



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"I never dreamed about success. I worked for it"

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➤ **Calcutta High Court Upholds Gratuity Entitlement Despite Corporate Insolvency Proceedings**

Calcutta High Court: A Single Judge Bench of Justice Shampa Dutt (Paul) dismissed a writ petition challenging an order directing the payment of gratuity to an employee. The court ruled that gratuity payments remain a statutory obligation even after a company undergoes Corporate Insolvency Resolution Process (CIRP). It held that Section 36(4)(a)(iii) of the Insolvency and Bankruptcy Code explicitly excludes gratuity funds from forming part of the corporate debtor's estate. Lastly, the court noted that CIRP merely facilitates a change in management and does not extinguish a company's obligations under the labor laws.

Firstly, the court held that gratuity payments are distinct from other liabilities under the IBC. It noted that Section 36(4)(a)(iii), IBC, specifically excludes gratuity funds from forming part of the corporate debtor's estate. Citing *Savan Godiwala v. Apalla Siva Kumar*, the court reiterated that an employer's failure to maintain a gratuity fund does not absolve it from any liability owed to the employees.

Source: *Live Law*

Read Full news at: <https://www.livelaw.in/labour-service/calcutta-high-court-upholds-gratuity-entitlement-despite-corporate-insolvency-proceedings-285535>

➤ **NCLAT condones delay in plea to initiate insolvency against PepsiCo, to list for hearing**

The National Company Law Appellate Tribunal NCLAT on Monday condoned the delay over a plea to initiate an insolvency petition filed against food & beverage major PepsiCo India Holdings by one of its operational creditors and directed to list for hearings before a bench.

Under the Insolvency and Bankruptcy Code IBC, a person aggrieved by an NCLT order can challenge it before the appellate tribunal NCLAT by filing an appeal within 30 days from the date of receiving the NCLT order. "Considering the submissions made on behalf of the appellant and for the reasons mentioned in the IA, which are sufficient, the delay of 06 days in re-filing the Memo of Appeal is hereby condoned. As prayed, list the case before the Bench under the heading 'for admission (fresh case)'," said an order by NCLAT Registrar.

Source: Live Law

Read Full news at: <https://www.livemint.com/companies/news/nclat-condones-delay-in-plea-to-initiate-insolvency-against-pepsico-to-list-for-hearing-11741013970204.html>

➤ **As insolvency proceedings begin, Ansal API investors protest**

Lucknow: Over 100 investors staged a protest at the office of Ansal API in Lucknow where the National Company Law Tribunal (NCLT) started proceedings of company's insolvency. The protesters demanded justice, claiming that their hard-earned money was stuck in the company's projects. The NCLT has appointed an interim resolution professional (IRP) to evaluate Ansal API's projects in Lucknow, Noida, and other cities. "Over 3,000 investors, who had booked plots, flats, villas, and commercial spaces in the company's Sushant Golf City project, are now facing uncertainty. Some investors have been waiting for possession since 2009," said protesters.

Source: The Economic Times

Read Full news at: <https://timesofindia.indiatimes.com/city/lucknow/as-insolvency-proceedings-begin-ansal-api-investors-protest/articleshow/118654609.cms>

➤ **Maximising asset value through IBBI regulations**

The current budget has rightly emphasized the essential need for the next series of economic reforms to guide us towards the coveted goal of a "Viksit Bharat." Over the past ten years, the 'Insolvency and Bankruptcy Code' (IBC) Act of 2016 stands out as a major economic reform initiative by the Government aimed at fostering an improved credit culture and creating an effective ecosystem for resolving stressed assets. According to reports, by September 2024, 1,068 resolution plans have been approved, resulting in creditors realising Rs 3.60 lakh crores.

Source: Money Control

Read Full news at: <https://www.moneycontrol.com/news/opinion/maximising-asset-value-through-ibbi-regulations-12955442.html>

