

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA**  
**Discussion Paper**

**Subject - Strengthening resolution outcomes in real estate insolvency**

**Background and Context**

1. The real estate sector constitutes a distinct category under the Insolvency and Bankruptcy Code, 2016 (Code) involving unique challenges that affect a large number of homebuyers whose primary expectation is completion and delivery of homes rather than financial recovery.
2. The Hon'ble Supreme Court, in its judgment dated 12<sup>th</sup> September 2025 in the matter of *Mansi Brar Fernandes v. Shubha Sharma & Ors.*, directed the Insolvency and Bankruptcy Board of India (IBBI), in consultation with Real Estate Regulatory Authorities (RERAs), to frame sector-specific guidelines for real estate insolvency, including timelines for project-wise corporate insolvency resolution processes and safeguards for allottees.
3. Pursuant to these directions, IBBI constituted the *Committee on Framing Guidelines for Insolvency Proceedings in the Real Estate Sector* (the Committee) to examine issues arising in real estate insolvency and to recommend measures to strengthen resolution outcomes, protect genuine homebuyers, and ensure timely project completion. The Committee submitted its report to the Board on 7<sup>th</sup> April 2026.
4. Based on the recommendations of the Committee and inputs received from stakeholders from time to time, IBBI proposes a set of calibrated interventions through amendments to the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) and issuance of a Circular.
5. The proposed reforms are guided by the objectives of prioritizing project completion over liquidation, ensuring transparency for homebuyers, strengthening accountability of insolvency professionals, and enabling viable resolution of real estate projects.
6. Accordingly, this discussion paper deals with amendment to the CIRP Regulations, 2016 on the following topics –

<b>Sl. No.</b>	<b>Topic</b>
1.	Identification and exclusion of real estate projects from CIRP
2.	Strengthening project-wise ring-fencing of funds and accounts
3.	Handing over possession of units to allottees
4.	Simplified claim Form for real estate allottees
5.	Identification and disclosure of allottee preferences in real estate CIRP
6.	Mandatory disclosures in the Information Memorandum of real estate CIRP
7.	Independent technical and cost-to-complete assessment for real estate projects
8.	Mandatory contents of resolution plans in real estate CIRP

9.	Enhancing composition of monitoring committee in real estate cases
10.	Enhancing transparency in functioning of Authorised Representatives
11.	Additional safeguards prior to liquidation of real estate projects
12.	Strengthening coordination between resolution professionals and real estate regulatory authorities
13.	Prominent disclosure of corporate insolvency resolution process at project and office sites

7. **Public comments:** The Board accordingly solicits comments on the proposals discussed above and the draft regulations proposed above. After considering the comments, the Board proposes to make regulations under clauses (aa) and (t) of sub-section (1) of section 196 read with section 240 of the Code. The process for submission of comments is provided at **Page 25**.

8. The last date for submission of comments is **21<sup>st</sup> July, 2026**.

## **Proposal 1 - Identification and exclusion of real estate projects from CIRP**

### **Statement of Problem**

While the IBC presently contemplates admission of CIRP at the level of the corporate debtor (CD), it is often observed that a CD may have multiple real estate projects at varying stages of completion. Bringing all projects within the CIRP framework, irrespective of their status, may result in disruption to completed or substantially completed projects and may adversely affect the interests of allottees who have already obtained possession or are awaiting possession.

The existing regulatory framework does not provide a structured mechanism for early identification of individual projects and determination of whether any project may appropriately remain outside the scope of CIRP. Consequently, completed projects, occupied projects, and projects that are operationally independent may continue to remain within the insolvency process notwithstanding the absence of any resolution-related necessity.

The Committee recommended that insolvency proceedings in the real estate sector should ordinarily be conducted on a project-wise basis, recognising each real estate project as a distinct economic unit. The Committee was of the view that insolvency proceedings may be confined to the defaulting project, allowing solvent or unrelated projects of the same developer to continue operating under the existing arrangements. The Committee further recommended that completed or substantially completed and occupied projects should ordinarily remain outside the scope of insolvency proceedings, except in exceptional circumstances.

### **Proposed Solution**

It is proposed that, in its first meeting, the Committee of Creditors (CoC) may undertake a project-wise assessment of all the real estate projects of the CD. For this purpose, the resolution professional (RP) shall identify and present before the CoC details of all projects of the CD, including their RERA registration particulars, stage of completion, occupancy status, status of possession, and such other information as may be relevant.

Based on the information presented above, the CoC may classify projects into occupied projects, completed projects, substantially completed projects, ongoing projects or any other criteria for classification, and identify whether any project(s) does not require insolvency resolution intervention and should be excluded from the scope of CIRP.

Where the CoC, by a vote of not less than sixty-six per cent of voting share, is of the opinion that a particular project or projects of the CD ought to remain outside the CIRP, it may authorise the RP to approach the Adjudicating Authority (AA) with an appropriate application seeking exclusion of such project or projects from CIRP.

This proposal seeks to facilitate project-wise treatment of real estate insolvencies, minimise disruption to occupied and completed projects, and promote resolution efforts focused on projects that genuinely require insolvency resolution intervention.

