

THE PANACEA FOR HOMEBUYERS IN INDIA: NAVIGATING THE INTERPLAY BETWEEN RERA, IBC & CPA

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I. INTRODUCTION

Home ownership in India is not merely an economic transaction but a socio-cultural milestone, often representing the culmination of an individual's lifetime savings and financial planning. The risks associated with delayed possession, cost escalations, or non-completion of projects thus carry profound financial and psychological consequences.¹ From an economic perspective, protecting home-buyer interests is essential for sustaining demand in the real estate market, which in turn drives investment, employment, and overall economic growth.²

The Indian real estate sector is one of the largest contributors to the national economy, contributing approximately 13% to India's GDP.³ Despite its economic importance, the real estate sector in India has long been plagued by issues such as project delays, cost escalations, contractual ambiguities, and lack of accountability, leading to significant hardships for home-buyers.⁴ As property transactions often involve one's life savings, delays in possession not only lead to financial strain but also erode public trust in the sector. To address these concerns, the legislature introduced two landmark reforms – the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as the RERA), and the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the IBC).

Prior to the implementation of the RERA, home buyers were often left in the lurch, with stalled projects and mounting interest rates.⁵ Further, the unchecked diversion of funds, opaque transaction structures, and the lack of standardized contractual practices eroded consumer confidence.⁶ Such unresolved housing disputes contribute to widespread consumer distress, affect urban liveability, and undermine the credibility of developers and regulators alike.⁷ Therefore, effective dispute redressal for home-buyers is not only

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¹ Ajar Rab, "Redressal Mechanism Under The Real Estate (Regulation And Development) Act 2016: Ouster Of The Arbitration Tribunal?" *National University of Juridical Science* 10 (2017), available at <<https://nujslawreview.org/wp-content/uploads/2017/03/2017-10-1-Ajar-Rab-Redressal-Mechanism-Under-The-Real-Estate-Regulation-and-Development-Act-2016.pdf>> (last visited on Sep. 28, 2024).

² KPMG, "Navigating the Dynamics of Real Estate in India" 8 (2024) available at: <https://assets.kpmg.com/content/dam/kpmgsites/in/pdf/2024/02/navigating-the-dynamics-of-real-estate-in-india.pdf.coredownload.inline.pdf> (last visited on Feb. 20, 2024).

³ *Ibid.*

⁴ Money Life Foundation, "Efficacy of RERA, 2016 From The Consumer Perspective" (2020) available at: <https://www.mlfoundation.in/media/uploads/article/pdf/RERA-MASTERFILE-2020-25186758031232.pdf> (last visited on Mar. 08, 2024).

⁵ *Supra* note 2.

⁶ *Ibid.*

⁷ Dhiraj Yadav, 'Initiation of CIRP by Individual Homebuyer: Exposing developers to new peril' (*Mondaq*, 01 January 2020), available at:

a question of individual consumer justice but also a detriment of market stability, investor confidence and the broader goal of equitable urban development.⁸

The Consumer Protection Act, 1986 (now replaced by the Consumer Protection Act, 2019), recognised home-buyers as ‘consumers’ and builders/developers as ‘service providers’ when the transaction involves the purchase of housing services for consideration.⁹ The Supreme Court in the case of Pioneer Urban Land and Infrastructure Ltd.¹⁰ reiterated that failure to deliver possession, construction defects or unfair trade practices amount to ‘deficiency of services’, under the Act. Time and again court has confirmed that the remedies under RERA are in addition to the remedies under the Consumer Protection Act, 2019 (hereinafter referred to as the CPA).¹¹

While RERA was designed to enhance transparency, standardize practices, and provide a delicate redressal mechanism for aggrieved home-buyers the IBC sought to create a time-bound resolution framework for financially distressed real estate developers, recognising home-buyers as financial creditors.¹² Despite these measures, the dispute redressal landscape for home-buyers remain fraught with challenges. Jurisdictional overlaps between RERA, the National Company Law Tribunal (NCLT), consumer forums, and civil courts, often lead to procedural confusion, forum shopping and prolonged litigation.¹³ Further, the interplay between RERA’s consumer-protection ethos and IBC’s creditor-centric insolvency resolution process has raised questions about the prioritization of home-buyer claims, the adequacy of remedies, and the enforcement of rights in cases of developer insolvency.¹⁴ Practical impediments such as delayed adjudication, limited institutional capacity, and lack of uniform interpretation by adjudicating bodies exacerbate these concerns.¹⁵

