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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

Good things happen to those who hustle

➤ **Supreme Court of India calls speculative investors 'slow poison' for real estate, seeks safeguards for homebuyers**

In a landmark ruling with wide-ranging implications for the real estate sector, the Supreme Court of India has drawn a clear distinction between speculative investors, whom it described as 'slow poison', and genuine homebuyers. The court said speculative investors should not be allowed to misuse the Insolvency and Bankruptcy Code as a recovery tool to seek lucrative returns without any intention of owning a home.

It observed that such investors harm the residential real estate sector and, by extension, the Indian middle class. The court also stressed that the state has a constitutional duty to establish and strictly enforce a framework preventing developers from defrauding or exploiting homebuyers, adding that ensuring timely project completion must be the cornerstone of India's urban policy.

A bench of Justices JB Pardiwala and R Mahadevan, while disposing of a batch of four appeals, upheld the decisions of the National Company Law Appellate Tribunal (NCLAT) that had set aside the initiation of Corporate Insolvency Resolution Process (CIRP) against two builders based on petitions filed by two allottees, Mansi Brar Fernandes and Sunita Agarwal.

Speculative investors are like 'slow poison'

Affirming NCLAT's ruling that termed the appellants in the case as 'speculative investors', the Supreme Court said speculative investors could destabilize India's residential real estate sector.

Source: Hindustan Times

Read Full news: [Supreme Court of India calls speculative investors 'slow poison' for real estate, seeks safeguards for homebuyers/ Real Estate News](#)

➤ **NCLT admits Fortune Spirit into insolvency on IDBI Bank's plea**

The National Company Law Tribunal (NCLT), Cuttack Bench, has admitted liquor manufacturer Fortune Spirit Limited into the Corporate Insolvency Resolution Process (CIRP) on a petition filed by IDBI Bank to recover dues of over ₹18.5 crore.

The bench of Member Technical Banwari Lal Meena and Member Judicial Deep Chandra Joshi appointed Mr. Sambhulal Agarwal as the Interim Resolution Professional (IRP) to manage the company's affairs and oversee the resolution process. A moratorium has been declared with immediate effect, prohibiting any legal action, transfer of assets, or recovery proceedings against the corporate debtor.

Source: *Insolvency Tracker*

Read Full news: [NCLT admits Fortune Spirit into insolvency on IDBI Bank's plea](#)

➤ **Restoration Of Plea U/S 7 Of IBC Not Permissible After Payment Of Principal & Interest By Corporate Debtor Upon NCLT's Order: NCLAT**

The National Company Law Appellate Tribunal (NCLAT) New Delhi bench of Justice Ashok Bhushan and Mr. Barun Mitra (Technical Member) has held that Once the principal amount mentioned in Part IV of the application under Section 7 of the IBC along with interest is paid in pursuance of an order of the NCLT, the financial creditor cannot seek restoration of the application merely on the ground that interest on the entire principal amount was not paid, which crossed 1 crore; therefore, the NCLT should have restored the application.

These two appeals have been filed under section 61 of the Insolvency and Bankruptcy Code, 2016 (IBC) against an order passed by National Company Law Tribunal (NCLT) New Delhi by which it dismissed an application seeking restoration of the petition under section 7 of the IBC over non-payment of pendent lite interest.

Source: *Live Law*

Read Full news: [Restoration Of Plea U/S 7 Of IBC Not Permissible After Payment Of Principal & Interest By Corporate Debtor Upon NCLT's Order: NCLAT](#)