### **Draft Amendment**

It is proposed to insert Regulation 18B after the existing Regulation 18 as under:

***“18B. Identification and exclusion of real estate projects.***

*(1) Where the corporate debtor has more than one real estate project, the resolution professional shall place before the committee, in its first meeting, project-wise details of all real estate projects of the corporate debtor, including—*

*(a) RERA registration details of each real estate project;*

*(b) stage of completion of each real estate project;*

*(c) status of possession and occupancy in each real estate project;*

*(d) number of completed and incomplete units in each real estate project; and*

*(e) such other information as may be relevant for assessment of such real estate projects.*

*(2) The committee may, after considering the information placed under sub-regulation (1), identify any real estate project which, in its opinion, does not require resolution under the corporate insolvency resolution process.*

*(3) The committee may, by a vote of not less than sixty-six per cent of voting share, authorise the resolution professional to make an application before the Adjudicating Authority seeking exclusion of any real estate project identified under sub-regulation (2) from the scope of the corporate insolvency resolution process.*

*(4) For the purposes of application under sub-regulation (3), the resolution professional shall place before the Adjudicating Authority the reasons for such exclusion.”*

## **Proposal 2 – Strengthening project-wise ring-fencing of funds and accounts**

### **Statement of Problem**

The Committee emphasised that project-wise ring-fencing of assets and cash flows is fundamental to effective resolution of real estate projects. Real estate projects are financed and executed on a project-specific basis, with homebuyers, lenders and other stakeholders contributing funds for a particular project with the expectation that such funds will be utilised exclusively for that project.

Although Regulation 4D of the CIRP Regulations requires the interim resolution professional (IRP) or RP to operate a separate bank account for each real estate project, concerns have been raised regarding the absence of a comprehensive framework governing project-wise accounting and utilisation of funds during CIRP. In several cases, stakeholders have highlighted difficulties in ascertaining project-wise cash flows, receivables, and expenditures. The absence of project-wise accounting records may result in reduced transparency regarding utilisation of funds and may undermine confidence of homebuyers and other stakeholders.

The Committee recommended project-wise ring-fencing should be institutionalised for real estate insolvency, including separate bank accounts for receipts and expenditures relating to a project and project-wise accounting of receivables, payables, and cash flows. Further, the Committee recommended cash-flow tracking and periodic disclosures by the RP to the CoC.

### **Proposed Solution**

It is proposed to strengthen the existing framework under Regulation 4D by requiring the resolution professional to maintain project-wise books of accounts and ensure that all receipts and payments relating to a real estate project are routed through the designated project bank account.

The proposal would also require periodic disclosure of project-wise financial information to the Committee of Creditors, thereby improving transparency and enabling stakeholders to monitor utilisation of project funds.

Further, the IRP or RP shall ensure that all requirements related to project fund utilisation, as provided under the Real Estate (Regulation and Development) Act, 2016, are complied with during CIRP.

The proposed amendment seeks to reinforce the principle that funds generated from a project should ordinarily be utilised for the benefit of that project and to facilitate greater financial discipline and accountability during the CIRP.

### **Draft Amendment**

The following Regulation may be inserted after the existing Regulation 4D:

***“4DA. Project-wise books of accounts and fund utilisation***

*(1) Where the corporate debtor has one or more real estate projects, the interim resolution professional or the resolution professional, as the case may be, shall maintain separate books of account for each such real estate project.*

*(2) All receipts and payments relating to a real estate project shall be made through the separate bank account maintained for that project.*

*(3) The interim resolution professional or resolution professional, as the case may be, shall place before the committee, at such intervals as may be considered appropriate, a project-wise statement of receipts and payments and such other financial information relating to each real estate project as may be required by the committee.*

*(4) The interim resolution professional or the resolution professional, as the case may be, shall ensure that, in respect of every real estate project of the corporate debtor, the fund utilization requirements provided under the Real Estate (Regulation and Development) Act, 2016 are complied with during the corporate insolvency resolution process.”*

### **Proposal 3 – Handing over possession of units to allottees**

#### **Statement of Problem**

The Hon'ble Supreme Court, in *Mansi Brar Fernandes v. Shubha Sharma & Anr.*, observed that possession of a dwelling unit remains the sine qua non of a genuine homebuyer's intent. Recognising the importance of timely delivery of homes to allottees, the Hon'ble Court directed that “*IBBI shall also devise a mechanism to enable handover of possession to willing allottees where substantial units in a project are complete.*”

The IBBI had on 3<sup>rd</sup> February 2025, amended CIRP Regulations and inserted regulation 4E which provided that after obtaining the approval of the committee of creditors (CoC) with not less than sixty-six per cent of voting share, the RP shall hand over the possession of the unit to an allottee.

While Regulation 4E has facilitated delivery of possession during CIRP, the requirement of obtaining prior approval of the CoC may result in delays in cases where units are already complete or substantially complete prior to commencement of CIRP and the concerned allottees have fulfilled their contractual obligations.

