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➤ **Unauthorised Residents Association Cannot Trigger CIRP If Individual Homebuyers Miss Debt Threshold: NCLT Delhi**

The National Company Law Tribunal (NCLT) at New Delhi has recently held that a Residents Welfare Association that is not authorised by individual homebuyers cannot initiate a corporate insolvency process on their behalf, particularly when those homebuyers do not individually meet the minimum debt threshold under the Insolvency and Bankruptcy Code.

A coram of Judicial Member **Manni Sankariah Shanmuga Sundaram** and Technical Member **Atul Chaturvedi** said the Code requires strict compliance with both the statutory debt threshold and the standing of the applicant when invoking Section 9-CIRP.

It noted that the application had not been filed by individual operational creditors or an authorised representative acting on their behalf, but by the Association in its own name. *"we observe that the present application has been instituted by a Residents' Welfare Association and not by an individual allottees represented through an authorised representative. It is further noted that the individual Applicant, in their personal capacity, does not meet the minimum threshold requirement prescribed under Section 4 of the Insolvency and Bankruptcy Code, 2016, for initiation of proceedings against the Corporate Debtor"*, it said.

The tribunal added that *"the statutory scheme of the Code mandates strict compliance with the threshold criteria, and in the absence of such compliance, the petition cannot be sustained."* Against this backdrop, the tribunal held that the Heritage Max Condominium Association could not maintain the CIRP plea against Dreamhome Infrastructure Private Limited, the developer of the project, for the alleged non-transfer and diversion of the Interest Free Maintenance Security corpus.

Source: Live Law

Read Full news: [Unauthorised Residents Association Cannot Trigger CIRP If Individual Homebuyers Miss Debt Threshold: NCLT Delhi](#)

➤ **Objections To Constitution of CoC Cannot Defeat RP's Plea To Reverse Preferential Deals: NCLT Ahmedabad**

The National Company Law Tribunal (NCLT) at Ahmedabad has held that objections to the constitution of the Committee of Creditors cannot be used to block a Resolution Professional's application under Section 43 of the Insolvency and Bankruptcy Code seeking to avoid and reverse preferential transactions.

The tribunal said that avoidance proceedings are meant to protect the corporate debtor's estate and "*cannot be defeated by unsubstantiated conspiracy theories*," especially when the challenge to the CoC's constitution has already been dismissed.

Source: Live Law

Read Full news: [Objections To Constitution of CoC Cannot Defeat RP's Plea To Reverse Preferential Deals: NCLT Ahmedabad](#)

➤ **SARFAESI Sale Cannot Proceed If Sale Certificate Is Not Issued Before IBC Moratorium: Bombay High Court**

The Bombay High Court on Wednesday held that a secured creditor cannot proceed with a SARFAESI sale once an interim moratorium under the Insolvency and Bankruptcy Code comes into force. It ruled that the Union Bank of India was not entitled to accept balance payments or issue a sale certificate after the personal insolvency process against the borrower had commenced.

In an order passed on December 10, **Justices R I Chagla** and **Farhan P Dubash** held that "*the secured creditor could not have continued with the proceedings under the SARFAESI Act and could not have accepted the balance payment after the commencement of the interim-moratorium under Section 96 of the IBC.*"

Source: Live Law

Read Full news: [SARFAESI Sale Cannot Proceed If Sale Certificate Is Not Issued Before IBC Moratorium: Bombay High Court](#)



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