Simultaneously, the time-bound dispute resolution mechanism under the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the IBC), proved to be a panacea for aggrieved home buyers. The tussle between RERA & IBC has given rise to a unique set of remedies to the homebuyers, in case their possession is stalled.¹⁶ The choice of forum shall be dependent upon the needs of the homebuyers. For instance, if the homebuyers want to compel the builder to complete the project and be compensated for delayed possession, then RERA is the appropriate forum.¹⁷ On the other hand, if the homebuyers are able to consolidate

<https://taxguru.in/corporate-law/initiation-cirp-individual-homebuyer-exposing-developers-peril.html> (last visited on Jan. 24, 2024).

⁸ *Supra* note 3.

⁹ *Lucknow Development Authority v. M.K. Gupta* (1994) 1 SCC 243 .

¹⁰ *Pioneer Urban Land and Infrastructure Ltd. v Govindan Raghavan* (2019) (5) SCC 725.

¹¹ *M/S Imperia Structure Ltd. v Anil Patni* (2020) 10 SCC 783.

¹² *Supra* note 8.

¹³ *Supra* note 3.

¹⁴ *Supra* note 2.

¹⁵ Khaitan & Co., “IBC – Fresh Hope for India’s Real Estate Stakeholders” (Anarock, 2022) available at: https://www.khaitanco.com/sites/default/files/newsdocument/Khaitan%20ANAROCK_IBC%20Report_Dec%202022.pdf (last visited on Apr. 12, 2024).

¹⁶ *Ibid.*

¹⁷ Vishnu Priya Kolli, “Real Estate Disputes in India: Exploring the Challenges and Prospects for Harmonisation in RERA and IBC” 107 *Solventia* II(1), (2024), available at <https://www.solventia.co.in/_files/ugd/22a909_c310230229d745ceb8ce68aa0a82994a.pdf?index=true> (last visited on Mar. 12, 2024).

themselves (as per Section 7, IBC) and want to get their money back with interest in a time-bound proceeding, then IBC is the preferred forum.¹⁸

It is worth noting that there is no practical difference between the proceedings initiated by the institutionalized lenders or home buyers in the Code. In fact, the case of Pioneer Urban Land and Infrastructure Ltd. v Union of India¹⁹ led to a watershed moment in the history of real estate litigation, allowing even a single home buyer to bring insolvency proceedings against the builder. Thus, out of nearly 2200 insolvency petitions admitted (until the year 2020), more than 500 have been filed against the real estate companies.²⁰

This interplay between RERA, IBC & Consumer Protection Act lays the foundation of this paper & a mix of doctrinal, comparative, and socio-legal methodology is employed. The paper explores the challenges faced by home buyers before the implementation of these acts and critically analyzes the objectives, divergent frameworks, and relevant judgments in both legislations. Lastly, an attempt is made to propose reforms to bridge the gap between the statutes & create a comprehensive legal forum that embodies transparency, efficiency & accountability in real estate sector.

II. MULTIPLICITY OF FORUMS: WHICH IS MOST EFFECTIVE?

The Consumer Protection Act, 2019 (CPA), the Real Estate (Regulation and Development) Act, 2016 (RERA), and the Insolvency and Bankruptcy Code, 2016 (IBC), represent the three distinct and overlapping legal frameworks available to home-buyers in India.

Under the CPA, home-buyers are recognized as 'consumers'²¹ and can seek remedies for 'deficiency of service'²² or 'unfair trade practices'²³ before consumer commissions at the district, state, or national level. The CPA offers a wide range of reliefs, including refunds, interest, compensation for mental agony, and punitive damages.²⁴ However, the consumer fora often face a backlog and may lack sector-specific expertise, leading to delays.²⁵

On the other hand, RERA is a sector-specific legislation aimed at promoting transparency, accountability, and timely project delivery in real estate. It mandates registration of projects, disclosure of timelines, and maintenance of escrow accounts, while also providing specialized adjudication by state-level RERA authorities.²⁶ Remedies under RERA are generally faster and include refunds with interest, compensation, directions to complete construction, but the Act's enforcement powers may be weaker in cases of developer insolvency. Its adjudicatory apparatus – comprising State Regulatory Authorities and Appellate

¹⁸ *Ibid.*

¹⁹ *Supra* note 11.

