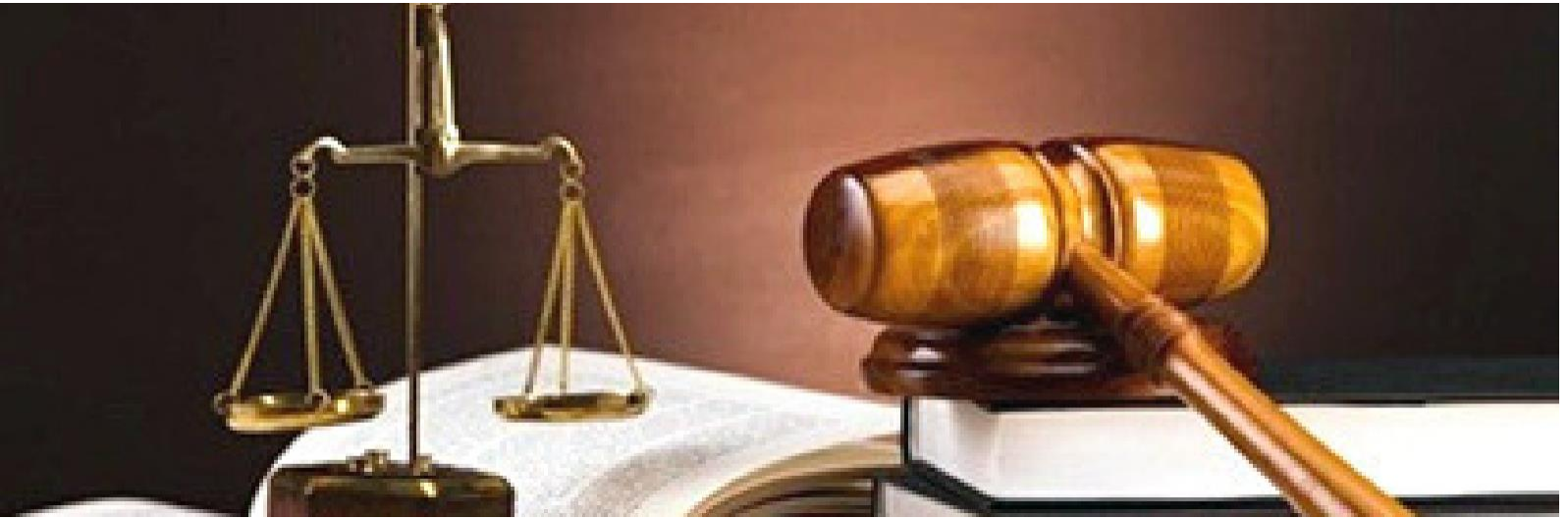


# IBC DOSSIER

Bulletin on Landmark Judgments under IBC, 2016



## M/s Embassy Property Developments Pvt. Ltd. Vs. State of Karnataka & Ors.

### **Brief Facts**

The present case is a result of three appeals with common question of law being

- i) Whether high court can interfere under Article 226 and 227 against an order passed by NCLT under the Code.
- ii) Whether the NCLT can investigate questions of fraud.

The Government of Karnataka had cancelled mining leases given to CD under the MMDR Act. The IRP had then filed Miscellaneous application seeking stay on government order from NCLT which granted such order.

### **Decision**

- a. It was held that NCLT has jurisdiction to look into allegations of fraud and hence it is no excuse to bypass NCLAT through writ jurisdiction of High Court under Article 226 of the Constitution.

**[49, 50,51, 52]**

- b.** The High court has writ jurisdiction against the orders of NCLT. **[Para 51 & 52]**
- c.** NCLT does not have jurisdiction to adjudicate upon disputes such as those arising under the Mines & Minerals (Development & Regulation) act, 1957 and the rules issues therein, especially when the disputes revolving around decisions of statutory or quasi-judicial authorities which can be corrected only by way of judicial review to administrative action. **[Para 28, 29, 36, 45 & 52]**

**Link of the Order**

<https://ibbi.gov.in/uploads/order/b30ab5f506b119e8450ad06818d82814.pdf>



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