *Live Law Biz*

Read Full news: [Kerala High Court Dismisses Writ Against NCLT New Delhi Insolvency Proceedings, Cites No Jurisdiction](#)

➤ **Flipkart Faces Fresh Insolvency Plea Before NCLT Bengaluru Over ₹1.69 Crore Marketing Services Dues**

The National Company Law Tribunal at Bengaluru has issued notice to Flipkart Internet Private Limited on a plea filed by Applabs Media Private Limited seeking initiation of insolvency proceedings over an alleged operational debt of ₹1.69 crore.

A coram of Judicial Member Mahendra Khandelwal and Technical Member Radhakrishna Sreepada passed the order. According to the operational creditor, the debt arises from three invoices amounting to ₹1.69 crores raised under a Marketing Agreement dated December 5, 2019. Under the agreement, Applabs Media was engaged to provide cost-per-transaction campaign services for events conducted through mobile applications and other digital platforms.

Source: *Live Law Biz*

Read Full news: [Flipkart Faces Fresh Insolvency Plea Before NCLT Bengaluru Over ₹1.69 Crore Marketing Services Dues](#)

➤ **NCLT Chandigarh Issues Notice To Gridlogic Games On PhonePe's ₹3.93 Crore Insolvency Plea**

The Chandigarh Bench of the National Company Law Tribunal (NCLT) has issued notice to Gridlogic Games Private Limited on an insolvency application filed by PhonePe Limited over alleged unpaid dues of ₹3.93 crore for promotional services rendered on its platform.

The order was passed by Judicial Member K. Biswal and Technical Member K.K. Singh. While issuing notice and granting Gridlogic three days to file its reply, the bench declined a request for any further extension of time.

Source: *Live Law Biz*

Read Full news: [NCLT Chandigarh Issues Notice To Gridlogic Games On PhonePe's ₹3.93 Crore Insolvency Plea](#)



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