



INSOLVENCY PROFESSIONAL AGENCY
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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Everything is within your power and your power is within you."

➤ **IBBI committee recommends project-wise insolvency for real estate cases**

A committee of the Insolvency and Bankruptcy Board of India (IBBI) has recommended that the resolution process for stressed assets of real-estate companies be conducted on a project-wise basis—as against the current practice of pulling the entire company into insolvency.

The committee's report, released on April 8, said that it recommends that corporate insolvency resolution process (CIRP) in the real estate sector "should ordinarily be admitted on a project-wise basis, with each real estate project treated as an independent unit for the purposes of insolvency admission and resolution".

The Supreme Court, on September 12, 2025, in its Mansi Brar judgement, had directed the IBBI to frame specific guidelines to ensure real estate insolvency cases are examined on a project-specific base as a "matter of rule".

Project-wise insolvency framework has been a key ask of the industry – which is currently not explicitly mentioned in the Insolvency and Bankruptcy Code. But, IBBI guidelines do permit resolution professionals to invite separate resolution plans for specific projects or assets of a company.

A lack-of-clear statutory guidelines does leave a room for project-wise insolvency to be challenged in courts due to non-alignment of the law and regulations, a government source had told Moneycontrol earlier.

Source: Money Control

Read Full news: [IBBI committee recommends project-wise insolvency for real estate cases](#)

➤ **NCLAT upholds NCLT order on distribution of funds from a resolution plan**

The National Company Law Appellate Tribunal on Wednesday rejected a joint petition filed by five banks - Indian Bank, UCO Bank, Bank of Baroda, ICICI Bank and Union Bank of India, challenging the distribution of funds to dissenting financial creditors SBI and Punjab National Bank.

A two-member National Company Law Appellate Tribunal (NCLAT) bench said the distribution mechanism for funds received from the resolution plan approved by the lenders' body CoC in its commercial wisdom, and subsequently, the NCLT is valid, lawful, and binding. The bench said that the 'Monitoring Committee' formed after the bidding process was over and "could not have altered the same".

Source: *The Economic Times*

Read Full news: [NCLAT upholds NCLT order on distribution of funds from a resolution plan - The Economic Times](#)

➤ **BSE loses: NCLAT upholds NCLT's authority to unfreeze demat accounts in insolvency cases**

The National Company Law Appellate Tribunal (NCLAT) has rejected appeals by the BSE, confirming that insolvency courts can order the unfreezing of Demat accounts for companies undergoing insolvency. A two-member bench of the tribunal said the National Company Law Tribunal (NCLT) has clear authority under Section 60(5) of the Insolvency and Bankruptcy Code (IBC) to handle such matters and issue directions.

The NCLAT also upheld that the previous NCLT orders were valid and within its legal powers. The case involved two companies, Future Corporate Resources and Liz Traders and Agents, whose Demat accounts were frozen by BSE due to unpaid listing fees and other regulatory dues, including non-compliance with listing rules.

Source: *MSN*

Read Full news: [BSE loses: NCLAT upholds NCLT's authority to unfreeze demat accounts in insolvency cases](#)



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