The Committee also examined this issue and observed that where units are already complete or substantially complete on the insolvency commencement date, requiring prior approval of the CoC for handing over possession may unnecessarily delay delivery of homes to genuine allottees. The Committee therefore recommended that the regulatory framework may permit RPs to hand over possession of such units without requiring prior approval of the CoC, treating such handovers as an act of value preservation and consumer protection rather than a commercial decision requiring creditor approval. The Committee further recommended that where the RP, upon due consideration, concludes that handing over possession is not feasible or appropriate in a particular case, the reasons for such decision should be recorded in writing.

Another alternative solution is that instead of requiring the RP to obtain approval of the CoC for each individual request for possession under regulation 4E, it is proposed that the CoC may grant in-principle approval for handing over possession of units that satisfy the specified conditions as already provided under existing regulation 4E.

#### **Proposed Solution**

##### **Alternative 1 – Possession of completed units as on ICD without CoC approval**

It is proposed that where a unit is complete on the insolvency commencement date, the RP may, after verifying that the allottee has performed his obligations under the agreement and is otherwise entitled to possession, hand over possession and facilitate registration without obtaining prior approval of the CoC.

Additionally, where the RP, upon due consideration, concludes that handing over possession is not feasible or appropriate in a particular case, the reasons for such decision should be recorded in writing.

## **Draft Amendment**

It is proposed to add provisos to the existing Regulation 4E as under:

*4E. After obtaining the approval of the committee with not less than sixty-six percent of total votes, the resolution professional shall hand over the possession of the plot, apartment, or building or any instruments agreed to be transferred under the real estate project and facilitate registration, where the allottee has requested for the same and has performed his part under the agreement.*

*“Provided that where a plot, apartment, or building in a real estate project is complete on the insolvency commencement date, and the allottee has requested possession and performed his part under the agreement, the resolution professional shall hand over possession and facilitate registration without obtaining approval of the committee under this regulation.*

*Provided further that where the resolution professional declines such request for possession, he shall record the reasons for such decision in writing and communicate the same to the concerned allottee.”*

## **Alternative 2 – Obtain in-principle approval from CoC under existing Regulation 4E**

Instead of requiring the RP to obtain approval of the CoC for each individual request for giving possession under regulation 4E, it is proposed that the CoC may grant in-principle approval for handing over all such possession requests received by the RP from the allottees. Here, the condition of the units being complete as on the insolvency commencement date, as proposed in Alternative 1 may be relaxed. Accordingly, it is proposed to insert an explanation in Regulation 4E in this regard.

## **Draft Amendment**

*4E. After obtaining the approval of the committee with not less than sixty-six percent of total votes, the resolution professional shall hand over the possession of the plot, apartment, or building or any instruments agreed to be transferred under the real estate project and facilitate registration, where the allottee has requested for the same and has performed his part under the agreement.*

*Explanation - For the purposes of this regulation, the committee may either grant approval in respect of an individual allottee, each time such a request is received by the resolution professional or may grant a one-time in-principle approval, authorising the resolution professional to process all such requests received during corporate insolvency resolution process. Where such in-principle approval has been granted by the CoC, the RP may not seek the approval of the CoC again.*

## Proposal 4 – Simplified claim Form for real estate allottees

### Statement of Problem

Under the existing CIRP Regulations, claims of financial creditors belonging to a class are presently submitted in Form CA. While the Form serves as a common claim submission mechanism for creditors in a class, it may not adequately cater to the unique features of claims submitted by real estate allottees.

Real estate insolvency proceedings often involve hundreds or thousands of homebuyers dispersed across different locations and possessing varying levels of familiarity with insolvency processes. Unlike institutional creditors, most allottees are individual consumers whose primary concern is securing possession of their homes, obtaining execution of conveyance documents, or seeking refund of amounts paid. Further, it may be difficult for individual allottees to understand and complete the existing Form CA, thereby incorrect filing of claims by them.

The Committee on Framing Guidelines for Insolvency Proceedings in the Real Estate Sector observed that a simplified and allottee-specific claim form would improve participation by homebuyers, facilitate claim verification, and assist in collection of project-level information necessary for preparation of the Information Memorandum and formulation of resolution plans.

The Committee further noted that structured collection of information regarding the relief sought by allottees would assist resolution professionals, prospective resolution applicants and the committee of creditors in understanding stakeholder preferences and developing more responsive resolution strategies.

### Proposed Solution

It is proposed to introduce a simplified, allottee-specific claim form namely **Form CA-R**, capturing:

- Part I – Particulars of Allottee (Name, PAN, ID Proof, Mobile, Email)
- Part II – Project and Unit Details (RERA No, Tower, Date of Allotment)
- Part III – Financial Details (Total Purchase Value, Amount Paid, etc.)
- Part IV – Preference of Relief (Possession / Registration / Refund)
- Part V – Possession Status
- Part VI – Supporting Documents (Agreement for Sale/ Allotment Letter/ Payment proof etc.)

The draft form is placed at **Annexure A** for information.

