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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*"There are no working hours for leaders."*

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## ➤ **Insolvency proceedings: Gujarat High Court stays NCLT order against Rasna**

In a major relief for Rasna, the Gujarat High Court on Monday stayed the NCLT order directing the initiation of insolvency proceedings against the homegrown beverage brand. Last week, the Ahmedabad bench of the National Company Law Tribunal (NCLT) directed initiation of the Corporate Insolvency Resolution Process (CIRP) against Rasna over a default of Rs 71.27 lakh and had appointed an interim resolution professional suspending the board.

The National Company Law Tribunal (NCLT) order was challenged by the promoters of Rasna Industries before the high court, which stayed the verdict till an appeal filed against it before the National Company Law Appellate Tribunal is listed.

"Considering the aforesaid, by way of ad-interim relief, the said order dated 01.09.2023 is directed not to be acted upon till the statutory appeal which is filed before the NCLAT is listed for hearing in the peculiar facts of the present case," an order passed by Justice V D Nanavati stated on Monday.

NCLT had passed the order on the petition filed by one of its operational creditors Bharat Road Carriers, claiming a default of Rs 71.27 lakh and had appointed Ravindra Kumar Goyal as Interim Resolution Professional (IRP).

A statement from Rasna Group Legal Team said, "Considering the overall facts and circumstances of the case, the High Court of Gujarat was pleased to entertain the petition filed by Rasna challenging the order of NCLT."

**Source: Business Standard.**

**Read Full news at:** [https://www.business-standard.com/companies/news/insolvency-proceedings-gujarat-high-court-stays-nclt-order-against-rasna-123090401291\\_1.html](https://www.business-standard.com/companies/news/insolvency-proceedings-gujarat-high-court-stays-nclt-order-against-rasna-123090401291_1.html)

## ➤ **IBBI allows insolvency professional entities to make submissions electronically**

The move by the insolvency regulator marks a significant step forward in bolstering oversight over the performance of IPEs acting as IPs. In a significant development aimed at enhancing monitoring capabilities, the Insolvency and Bankruptcy Board of India (IBBI) has granted Insolvency Professional Entities (IPEs) acting as Insolvency Professionals (IP) the facility to electronically submit insolvency information. This digital submission capability was previously unavailable to IPEs functioning as IPs.

**Source: *The Hindu businessline.***

**Read Full news at:** <https://www.thehindubusinessline.com/economy/ibbi-empowers-insolvency-professional-entity-with-electronic-submission-capability/article67270677.ece>

## ➤ **Fate of Birla Tyres workers uncertain amid takeover bid**

Even as Dalmia Bharat group is set to acquire Birla Tyres after creditors approved their resolution plan, the fate of hundreds of employees and workers hangs in balance due to alleged discrepancies and controversies regarding their claims and the resolution process.

The Balasore unit of Birla Tyres, a division of the BK Birla flagship Kesoram Industries Limited, known for its commercial and two-wheeler segment products, is undergoing insolvency proceedings at the National Company Law Tribunal (NCLT).

Sources said the Birla Tyre Workers' Union (BTWU) representing 307 workmen had submitted a collective claim of Rs 31.47 crore to the company's Resolution Professional (RP) in May 2022. However, subsequent developments ahead of the proposed acquisition have left the workmen disheartened.

The RP's issuance of a list of admitted claims has raised eyebrows as only 8.48 per cent (around Rs 2.67 crore) of the total claimed amount was acknowledged leaving the majority of the claim unaccepted. General secretary of the union Dilip Kumar Panda said this significant gap between the claimed amount and the admitted portion has raised questions about the transparency and accuracy of the claim evaluation process. "Furthermore, a contentious issue has arisen from the RP's unilateral rejection of claims from 191 contractual workers, despite a directive from the industrial tribunal, which had made it clear that the claims of all workmen would be settled.

The RP's decision on the basis of lack of regularisation appears to be an illegal move that will jeopardise the legal validity and fairness of the decision," he pointed out. The workmen have approached various government authorities and filed a writ petition seeking justice. They said the acknowledgement by the divisional labour commissioner about the 'no work no pay' principle is inapplicable due to the corporate debtor's failure to provide employment.

**Source: *The New Indian Express.***

**Read Full news at:** <https://www.newindianexpress.com/states/odisha/2023/sep/04/fate-of-birla-tyres-workers-uncertain-amid-takeover-bid-2611546.html>

## ➤ NCLT Mumbai Initiates Insolvency Process Against Sahara India Medical Institute Ltd., A Sahara Group Company

The National Company Law Tribunal (“NCLT”), Mumbai Bench, comprising of Mr. Kishore Vemulapalli (Judicial Member) and Mr. Prabhat Kumar (Technical Member), while adjudicating a petition filed in Aprn Enterprises Private Limited v Sahara India medical Institute Limited, has initiated Corporate Insolvency Resolution Process (“CIRP”) against Sahara India Medical Institute Limited, which is a part of the Sahara Group, promoted by Mr. Subrata Roy.

Sahara India Pariwar (Sahara Group) was founded by Mr. Subrata Roy in 1978. The Sahara Group is engaged in myriad of businesses such as finance, infrastructure & housing, real estate, sports, power, manufacturing, media & entertainment, health care, life insurance, educational institute, offline online education, retail, E-commerce, hospital, artificial intelligence, hospitality, et al.

**Source: Live Law.**

**Read Full news at:** <https://www.livelaw.in/ibc-cases/nclt-mumbai-insolvency-process-sahara-india-medical-institute-236949>