²⁰ *Supra* note 16.

²¹ *Supra* note 1.

²² *Ibid.*

²³ *Lucknow Development Authority v. M.K. Gupta*, *Supra* note 1.

²⁴ Dr. Shweta Bajaj, "Navigating Legal Avenues: A Comprehensive Analysis Of RERA, NCLT, And Consumer Redressal Commission For Homebuyers" *International Journal of Creative Research Thoughts*, 419, ISSN: 2320-2882 (2024), available at <<https://ijcrt.org/papers/IJCRT2405154.pdf>> (last visited on Sep. 25, 2024).

²⁵ *Ibid.*

²⁶ *Supra* note 8.

Tribunals – offers sector – tailored remedies, such as directions for project completion, refunds with interest, and blacklisting of errant developers.²⁷ Section 88 and 89 of RERA indicate its supplementary nature to other laws while granting it overriding effect in case of inconsistency, duality that has generated interpretative challenges.²⁸ Therefore, its remedial scope, however, is largely confined to statutory interest and compensation for demonstrable loss, with limited utility once insolvency proceedings commence.

In contrast, the IBC adopts a creditor-centric approach, treating home-buyers as financial creditors with the right to initiate corporate insolvency resolution proceedings against defaulting developers.²⁹ Once admitted by the NCLT, a moratorium under Section 14 halts other legal proceedings, including those under CPA and RERA, consolidating claims into the insolvency resolution process.³⁰ Thus, IBC by recognising home-buyers as financial creditors integrates them into insolvency resolution framework of defaulting developers. The IBC offers the advantage of collective action and potentially higher recovery through resolution plans, but it may prioritize equitable distribution among all creditors over individual home-buyer remedies.³¹ The mechanism is most potent where the developer is financially distressed or the project abandoned, yet the collective nature of insolvency resolution often subordinates individual claims to the interests of the creditor body as a whole.

While the CPA focuses on consumer protection, RERA emphasizes sectoral regulation and timely delivery, and the IBC prioritizes insolvency resolution and debt recovery. The concurrent availability of these statutes has created opportunities for strategic choice but also led to jurisdictional overlaps, forum shopping, and inconsistent relief, underscoring the need for clearer legislative harmonization to protect home-buyers effectively.

Together, the three legislations create a multi-forum redressal landscape for home-buyers, each with distinct objectives and remedies. Each forum operates under different procedural rules, evidentiary standards, and timelines, leading to varied litigation strategies. Such jurisdictional overlaps often result in forum shopping, parallel proceedings, delays and occasionally conflicting decisions. This interplay creates both opportunities for strategic enforcement and challenges in ensuring coherent, speedy, and buyer-centric dispute resolution.

Recently, the Finance and Corporate Affairs Minister Nirmala Sitharaman, pointed out that 204 insolvency cases in real estate sector were resolved under the bankruptcy law until March 2025, yielding an average recovery of 44.7% against the lenders' admitted claim.³² She further added that the realisation was, about 111.6% of the fair value and 172.15% of the liquidation value of the rescued firms.³³ This indicates that insolvency resolution has been able to preserve and enhance value in real estate projects far more effectively than liquidation. These figures demonstrate that despite the systematic delays and litigation challenges, IBC has

²⁷ *Ibid.*

²⁸ The Real Estate (Regulation and Development) Act, 2016, s. 88, 89.

²⁹ *Supra* note 10.

³⁰ The Insolvency and Bankruptcy Code, 2016, s. 14.

³¹ *Supra* note 25.

³² ET Bureau, "Recovery in realty cases via IBC hits 44.7%", *The Economic Times*, Jul. 30, 2024 available at:

https://economictimes.indiatimes.com/news/india/recovery-in-realty-cases-via-ibc-hits-44-7-says-fm-nirmala-sitharaman/articleshow/122982641.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cp_pst (last visited on Sep. 02, 2024).

³³ *Ibid.*

emerged as a viable framework for real estate disputes. The recovery rate of 44.7% is higher than what home-buyers and lenders would ordinarily receive after a prolonged litigation under the consumer fora.