The IBBI (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2026 specified various forms relating to the process as notified by the Board through circular. Accordingly, to provide operational flexibility, facilitate quicker implementation and ease of compliance for stakeholders involved in the insolvency process. the proposed Form CA-R will be issued through issue of Circular.

## **Proposal 5 – Identification and disclosure of allottee preferences in real estate CIRP**

### **Statement of Problem**

Real estate insolvency proceedings involve a diverse body of homebuyers whose expectations from the insolvency process may differ significantly. While some allottees primarily seek completion of the project and possession of their units, others may seek execution of conveyance documents or refund of amounts paid.

At present, the CIRP framework does not require systematic identification or disclosure of the nature of relief sought by individual allottees. As a result, prospective resolution applicants, the CoC, and the AA may not have adequate visibility regarding the preferences of homebuyers while evaluating or approving a resolution plan.

The Committee examined this issue and observed that, while allottees constitute a single class of financial creditors and should continue to vote as a homogeneous class in the CoC, greater transparency regarding the relief sought by homebuyers would facilitate preparation of more responsive and implementable resolution plans. The Committee accordingly recommended that RPs classify allottees based on the nature of relief sought and disclose such information on a project-wise basis in the information memorandum.

The Committee further observed that obtaining timely indication of allottee preferences would assist resolution applicants in structuring appropriate options under the resolution plan and reduce uncertainty during implementation.

### **Proposed Solution**

It is proposed that, in real estate CIRPs, the RP shall maintain project-wise information regarding the nature of relief sought by allottees, as indicated by the allottees in the revised Form CA-R (*as proposed in Proposal 4 above*).

The information so collected shall be disclosed on a project-wise basis in the Information Memorandum and made available to prospective resolution applicants.

### **Draft Amendment**

In Regulation 36(2), after clause (ja), it is proposed to insert the following clause:

*“(jb) in case of a corporate debtor having a real estate project, project-wise details of allottees including the number of allottees seeking -*

*(i) possession of unit;*

*(ii) refund of amount paid;*

*(iii) execution of conveyance deed, registration or transfer of title;*

*(iv) any other relief, as indicated in the claim form,*

*along with the number of allottees who have not indicated any preference.”*

## Proposal 6 – Mandatory disclosures in the Information Memorandum of real estate CIRP

### Statement of Problem

It has been observed that Information Memorandum and resolution plans in real estate CIRPs often lack uniformity in the nature and extent of disclosures made regarding individual projects. Critical information such as the number of completed and incomplete units, sold and unsold inventory, construction status, approvals, regulatory compliances and project-specific liabilities is disclosed in varying formats and levels of detail.

Incomplete information regarding inventory, approvals, project status and completion requirements makes it difficult for applicants to assess risks, estimate costs and formulate commercially viable plans. This may result in lower participation, fewer bids and sub-optimal value maximisation.

### Proposed solution

It is proposed to strengthen the disclosure framework applicable to real estate insolvency proceedings by mandating additional project-wise disclosures in the Information Memorandum. Such disclosures would provide stakeholders with a comprehensive picture of the status of the project and facilitate informed decision-making by prospective resolution applicants, creditors and homebuyers.

### Draft Amendment

In Regulation 36(2), it is proposed insert clause (hb) as under:

*“(hb) in case of a corporate debtor having a real estate project, project-wise details, including—*

*(i) total number of units sanctioned in the project, with segregation of **completed units and units under construction**;*

*(ii) total number of units in the project, with details of **sold and unsold units**;*

*(iii) **stage of completion of the project** or its phases, including percentage of construction completed;*

*(iv) stage of completion of common areas, common facilities and other amenities in the project, as applicable; and*

*(v) details of **statutory approvals, permissions and registrations** applicable to the project, indicating those obtained, pending, expired or due for renewal.”*

## **Proposal 7 – Independent technical and cost-to-complete assessment for real estate projects**

### **Statement of Problem**

The Committee on Framing Guidelines for Insolvency Proceedings in the Real Estate Sector observed that real estate resolution plans are fundamentally dependent upon accurate estimation of the cost and timeline required for project completion. In the absence of a credible baseline assessment, resolution applicants, homebuyers and creditors may face difficulty in evaluating the feasibility of competing resolution proposals.

The Committee therefore recommended that an independent technical and cost-to-complete assessment should be institutionalised as a core component of real estate insolvency resolution. Such assessment should be conducted at an early stage of the CIRP and should provide stakeholders with a common factual foundation regarding the status and requirements of the project.

The Committee further recommended that the assessment should be undertaken by suitably qualified and independent professionals, follow a broadly standardised scope and be made available to prospective resolution applicants as part of the information available during the resolution process.

### **Proposed Solution**

It is proposed that, in CIRPs involving real estate projects, the RP shall appoint, with the approval of the CoC, suitably qualified and independent professionals to undertake a project-wise technical and cost-to-complete assessment at an early stage of the CIRP.

The assessment should be completed prior to issuance of the invitation for expression of interest or request for resolution plans so that prospective resolution applicants have access to reliable project-level information while formulating their bids.

