

IBC DOSSIER

Bulletin on Landmark Judgments under IBC, 2016



ACCIPITER INVESTMENTS AIRCRAFT & ANR. Vs. DIRECTORATE GENERAL OF CIVIL AVIATION & ANR.

Brief Facts

This is wrt. detailed judgment from the High Court of Delhi, concerning various writ petitions filed by aircraft leasing companies against the Directorate General of Civil Aviation (DGCA) and the Union of India. The cases involve issues related to the deregistration of aircraft and the applicability of the Insolvency and Bankruptcy Code (IBC) to the aviation sector, particularly in the context of the insolvency proceedings of Go Airlines. Following has been observed:

- The leasing companies sought the deregistration of aircraft leased to Go Airlines, which had defaulted on payments and was undergoing insolvency proceedings.
- The DGCA had not deregistered the aircraft due to a moratorium imposed by the NCLT's order.

- The lessors argued that the termination of leases was not barred by the IBC and that the High Court had the authority to order deregistration.

Decision

- The High Court held that there was no nexus between the deregistration of aircraft and the insolvency of Go Airlines.
- It affirmed that the High Court has jurisdiction over such matters and that the NCLT does not have the power to deregister aircraft, a power reserved for the High Court.
- The court directed the DGCA to allow the lessors to deregister and export their aircraft, ensuring compliance with international treaty.
- The court issues specific directions regarding the maintenance and security of the aircraft, and the provision of necessary documentation to the lessors.

Link of the Order

<https://ibbi.gov.in/uploads/order/0cef8d314164c186f140ff4b32c64e70.pdf>



**INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA**