



INSOLVENCY PROFESSIONAL AGENCY
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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"The best way to predict the future is to create it."

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➤ Supreme Court Rejects Distinction Among Sub-Classes Of Homebuyers

Under the Insolvency and Bankruptcy Code, homebuyers who have a refund decree in their favour cannot be treated differently from their counterparts who do not have a decree, the Supreme Court has said. It said so in an appeal filed by homebuyers against an order of the National Company Law Appellate Tribunal.

The case pertained to the allotment of homes in a real estate project. There was a delay in the completion of the project, which led certain homebuyers to approach the Uttar Pradesh Real Estate Regulatory Authority for relief. The UPRERA ruled in their favour and entitled them to a refund of their deposited amounts along with interest.

Subsequently, insolvency proceedings were initiated against the real estate company. In the resolution plan submitted before the adjudicating authority, a distinction was drawn between homebuyers who had opted or elected for other remedies, such as applying before the RERA and having secured orders in their favour, and those who did not do so. Homebuyers who did not contact the authorities under the RERA Act got 50% better terms than those who did contact RERA or were decree holders.

This was approved by the appellate tribunal, which prompted the homebuyers to approach the apex court. The court held that the provisions of IBC do not make any distinction between different classes of financial creditors for the purposes of drawing up a resolution plan.

Source : BQ Prime

Read Full news at: <https://www.bqprime.com/law-and-policy/insolvency-law-supreme-court-rejects-distinction-among-sub-classes-of-homebuyers>

➤ **Party Who Benefits From Preferential Transaction Can Only Be Directed To Contribute To Corporate Debtor: NCLT Delhi**

The National Company Law Appellate Tribunal (“NCLAT”), New Delhi Bench, comprising of Justice Ashok Bhushan (Chairperson) and Shri Barun Mitra (Technical Member), while adjudicating an appeal filed in Mr. Saptarshi Nath & Anr. v Kapil Dev Taneja, has held that under Section 44(1)(d) of IBC a direction to contribute to the assets of the Corporate Debtor can be only given to a person who has received benefits from the Corporate Debtor. The Bench concluded that in a preferential transaction where a third party received benefit from the Corporate Debtor, the Erstwhile Management/Director cannot be directed by NCLT under Section 44(1)(d) to contribute to the assets of the Corporate Debtor.

Source: Live Law

Read Full news at: <https://www.livelaw.in/ibc-cases/nclt-delhi-party-who-benefits-from-preferential-transaction-can-only-be-directed-to-contribute-to-corporate-debtor-240312>

➤ **Spicejet, lessor reach interim settlement, next hearing in February**

SpiceJet and Engine Lease Finance BV informed the Delhi High Court on Monday that they have reached an interim settlement, putting a temporary hold on legal proceedings. During the court session, legal representatives from both parties confirmed the agreed settlement terms and requested an adjournment. The court approved the request and rescheduled the matter for 8 February 2024.

The court had previously given SpiceJet until 16 October to reach a settlement with Engine Lease Finance BV, warning that failure to do so would result in an order to halt the use of the leased engines. Although the airline has returned eight of the nine leased engines, it continues to use one. The lessor had sought a court directive to stop SpiceJet from using this remaining engine and to have it returned.

Source: Business Standard

Read Full news at: https://www.business-standard.com/companies/news/spicejet-lessor-reach-interim-settlement-next-hearing-in-february-123101600908_1.html

