



INSOLVENCY PROFESSIONAL AGENCY  
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

# IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

*The future belongs to those who believe in the beauty of their dreams.*

## ➤ **IBBI Releases Discussion Paper On Real Estate Issues, Suggests Inclusion Of Land Authorities In CoC Meetings**

On 7th November 2024, the Insolvency and Bankruptcy Board of India (IBBI) has released a discussion paper on the issues related with the Real Estate with seven proposals.

This discussion paper is based on findings and recommendations from a recent study group by the Indian Institute of Insolvency Professionals of ICAI (IIPI) that focused on improving real estate resolutions under IBC and coordination with RERA. It also includes issues and concerns raised during recent consultations with resolution applicants, Insolvency Professionals and other key stakeholders in the insolvency process.

### Proposed Inclusion of Land Authorities in Committee of Creditors (CoC) Meetings

In corporate insolvency resolution processes (CIRP) involving real estate companies land authorities are crucial but currently they not represented in the Committee of Creditors (CoC). Financial creditors are included in the CoC but land authorities who are usually operational creditors are not.

To address this IBBI has proposed inclusion of competent authorities as invitees to CoC meetings for real estate companies without voting rights

The proposal suggests adding a sub-regulation to Regulation 18 requiring the resolution professional to invite competent authorities as defined in the Real Estate Regulation Act, 2016 to attend CoC meetings as special invitees without voting rights.

**Source:** *Live Law*

**Read Full news:** <https://www.livelaw.in/ibc-cases/ibbi-releases-discussion-paper-real-estate-issues-seven-proposals-including-inclusion-of-land-authorities-in-coc-meetings-274769>

## ➤ **Filing Petition U/S 94 Of IBC By Guarantor Through RP Does Not Preclude Financial Creditors From Seeking Replacement Of RP: NCLAT**

The NCLAT New Delhi bench of Justices Ashok Bhushan (Chairperson), Barun Mitra (Technical Member) and Arun Baroka (Technical Member) held that financial creditors are entitled to file an application seeking replacement of the Resolution Professional under section 98 of the IBC if they are of the opinion that the RP would not work in an independent manner or has association with other parties to the litigation. The fact that personal guarantor has a vested right to initiate insolvency resolution process under section 94 of the IBC does not preclude the financial creditor from filing the application under section 98 seeking replacement of the RP.

This Appeal has been filed by Personal Guarantor of the Corporate Debtor challenging order dated 10.09.2024 passed by the NCLT. The Adjudicating Authority while passing order on application under Section 98 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the "IBC") has partly allowed application – IA No.1904 of 2024 filed by the Financial Creditor for replacement of Resolution Professional ("RP") – Mr. Prabhat Ranjan Singh. Prayer (B) made in the application was rejected.

**Source: Live Law**

**Read Full news :** <https://www.livelaw.in/ibc-cases/filing-petition-94-of-ibc-guarantor-through-rp-not-preclude-financial-creditors-from-seeking-replacement-of-rp-us-98-nclat-274767>

## ➤ **Timely Implementation Of Resolution Plan Is Crucial To Achieve IBC's Objective Of Protecting Assets Dissipation: Supreme Court**

The Supreme Court bench comprising Chief Justice of India DY Chandrachud, Justice JB Pardiwala and Justice Manoj Misra held that unnecessary delay caused in implementation of the Resolution Plan would also lead to the assets of the corporate debtor diminishing in value. Therefore, there is no doubt that the timely implementation of the Resolution Plan is also one of the underlying objectives of IBC, 2016.

**Source: Live Law**

**Read Full news:** <https://www.livelaw.in/ibc-cases/timely-implementation-resolution-plan-crucial-to-achieve-ibcs-objective-of-protecting-assets-dissipation-supreme-court-274780>