The assessment should include, inter alia:

- (a) physical status of construction and percentage completion;
- (b) project approvals, registrations and regulatory compliances;
- (c) inventory position, including sold and unsold units;
- (d) estimated cost required for completion of the project and its phases;
- (e) milestone-wise funding requirements;
- (f) realistic timelines for completion and delivery; and
- (g) such other information as may be necessary.

The assessment shall form part of the IM and be shared with PRAs in accordance with the confidentiality framework under the CIRP Regulations.

The cost incurred for such assessment shall form part of the insolvency resolution process costs.

The proposed amendment is expected to improve transparency, reduce information asymmetry, facilitate better quality bids, enhance stakeholder confidence and improve implementation of resolution plans in real estate insolvency proceedings.

## **Draft Amendment**

Insertion of Regulation 4F as under:

***“4F. Technical and cost-to-complete assessment of real estate projects.***

*(1) Where the corporate debtor has one or more real estate projects, the resolution professional shall appoint one or more suitably qualified and independent professionals to undertake a project-wise technical and cost-to-complete assessment of such projects.*

*(2) The assessment referred to in sub-regulation (1) shall, to the extent applicable, include—*

- (a) physical status of construction and percentage of completion of the project;*
- (b) status of approvals, registrations, permissions and regulatory compliances relating to the project;*
- (c) details of inventory, including sold and unsold units;*
- (d) estimated cost required for completion of the project and its phases;*
- (e) milestone-wise funding requirements;*
- (f) realistic timelines for completion and delivery of the project;*
- (g) material risks and constraints affecting completion of the project; and*
- (h) such other information as necessary.*

*(3) The resolution professional shall obtain the assessment referred to in sub-regulation (1) before issuance of the invitation for expression of interest under regulation 36A.*

*(4) The assessment shall be incorporated in the information memorandum and made available to prospective resolution applicants in accordance with these regulations.*

*(5) The costs incurred for conducting the assessment under this regulation shall form part of the insolvency resolution process costs.”*

## Proposal 8 – Mandatory contents of resolution plans in real estate CIRP

### Statement of Problem

The Committee on Framing Guidelines for Insolvency Proceedings in the Real Estate Sector observed that resolution plans frequently do not contain sufficient clarity regarding treatment of allottees, timelines for project completion, implementation milestones, monitoring mechanisms, or the circumstances in which obligations of the successful resolution applicant would be treated as discharged. In the absence of objective implementation benchmarks, disputes often arise during the post-approval phase regarding whether a resolution plan has been substantially implemented or fully implemented.

The Committee therefore recommended that real estate resolution plans should contain structured project-specific disclosures, clearly defined implementation milestones and objective criteria for measuring implementation progress.

### Proposed Solution

It is proposed to prescribe minimum mandatory contents for resolution plans relating to real estate projects. In addition to the requirements already prescribed under the Code and the CIRP Regulations, such plans should contain detailed project-level information regarding treatment of allottees, implementation milestones, timelines for completion and delivery, and consequences of default by allottees.

### Draft Amendment

It is proposed to substitute Regulation 38A as under:-

#### **“38A. Mandatory contents of resolution plan for real estate projects.**

*In respect of a real estate project, every resolution plan shall, in addition to the requirements under the Code and these Regulations, provide project-wise details including—*

- (a) total number of units sanctioned, constructed and under construction, with segregation of sold and unsold units;*
- (b) treatment of allottees, including possession of units, execution of conveyance deed, registration or transfer of title in respect of unit already handed over or otherwise eligible for conveyance, refund of amount paid, or any other relief;*
- (c) where the information memorandum includes the details of the allottees who have not submitted their claims, the resolution plan shall provide for treatment of such allottees;*
- (d) timelines for completion and delivery of possession, specified project-wise, phase-wise or tower-wise, as applicable;*
- (e) consequences and actions in cases of default by allottees, including failure to pay revised or balance consideration; and*
- (f) periodic reporting including submission of progress reports to the Monitoring Committee.”*

## **Proposal 9 – Enhancing composition of monitoring committee in real estate cases**

### **Statement of Problem**

Resolution plans in real estate insolvency proceedings frequently require implementation over an extended period involving completion of construction, procurement of approvals, handover of possession, execution of conveyance documents and resolution of project-specific operational issues. Effective implementation therefore requires close coordination among multiple stakeholders, including homebuyers, regulatory authorities, development authorities and the successful resolution applicant.

Under the existing framework, resolution plans are required to provide for constitution of a monitoring committee to oversee implementation of the approved plan. The Committee on Framing Guidelines for Insolvency Proceedings in the Real Estate Sector noted that homebuyers constitute a significant stakeholder group in real estate insolvencies and are directly impacted by construction progress, project completion and delivery timelines. The Committee also observed that regulatory and development authorities possess project-specific knowledge and play an important role in facilitating approvals, compliance and implementation of the approved resolution plan.

The absence of structured participation by the above stakeholders in the monitoring committee, issues relating to approvals, project compliance, construction milestones and allottee concerns may not be identified or addressed in a timely manner. This may lead to disputes, delays in implementation and increased recourse to litigation during the post-approval phase.