Effectiveness, therefore, is contingent upon the factual matrix: RERA tends to be optimal for securing possession in ongoing projects; the CPA offers broader compensatory relief in solvent developer scenarios; and the IBC remains the only viable route in cases of insolvent developers. Nonetheless, the absence of a harmonized dispute resolution architecture engenders multiple proceedings and delays, underscoring the need for legislative convergence to safeguard home-buyer interests in a coherent and timely effective manner.

III. CHALLENGES IN DISPUTE REDRESSAL

Although RERA and IBC were intended to operate harmoniously, their concurrent application has given rise to a number of procedural challenges that affect the efficacy of dispute redressal for home-buyers.

1. **Jurisdictional Overlaps and Legislative Ambiguity** – Sections 88 and 89 of RERA are the source of a persistent interpretive dilemma.³⁴ Section 88 declares that RERA is ‘in addition to’ other laws, enabling concurrent remedies, whereas Section 89 grants it an overriding effect in case of inconsistency.³⁵ This duality, when read alongside Section 238 of IBC (which gives the Code overriding effect) creates uncertainty regarding which statute should prevail when provisions conflict.³⁶ The Supreme Court in *Pioneer Urban Land and Infrastructure Ltd. v Union of India*³⁷ attempted to harmonise the two, holding that both can coexist, but that the IBC will override RERA in cases of conflict. Nonetheless, the scope for forum-shopping remains high, with buyers and developers often engaging multiple forums (like Consume Forums, NCLT, RERA Authorities, etc.) simultaneously, resulting in contradictory orders and procedural delays.³⁸
2. **Moratorium under Section 14 of IBC** – Once insolvency proceedings are admitted under IBC, Section 14 imposes a moratorium on all proceedings against the corporate debtor, including those before RERA.³⁹ This means that even if a RERA Authority has passed an order for refund or possession, its enforcement is effectively stayed. For home-buyers, this can convert an individual, enforceable right into a collective insolvency claim, where their recovery is contingent on the resolution plan approved by the Committee of Creditors (CoC). This transition often diminishes the buyer’s autonomy and delays relief, particularly where resolution plans prioritise project completion over direct monetary refunds.⁴⁰

³⁴ *Supra* note 29, s. 88, 89.

³⁵ *Ibid.*

³⁶ *Supra* note 31, s. 238.

³⁷ *Supra* note 9.

³⁸ Dr. Binoy J. Kattadiyil, “Impact Of Ibc On The Real Estate Industry”, *International Journal Of Multidisciplinary Educational Research*, ISSN:2277-7881 (2020), available at <[https://icsiiip.in/panel/assets/images/research_articles/16331679683462IJMER%20volume9-issue2\(1\)-2020.pdf](https://icsiiip.in/panel/assets/images/research_articles/16331679683462IJMER%20volume9-issue2(1)-2020.pdf)> (last visited on Apr. 16, 2024).

³⁹ *Supra* note 31, s. 14.

⁴⁰ Sweta Shaumya, “Conundrum Of Concurrent Remedies For Homebuyers Under Rera, 2016 Against IBC, Consumer Protection Act And Arbitration Act”, *Indian Journal of Integrated Research in Law*, ISSN: 2583-0538 (2022), available at <<https://ijirl.com/wp-content/uploads/2024/04/CONUNDRUM-OF-CONCURRENT->>

