



## INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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# IIPI Newsletter



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### CIRP Against Realty Firms Must Remain Confined to the Concerned Project

NCLAT has reportedly reaffirmed that insolvency proceedings initiated by homebuyers against realty firms must remain confined to the specific project where the default has occurred and cannot extend to other projects of the corporate debtor.

The Court observed that subjecting unrelated projects of the realty firm to insolvency proceedings is not in the interest of homebuyers and other stakeholders of those projects.

**For More Details, Please Visit:**

<https://www.thehindubusinessline.com/news/nclat-reaffirms-project-specific-insolvency-proceedings-against-realty-firms/article70853448.ece>

## News Update

*\*For Internal Circulation Only  
\*Knowledge SBU Initiative*

### Insolvency and Bankruptcy Code (IBC) (Amendment) Act, 2026 Receives Presidential Assent on April 6, 2026

The Insolvency and Bankruptcy Code (Amendment) Bill, 2026 was passed by the Lok Sabha on March 30, 2026, and by the Rajya Sabha on April 1, 2026. The Bill received the assent of the President of India on April 6, 2026, and has been published in the Gazette of India (Extraordinary) as the Insolvency and Bankruptcy Code (Amendment) Act, 2026, dated April 6, 2026.

The major provisions introduced through this amendment include enhanced penalties for frivolous or vexatious proceedings before the Adjudicating Authority (AA); time-bound admission of applications by the NCLT; mandatory timelines for adjudicatory orders by the AA; the Creditor-Initiated Insolvency Resolution Process (CIIRP); time-bound disposal of appeals before the NCLAT; relaxations for MSMEs in the insolvency process; modifications to the waterfall mechanism under Section 53 of the IBC; the Group Insolvency Framework; the Cross-Border Insolvency Framework; and the strengthening of avoidance transactions, among others.

To reduce the litigation delays, Section 31 has been amended to require the AA to pass an order approving or rejecting the Resolution Plan within 30 days of its receipt. Similarly, Section 61 has been amended to insert sub-section (6), mandating the NCLAT to dispose of appeals within three months from the date of their receipt.

**For More Details, Please Visit:** <https://ibbi.gov.in/uploads/legalframework/2026-04-07-115842-i5nsk-7ed69ef2a4d23a8b0d472cc0fcd55e79.pdf>

## News Roundup

### Resolution Plan Invalid if Co-operative Society Not in “Same Line of Business”: Supreme Court

In this case, a multi-state co-operative society submitted a resolution plan for a textile company undergoing CIRP. The Resolution Professional (RP) declared the society ineligible, citing its bye-laws, which did not permit such an investment, and the fact that the Corporate Debtor was not in the same line of business. This decision was upheld by the NCLT and NCLAT. On appeal, the Supreme Court affirmed that a resolution plan by a co-operative society can be deemed invalid if the proposed investment is not in the “same line of business,” as required under the Multi-State Co-operative Societies Act, 2002.

**For More Details, Please Visit:** <https://www.jurishour.in/other-laws/resolution-plan-co-operative-society-same-line-of-business/>

### NCLAT Upholds Share of Dissenting Financial Creditors in Resolution Plan Approved by CoC

Five banks—Indian Bank, UCO Bank, Bank of Baroda, ICICI Bank, and Union Bank of India—filed an appeal challenging the distribution of funds to dissenting financial creditors, SBI and Punjab National Bank. Rejecting the appeal, a two-member NCLAT bench upheld the distribution mechanism for funds received under the Resolution Plan. “We are of the view that the payment directed to Respondent No. 1 (SBI) is strictly in accordance with Section 30(2)(b), read with Section 53(1) of the Code, which has been duly approved by the CoC and thereafter by the Adjudicating Authority under Section 30(4), and does not suffer from any inequity or illegality,” the NCLAT bench observed.

**For More Details, Please Visit:**

<https://economictimes.indiatimes.com/industry/banking/finance/banking/nclat-upholds-nclt-order-on-distribution-of-funds-from-a-resolution-plan/articleshow/130120224.cms?from=mdr>

### Bankruptcies Seen Rising in Japan Amid Price Hikes Linked to Iran War

According to media reports, surging oil costs and supply disruptions arising from the Middle East conflict are taking a toll on Japan’s fragile economy. Government and private survey reports suggest that profits have declined. Earlier, the Bank of Japan had also warned of the potential economic impact of the conflict. An index measuring business sentiment fell to 42.2 in March, down by 6.7 points from the previous month, marking the lowest level since February 2022. Some retailers fear that rising fuel prices could dampen consumption, while several manufacturers reported already facing shortages of raw materials, according to media reports citing a government survey.