The Committee therefore recommended that monitoring committees in real estate insolvency cases should include representation of homebuyers and provide an opportunity for participation by the concerned Real Estate Regulatory Authority and land or development authority, where such authorities consider it appropriate to nominate representatives.

### **Proposed Solution**

It is proposed that in addition to such members as may be specified in the resolution plan, every monitoring committee constituted for implementation of a resolution plan relating to a real estate project shall include:

- (a) the Authorised Representative of the allottees, or a representative of the allottees chosen by majority vote of the allottees represented in the committee of creditors; and
- (b) a representative nominated by the concerned Real Estate Regulatory Authority, if the authority chooses to nominate such representative; and
- (c) a representative nominated by the concerned land or development authority, if the authority chooses to nominate such representative.

### **Draft Amendment**

In regulation 38(4)(b), after the existing proviso, it is proposed to insert the following proviso:

*“Provided further that, in a corporate insolvency resolution process involving a real estate project, the monitoring committee shall, in addition to the members referred to in this clause, include-*

*(i) authorised representative of the allottees or any other representative of the allottees chosen by majority vote; and*

*(ii) a representative of the concerned Real Estate Regulatory Authority or the concerned land development authority, as may be applicable, subject to their agreement to participate”*

## **Proposal 10 – Enhancing transparency in functioning of Authorised Representatives**

### **Statement of Problem**

In corporate insolvency resolution processes involving large classes of creditors, particularly homebuyers, the authorised representative (AR) acts as the sole interface between such creditors and the committee of creditors.

It has been observed that:

- while ARs may hold consultations with creditors in a class, the substance of such discussions is not mandated to be submitted to IRP/RP or placed on record before the committee of creditors (CoC); and
- creditors in a class are required to exercise their choice of AR at the public announcement stage with limited information regarding the role and responsibilities of the AR and the professional profiles of the AR.

The absence of a formal record of discussions with creditors and limited standardised information at the appointment stage may reduce transparency and informed participation of creditors in a class.

The Committee on Framing Guidelines for Insolvency Proceedings in the Real Estate Sector observed that transparency in the functioning of ARs is particularly important in real estate insolvency proceedings, where homebuyers are represented indirectly through a single representative and may have limited visibility into the deliberations of the committee of creditors.

The Committee therefore recommended that creditors should be provided with relevant information regarding the proposed ARs at the stage of public announcement and that greater transparency should be introduced regarding consultations undertaken by ARs and the views communicated by them to the CoC.

### **Proposed Solution**

(a) It is proposed that the public announcement may provide the link to a brief profile of each proposed AR, including professional experience, registration details and other relevant information, together with a link to a brief description of the role and responsibilities of an AR under the Code and the CIRP Regulations.

(b) Requiring the AR to submit the record of discussions of meeting held with creditors in the class, to the IRP/RP for inclusion in the minutes of the committee meeting; and

(c) The minutes of the CoC meeting may specifically record the views, concerns and opinions communicated by the AR on behalf of creditors in a class.

These measures are intended to strengthen process integrity and transparency, while preserving the collective decision-making framework and commercial wisdom of the CoC.

### **Draft Amendment**

**Clause (bb) of regulation 6(2) to be replaced as follows -**

*“(bb) offer choice of three insolvency professionals identified under regulation 4A to act as the authorised representative of creditors in each class along with a hyperlink of the brief profile of the insolvency professionals proposed to act as authorised representatives and a hyperlink to the role and duties of an authorised representative under the Code and these Regulations; and*

**Insertion of new regulation as under:**

***“16B. Procedural transparency in representation of creditors in a class***

*The authorised representative of creditors in a class shall submit the minutes referred to in clause (i) of clause 10 of regulation 16A, to the resolution professional, and the resolution professional shall place the same before the committee in its next meeting.”*

**After sub-regulation (6) of Regulation 24, insert the following sub-regulation:**

*“(6A) Where creditors in a class are represented through an authorised representative, the minutes of the meeting shall record the views, concerns and opinions expressed by the authorised representative on behalf of such creditors in relation to the matters discussed at the meeting.”*

## Proposal 11 - Additional safeguards prior to liquidation of real estate projects

### Statement of Problem

Real estate insolvency proceedings differ from insolvency proceedings in most other sectors because the principal objective is often completion of the project and delivery of possession to homebuyers rather than liquidation of assets. Liquidation of a partially completed real estate project may result in significant destruction of value, prolonged delays in project completion, and frustration of the legitimate expectations of homebuyers who have invested substantial amounts towards purchase of residential units.

The Committee observed that liquidation should ordinarily be treated as a measure of last resort in real estate insolvency proceedings. The Committee therefore recommended that, before liquidation is pursued in a real estate insolvency proceeding, reasonable efforts should be made to explore project completion options and the reasons for concluding that liquidation is necessary should be appropriately recorded.

### Proposed Solution

It is proposed to introduce additional procedural safeguards before liquidation is recommended in respect of a CD having one or more real estate projects.