3. Collective Action Threshold under IBC – The 2020 amendment to Section 7 of the IBC introduced a minimum threshold for home-buyers to initiate insolvency proceedings – requiring at least 100 allottees or 10% of the total allottees of the same project, whichever is less.⁴¹ While intended to curb frivolous filings, this has significantly restricted individual buyers for accessing the NCLT, especially in smaller projects or where buyer coordination is impractical. Consequently, the remedy is now more suited to large-scale, collective action rather than individual disputes.
4. Divergent Objectives and Remedies – The fundamental divergence between RERA and IBC's objectives often results in conflicting resolutions. RERA's primary goal is to ensure timely possession, refund, and compliance with statutory obligations. IBC, in contrast, is aimed at resolving insolvency in a manner that maximises the value of the debtor's assets for all creditors.⁴² For instance, under RERA, a buyer may secure an order for possession within a fixed timeframe; under IBC, however, possession may be delayed if the resolution plan involves transferring the project to a new developer or liquidating assets.⁴³ Thus, outcomes under the two laws may be incompatible, forcing buyers to compromise between immediate relief and collective financial recovery.
5. Execution and Enforcement Bottlenecks – Even when RERA authorities grant favourable orders, enforcement remains a significant hurdle.⁴⁴ Developers may lack liquidity, or assets may already be encumbered, making execution difficult.⁴⁵ In such situations, buyers often shift to the IBC framework for recovery, but this entails restarting proceedings under an entirely different procedural regime. This duplication adds to costs, prolongs resolution, and erodes the advantage of RERA's supposed speed.
6. Delays and Capacity Constraints – While RERA was envisioned as a quick-resolution mechanism (with an indicative timeline of 60 days for disposal),⁴⁶ many state RERA Authorities are under-resourced and face substantial backlogs. Similarly, despite the IBC's statutory timeline of 330 days⁴⁷ for the completion of insolvency resolution, delays due to litigation, complex claim verifications, and prolonged negotiations in the Committee of Creditors are common. For home-buyers, this means that neither forum consistently delivers on its promise of expeditious resolution.
7. Strategic Litigation and Forum Shopping – Developers have been known to exploit the multiplicity of forums by filing counterclaims or initiating insolvency voluntarily under IBC to shield themselves from adverse RERA orders.⁴⁸ Conversely, some home-buyers engage in parallel proceedings in RERA, consumer forums, and NCLT to pressure

REMEDIES-FOR-HOMEBUYERS-UNDER-RERA-2016-AGAINST-IBC-CONSUMER-PROTECTION-ACT-AND-ARBITRATION-ACT.pdf> (last visited on Apr. 10, 2024).

⁴¹ *Supra* note 31, s. 7.

⁴² Devyansh Arora, “IBC VS RERA: Conflicting Paths To Justice For Cheated Homebuyers “, *Indian Journal of Integrated Research in Law* 5(3), ISSN: 2583-0538 (2024) available at <<https://ijirl.com/wp-content/uploads/2025/06/IBC-VS-RERA-CONFLICTING-PATHS-TO-JUSTICE-FOR-CHEATED-HOMEBUYERS.pdf>> (last visited on Mar. 15, 2024).

⁴³ *Ibid.*

⁴⁴ *Supra* note 39.

⁴⁵ *Ibid.*

⁴⁶ *Supra* note 29, s. 29.

⁴⁷ *Supra* note 31, s. 12.

⁴⁸ Sanjana Rudra, “Homebuyers As Financial Creditors: Navigating The Rera-Ibc Conflict”, *Indian Journal of Integrated Research in Law*, ISSN: 2583-0538 (2022), available at <<https://ijirl.com/wp-content/uploads/2024/01/HOMEBUYERS-AS-FINANCIAL-CREDITORS-NAVIGATING-THE-RERA-IBC-CONFLICT.pdf>> (last visited on Mar. 19, 2024).

developers, adding to the congestion in all forums and risking conflicting rulings.⁴⁹ While the Supreme Court has acknowledged the doctrine of election (requiring a choice of forum), the lack of a unified statutory bar perpetuates this practice.⁵⁰

8. Limited Buyer Influence in IBC Proceedings – Although home-buyers are classified as financial creditors under IBC, they participate in CoC through an authorised representative, and their voting power is proportionate to the admitted debt. In projects with significant institutional lending, banks and financial institutions often dominate decision-making, potentially sidelining home-buyer priorities such as refund or early possession.⁵¹ This imbalance can undermine the consumer-protection ethos intended by their inclusion as financial creditors.⁵²

Despite the multiplicity of forums, challenges in dispute resolution for home-buyers remain. For instance, in the Amrapali case⁵³ thousands of home-buyers were left stranded for years, until the Supreme Court intervened and directed the National Building Construction Corporation (NBCC), to complete stalled projects. This extraordinary relief highlights the limitations under RERA & CPA when capital is siphoned.⁵⁴ The forensic audit uncovered systematic diversion of home-buyers' funds and egregious governance failures. This case highlights the fragility of 'possession orders' without a ring-fenced construction pipeline and escrow regulations.⁵⁵

