

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 1886
ANSWERED ON MONDAY THE 19TH DECEMBER, 2022
AGRAHAYANA 28, 1944 (SAKA)**

PENDING CASES WITH NCLT

QUESTION

**1886. SHRI VINOD KUMAR SONKAR:
SHRI RAJVEER SINGH (RAJU BHAIYA):
SHRI BHOLA SINGH:
DR. SUKANTA MAJUMDAR:**

Will the Minister of CORPORATE AFFAIRS

be pleased to state:

- (a) whether the National Company Law Tribunal (NCLT) and NCL Appellate Tribunal (NCLAT) has not been able to address the concerns of investors/home buyers in case of insolvent Real Estate Companies (RECs) in Delhi NCR in last four years, if so, the details thereof;**
- (b) whether it is fact that insolvency procedures are time consuming and only delaying the resolution to the problems of investors/home buyers;**
- (c) if so, the Government's reaction thereto including the remedial action taken or proposed to be taken in this regard;**
- (d) whether the Government proposes to set up fast track NCLT and NCLAT for speedy processing of litigations related with RECs of NCR and if so, the details thereof; and**
- (e) the steps proposed to be taken by the Government for resolving the disputes of RECs/builders so that thousands of pending housing projects may be completed at the earliest?**

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING; AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS

[RAO INDERJIT SINGH]

(a): As per the data provided by Insolvency and Bankruptcy Board of India (IBBI), 344 corporate debtors (CDs) engaged in construction and real estate activities in Delhi have

been admitted into Corporate Insolvency Resolution Process (CIRP) by the end of September 2022. Out of which, 181 CIRPs have been closed and 163 are ongoing. Of the closed CIRPs, 98 have been closed on appeal or review or settled; 34 have been withdrawn; and 20 cases have ended in approval of resolution plans and 29 have ended in orders for liquidation.

(b) & (c) : The Insolvency and Bankruptcy Code, 2016 (Code) endeavours to close the various processes at the earliest. Further, the Code provides for treatment of home buyers as financial creditors enabling them to invoke section 7 of the Code against defaulting corporate debtors and to have representation in the Committee of Creditors (CoC) and participate effectively in the insolvency resolution process through an authorised representative. Furthermore, to prevent the misuse of the provisions in triggering CIRP, the Code provides that where creditors belong to a class, the application shall be filed jointly by not less than 100 such creditors or 10 per cent of the number of creditors in such class, whichever is less.

In order to enable the NCLT in timely disposal of cases, the Government is taking all the necessary steps from time to time including regular appointment of Members and provision of adequate physical infrastructure. Government has appointed 20 new Members in NCLT in 2021, approved appointment of 15 new Members in 2022 and initiated the process for other vacancies.

(d) : No such proposal is under consideration of this Ministry.

(e) : Ministry of Housing and Urban Affairs has informed that in order to protect the interest of homebuyers and to ensure the transparency and accountability in the Real Estate Sector, Parliament has enacted the Real Estate (Regulation and Development) Act, 2016 (RERA). Further, in order to give relief to homebuyers of stalled projects, a Special Window for Completion of Affordable and Mid-Income Housing (SWAMIH investment fund) has been created for funding stalled projects that are net-worth positive and registered under RERA, including those projects that have been declared as Non-Performing Assets (NPAs) or are pending proceedings before the National Company Law Tribunal under the Insolvency and Bankruptcy Code.