Before placing a proposal for liquidation before the CoC, the RP shall place a detailed note before the CoC setting out the efforts undertaken during the CIRP to identify completion-oriented solutions and the reasons why such alternatives are not considered feasible. Such note may include, where applicable, details regarding efforts undertaken to identify prospective resolution applicants, developers, investors, funding arrangements, allottee-led proposals or any other mechanism capable of facilitating project completion.

The CoC shall consider the note before taking a decision regarding liquidation. The minutes of the meeting shall record that the CoC has considered alternatives to liquidation and the reasons for concluding that liquidation is the most feasible course of action in the circumstances of the case.

### Draft Amendment

It is proposed to insert a new Regulation 39D as under:

*“(1) RP proposing liquidation must place a detailed note setting out:*

- (a) efforts undertaken to identify completion-oriented solutions;*
- (b) whether proposals were received from developers, allottees, etc.;*
- (c) reasons why such alternatives are not considered feasible.*

*(2) Minutes of the meeting of the committee must record that the committee considered alternatives for resolution and the reasons for concluding that liquidation is the most feasible course of action.*

*(3) When application for liquidation is filed before the AA, the RP shall annex the note placed before the CoC and the relevant extracts of the CoC deliberations on it.”*

## **Proposal 12 - Strengthening coordination between resolution professionals and real estate regulatory authorities**

### **Statement of Problem**

It is observed that RPs frequently encounter difficulties in obtaining complete and reliable project-level information during the CIRP. Information relating to project registrations, sanctioned plans, approvals, allottee details, escrow accounts and construction status is often maintained by the concerned RERA authority but may not be readily available to the RP in a standardised format. This may result in delays in preparation of the Information Memorandum, verification of claims and formulation of resolution strategies.

The Committee on Real Estate noted that, although management and operations of the CD vest in the IRP or RP upon commencement of CIRP, uncertainty sometimes arises regarding compliance with obligations under RERA during the insolvency resolution process. Such uncertainty may lead to gaps in regulatory compliance, delayed filings and disputes with regulatory authorities. The Committee noted that the commencement of CIRP does not, by itself, exempt the CD from compliance with applicable provisions of the Real Estate (Regulation and Development) Act, 2016 and the rules and regulations made thereunder.

The Committee noted that Regulation 18(4) of CIRP Regulations already provides that where the CD has any real estate project, the CoC may direct the RP to invite the 'competent authority' as defined under the Real Estate (Regulation and Development) Act, 2016 related to such project to attend such meeting(s) of the CoC, as the CoC may decide, without voting rights, for providing inputs on matters associated with the development of such project. The Committee reiterated that the expertise and project-level knowledge available with RERA authorities may significantly assist the insolvency process, especially during the stage of plan approval by the CoC.

The Committee, therefore, recommended development of information-sharing protocols between RPs and RERA authorities, continued adherence to RERA requirements during CIRP, and seeking inputs of RERA during plan consideration stage.

### **Proposed Solution**

It is proposed to issue a **Circular** containing the following directives:

#### **(a) Seeking information from RERA**

(i) Upon commencement of CIRP of a CD having one or more real estate projects, the IRP or RP, as the case may be, may seek information from the concerned RERA authority relating to:

- (a) project registration details;
- (b) sanctioned plans and approved project configurations;
- (c) status of project registration and extensions;
- (d) allottee records available with the authority;
- (e) status of escrow accounts maintained under RERA;
- (f) approvals, permissions and compliances relating to the project; and
- (g) any other information relevant for discharge of duties under the Code.

(ii) The RP may appropriately use the information received from the concerned RERA for preparing the Information Memorandum and for verifying claims and assessing project status.

(iii) Where records of the CD are incomplete, unavailable or inconsistent, the RP may rely upon records maintained by the concerned RERA authority as an important source of information, subject to appropriate verification and reconciliation.

**(b) Compliance with RERA during CIRP**

The RP shall ensure compliance with applicable provisions of the Real Estate (Regulation and Development) Act, 2016 and the rules and regulations made thereunder during CIRP.

**(c) Consultation with RERA authorities regarding plan feasibility**

(i) In addition to the participation contemplated under Regulation 18(4), the RP may invite the concerned RERA to submit its views in writing, if it so desires, on the regulatory feasibility and implementation aspects of resolution plans under consideration by the CoC.

(ii) The RP shall place the views so furnished by the RERA authority before the CoC and prospective resolution applicants.

## **Proposal 13 – Prominent disclosure of corporate insolvency resolution process at project and office sites**

### **Statement of Problem**

It has been observed that in real estate insolvency proceedings, many allottees, contractors, suppliers and other stakeholders remain unaware that the CD has entered CIRP. Public announcements published in newspapers or on websites may not always come to the notice of affected stakeholders, especially where projects involve a large number of dispersed homebuyers.

The lack of awareness regarding commencement of CIRP may result in delayed filing of claims, continued dealings with former management, confusion regarding project status and disputes during the insolvency process.

Project sites and offices of the corporate debtor are often the primary points of interaction for homebuyers, contractors, suppliers and members of the public. Display of prominent notices at such locations would improve transparency and ensure that stakeholders are informed about the commencement of CIRP and the contact details of the IP managing the affairs of the CD.

