



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA



# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*"Patience: This is the greatest business asset. Wait for the right time to make your moves."*

## ➤ Charting a path forward. Tailored framework for real estate insolvency resolution

A specialised resolution framework to address the complexities of the sector can ease up the process.

Due to rising costs and pandemic-induced lack of demand, many real estate companies have gone bankrupt. As of June 2022, of the 2,000-odd cases under corporate insolvency resolution process (CIRP), a staggering 436 cases were from the real estate sector.

The resolution of insolvency in the real estate sector presents unique difficulties due to the sector's peculiarities. While initially homebuyers were categorized as "other creditors", there was a sea-change in the legal position after the Supreme Court's decision in *Chitra Sharma v. Union of India* and *Bikram Chatterji v. Union of India* wherein homebuyers were recognized as essential stakeholders in the insolvency resolution process of real estate enterprises. After the 2018 IBC amendments, the real estate allottees were recognized as financial creditors. Further, an explanation was added to Section 5(8)(f) of the IBC in which the amount spent by homebuyers in a real estate project was described as financial debt.

**Source: The hindu business line.**

**Read Full news at:** <https://www.thehindubusinessline.com/business-laws/tailored-framework-for-real-estate-insolvency-resolution/article66975997.ece/amp/>

## ➤ **MCA considering easing moratorium rules in IBC for certain sectors**

Section 14 of the IBC declares a moratorium on proceedings, transfer or disposal of any of the assets of the company from the date of commencement of its insolvency.

The moratorium clause of the Insolvency and Bankruptcy Code (IBC) may be getting diluted for certain sectors, with the corporate affairs ministry considering exemption from this provision for aircraft leases, two senior officials told Business Standard. Moratorium for idle spectrum in the telecom sector can also be done away with by bringing a provision in the telecom bill, government sources said.

Officials said that the corporate ministry has been asked to reconsider its position in the matter of the aviation sector - to do away with the moratorium on leased aircrafts, during interministerial discussions.

**Source: Business Standard.**

**Read Full news at:** [https://www.business-standard.com/companies/news/mca-considering-easing-moratorium-rules-in-ibc-for-certain-sectors-123061800479\\_1.html](https://www.business-standard.com/companies/news/mca-considering-easing-moratorium-rules-in-ibc-for-certain-sectors-123061800479_1.html)

## ➤ **NCLT Hyderabad Rejects Resolution Plan For Being Incompliant With Regulation 36B 4(A) Of CIRP Regulations**

The National Company Law Tribunal ("NCLT"), Hyderabad Bench, comprising of Dr. Venkata Ramakrishna Badarinath Nandula (Judicial Member) and Shri Charan Singh (Technical Member), while adjudicating a petition filed in Asset Reconstruction Company (India) Limited v Viceroy Hotels Limited, has rejected the Resolution Plan submitted for Viceroy Hotels for being incompliant with Regulation 36B 4(A) of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP Regulations"). The Performance Bank Guarantee submitted by the Resolution Applicant was valid for 6 months period, whereas, the plan implementation schedule was spread over 675.

**Source: Live Law.**

**Read Full news at:** <https://www.livelaw.in/ibc-cases/nclt-hyderabad-bench-rejects-resolution-plan-viceroy-hotels-230816>