**For More Details, Please Visit:**

<https://www.reuters.com/legal/litigation/japan-bankruptcy-cases-seen-rising-iran-conflict-lifts-costs-think-tank-says-2026-04-08/>



### IBBI Committee Recommends Project-Wise Resolution for Real Estate Cases

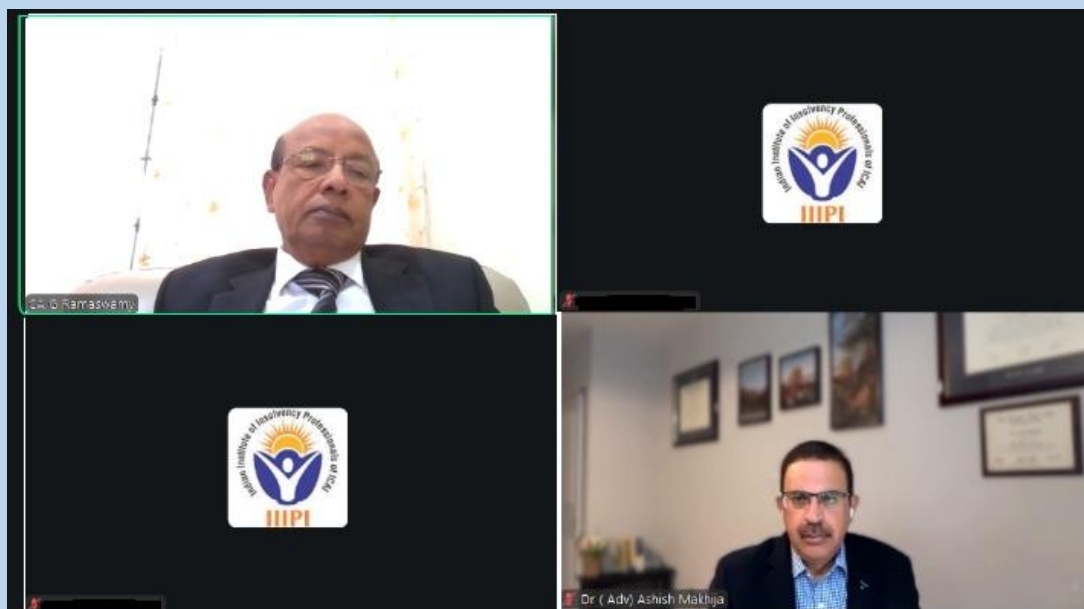
The Committee on Framing Guidelines for Insolvency Proceedings in the Real Estate Sector constituted by the IBBI has recommended shifting from an entity-centric, recovery-focused framework to a project centric, completion driven approach, along with stronger coordination between the IBC and the RERA.

The committee’s report has recommended that the CIRP in the real estate sector should ordinarily be admitted on a project-wise basis, with each real estate project treated as an independent economic unit for the purposes of CIRP admission and resolution. However, it has not recommended reverse CIRP. The Committee examined 55 key issues affecting real estate insolvency and made 155 recommendations.

**For More Details, Please Visit:**

<https://ibbi.gov.in/uploads/whatsnew/e3843d2d5ab054f330e159b28b7dc3a4.pdf>

## EVENT PHOTOGRAPH



*Webinar on “Improving outcomes of Avoidance Transactions” conducted by IIIPI on April 10, 2026.*

### **IIIPI jointly with PHDCCI will organize IBC PULSE on April 18, 2026**

Indian Institute of Insolvency Professionals of ICAI (IIPI) (Associate Partner) jointly with PHD Chamber of Commerce and Industry (PHDCCI) Delhi, is organizing a conference on IBC PULSE "Based on Recent Amendments & Latest Judicial Pronouncements" at PHD House, New Delhi, on Saturday, 18 April 2026, from 10:00 AM to 4:00 PM.

**For More Details, Please Visit:** <https://www.iiipicai.in/wp-content/uploads/2026/04/IBC-Pulse-New-2.pdf>