### **Proposed Solution**

It is proposed to require the IRP or RP, in the case of a CD having one or more real estate projects, to ensure prominent disclosure of the commencement of CIRP at project sites and offices of the CD.

Such disclosure may be made through conspicuous signboards at project sites and notice boards at the registered office, corporate office, site office, sales office and any other office of the CD that is accessible to stakeholders.

The disclosure should clearly indicate that the CD is undergoing a CIRP and provide the name and contact details of the IRP or RP for stakeholder communication.

### **Draft Amendment**

In Regulation 6(2), after clause (b), insert the following clause:

*“(bc) in the case of a corporate debtor having one or more real estate projects, conspicuous and prominent signboards shall be displayed at the site of each such project and through notice boards at the registered office, corporate office, site office, sales office and any other office of the corporate debtor accessible to stakeholders, indicating that the corporate debtor is undergoing a corporate insolvency resolution process and providing the name and contact details of the interim resolution professional or resolution professional, as the case may be.”*

**Draft Claim Form for Real Estate Allottees (Form CA-R)**

*(to be introduced as Part II of the Form CA; existing form to be retained to be filled by other category of creditors in class; this part to be submitted by allottees of a real estate project)*

**Form CA-R****Claim by Real Estate Allottee**

*(Under Regulation 8A of the CIRP Regulations)*

**Part I – Particulars of the Allottee**

1. Name of Allottee(s):
2. PAN (if available):
3. Other Proof of Identity (If PAN not available) (AADHAR Card; Passport, or any other document issued by the Central Government or a State Government establishing the identity))
4. Address for correspondence:
5. Email ID:
6. Mobile No.:

**Part II – Project and Unit Details**

7. Name of Real Estate Project:
8. RERA Registration No. (if applicable):
9. Tower / Block No.:
10. Unit / Apartment No.:
11. Type of Unit (Residential / Commercial):
12. Date of Allotment / Agreement for Sale:

**Part III – Financial Details**

13. Total Purchase Value as per Agreement:
14. Amount Paid till Insolvency Commencement Date:
15. Balance Amount (if any):
16. Mode(s) of Payment Made (Bank transfer / cheque / others):

**Part IV – Preference of Relief**

17. Nature	of	Relief	Sought	(tick	one):
<input type="checkbox"/>		Possession of unit			

Execution of conveyance deed, registration or transfer of title

<input type="checkbox"/> Refund of amount paid	<input type="checkbox"/>
<input type="checkbox"/> Any other relief (please specify):	

**Part V – Possession Status**

18. Whether possession has been handed over: Yes / No

19. If yes, date of possession:

**Part VI – Supporting Documents (attach copies)**

20. Agreement for Sale / Allotment Letter

21. Proof of payments made

22. Possession letter (if any)

23. Any other relevant document

**Part VII – Declaration**

I hereby declare that the information provided above is true and correct to the best of my knowledge and belief.

Date:

Place:

Signature of Allottee(s):

**Mode of Submission**

This form may be submitted electronically or in physical form, as notified in the public announcement.

### Process for submission of Public Comments

The comments may be submitted electronically by **21<sup>st</sup> July, 2026**. For providing comments, please follow the process as under:

- i. Visit IBBI website at [www.ibbi.gov.in](http://www.ibbi.gov.in) ;
- ii. Select '**Public Comments**', then select '**Discussion Paper on Strengthening resolution outcomes in real estate insolvency**'
- iii. Provide your Name and Email-ID;
- iv. Select the stakeholder category, namely, -
  - a. Corporate Debtor;
  - b. Personal Guarantor to a Corporate Debtor;
  - c. Proprietorship firms;
  - d. Partnership firms;
  - e. Creditor to a Corporate Debtor;
  - f. Insolvency Professional;
  - g. Insolvency Professional Agency;
  - h. Insolvency Professional Entity;
  - i. Academics;
  - j. Investor; or
  - k. Others.
- v. Select the kind of comments you wish to make, namely,
  - a. General Comments; or
  - b. Specific Comments.
- vi. If you have selected 'General Comments', please select one of the following options:
  - a. Inconsistency, if any, between the provisions within the regulations (intra regulations);
  - b. Inconsistency, if any, between the provisions in different regulations (inter regulations);
  - c. Inconsistency, if any, between the provisions in the regulations with those in the rules;
  - d. Inconsistency, if any, between the provisions in the regulations with those in the Code;
  - e. Inconsistency, if any, between the provisions in the regulations with those in any other law;
  - f. Any difficulty in implementation of any of the provisions in the regulations;
  - g. Any provision that should have been provided in the regulations, but has not been provided; or

- h. Any provision that has been provided in the regulations but should not have been provided.

And then write comments under the selected option.

- vii. If you have selected 'Specific Comments', please select Proposal No. on which you want to give the comment, and write comments under the selected Proposal No.
- viii. You can make comments on more than one Proposal No., by clicking on more comments and repeating the process outlined above from point (v) onwards.
- ix. Click 'Submit' if you have no more comments to make.

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