

2 September 2019

IBC 2016 in Motion

IBC Overrides RERA and provisions of Realty Law

NCLAT asks Raheja Developers to settle dispute with financial creditors

NCLAT has asked realty firm Raheja Developers to settle its dispute with homebuyers, after the company challenged the NCLT's order to initiate insolvency proceedings against it. A three-member NCLAT bench, headed by Chairperson S J Mukhopadhaya, directed the IRP appointed by the NCLT not to issue any public notice and also not to constitute a committee of creditors.

The appellate tribunal's direction came over a petition filed by Raheja Developers challenging the order of NCLT that directed to initiate insolvency proceedings on a petition filed by flat buyers.

Changes in liquidation process under IBC not retrospective: IBBI

IBBI has clarified that the recent amendments to the norms on the liquidation process under the IBC will be applicable to those cases that commenced on or after July 25, which is when the amendments came into effect. The IBBI's clarification comes after stakeholders expressed difficulty in applying the amendment regulations to a liquidation process which commenced before July 25. The amendments to the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations stipulated that the liquidation process of any corporate debtor under IBC will have to be completed within a year of its commencement.

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NCLT starts insolvency proceedings against Today Homes Noida

The NCLT has initiated insolvency proceedings against NCR-based real estate firm Today Homes Noida Ltd on a petition filed by a group of homebuyers. The tribunal rejected the submission of the real estate firm that it has got four-year extension from UP Real Estate Regulation Authority (RERA) to complete the project, saying that IBC overrides provisions under the realty law. Today Homes Noida Ltd had contended that UP-RERA has extended its timeline till June, 2021 to complete the Ridge Residency housing project in sector 135, Noida.

HDIL to appeal against NCLT order

Realty company Housing Development and Infrastructure Limited (HDIL) has informed the stock exchange that it has received an order to admit the company under IBC from Bankruptcy Court. The company said that it is under the process to file an appeal to NCLAT against the order passed by NCLT. Last week NCLT had passed an order that HDIL will face insolvency proceedings under the provisions of the IBC. The NCLT order came in response to a plea filed by public sector lender Bank of India.

EMCO comes under Corporate Insolvency Resolution Process

NCLT appoints Interim Resolution Professional. EMCO announced that the NCLT vide order dated 22 July 2019 has admitted a plea filed by operational creditors who initiated CIRP against EMCO under the IBC. NCLT has appointed KedarramRamratanLaddha as Interim Resolution Professional under the provisions of the IBC.

IBBI registers Corporate Valuation Services as a Registered Valuer

The IBBI has registered Corporate Valuation Services Pvt. Ltd. as the Registered Valuer Entity in India to aid in professional valuation of assets that is needed for facilitation of variety of transactions today. Valuation is evolving in India and the professional judgment of a valuer is thus critical in any valuation exercise. With effect from February 1, 2019, all valuations required under the Companies Act 2013 and IBC are conducted through registered valuers. There are currently only 7 Registered Valuers Entity and approximately 2200 registered individual valuers in the country.

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