Similarly, in the Unitech case,⁵⁶ the Supreme Court moved beyond private law remedies to restructure corporate governance itself by directing the constitution of a new government-appointed board for supervising delivery/refund. This case showcases that once financial indiscipline metastasises across multiple projects, conventional forum choices (RERA/IBC/CPA) cannot by themselves repair balance sheets, rebuild construction capacity, and restore trust.⁵⁷

In essence, the challenges under RERA and IBC stem from structural and procedural divergences, jurisdictional ambiguities, and the tension between consumer-centric and creditor-centric objectives. While judicial pronouncements have sought to harmonise the statutes, the absence of an integrated, specialised mechanism for real estate insolvencies continues to expose home-buyers to delays, conflicting outcomes, and diminished remedies.

IV. JURISPRUDENTIAL TRENDS

Amidst the rising urbanization and demand for housing, the apex court led the way in securing the rights of homebuyers across the complex framework of real estate laws in India. The judicial interpretation has been instrumental in defining the scope, interplay, and effectiveness of the Consumer Protection Act, 2019 (CPA), the Real Estate (Regulation and

⁴⁹ *Ibid.*

⁵⁰ *Supra* note 9.

⁵¹ *Supra* note 36.

⁵² *Ibid.*

⁵³ *Bikram Chatterji & Ors. v Union of India & Ors.* (2019) 19 SCC 161.

⁵⁴ *Supra* note 16.

⁵⁵ *Ibid.*

⁵⁶ *Union of India v R. Subramanian* (2018) 16 SCC 153.

⁵⁷ *Supra* note 16.

Development) Act, 2016 (RERA), and the Insolvency and Bankruptcy Code, 2016 (IBC) in relation to home-buyer disputes. The courts have not only clarified the concurrent operation of these statutes but have also addressed concerns of legislative supremacy, procedural overlap, and the strategic use of multiple forums.⁵⁸ The following decisions present key milestones in this evolving jurisprudence.

In the year 1994, the Supreme Court examined whether housing construction falls under ‘service’ under CPA, in the case of Lucknow Development Authority v M.K. Gupta⁵⁹. Establishing the CPA protection for homebuyers, the court held that housing construction is a ‘service’ and delay amounts to ‘deficiency’. The court further stated that compensation can be awarded not only for monetary loss but also for harassment and mental agony as well.

Thereafter, in the landmark judgment of Pioneer Urban Land and Infrastructure Ltd. v Union of India⁶⁰, the Supreme Court upheld the constitutional validity of the 2018 amendment to the IBC, which classified home-buyers as ‘financial creditors’ under Section 5(8)(f).⁶¹ The court harmonised the operation of RERA and IBC by holding that while both statutes can be invoked, the IBC will prevail in the event of a direct conflict, owing to Section 238. It clarified that RERA is intended for regulatory and consumer protection purposes, whereas IBC addresses insolvency resolution collectively. The decision established the concurrent nature of remedies, subject to the primacy of IBC in insolvency scenarios.

Later on, in the Imperia Structures Ltd.⁶² case, the Supreme Court examined whether the enactment of RERA ousted the jurisdiction of the consumer for under the CPA. The court held that Section 88 of RERA expressly preserves other statutory remedies and that the CPA, being a welfare legislation, provides additional reliefs such as damages for mental agony and compensation for unfair trade practices. The ruling reinforced that buyers may approach either forum depending on the nature of relief sought and confirmed that RERA does not have exclusive jurisdiction over real estate disputes.

Similarly, in the case of Wing Commander Arifur Rahman Khan⁶³ the apex court reaffirmed that consumer fora have jurisdiction to grant both refund and compensation for mental agony in cases of delayed possession, even when partial possession is offered. This case is significant for reinforcing the compensatory breadth of the CPA, which remains unmatched by RERA’s more limited interest-and-refund mechanism.

Lastly, in the case of Manish Kumar v Union of India⁶⁴ the constitutional validity of the 2020 IBC amendment, requiring a minimum of 100 allottees or 10% of total allottees in a project to jointly initiate insolvency proceedings, was upheld. The Supreme Court reasoned that this safeguard prevents misuse of the insolvency process for recovery purposes rather than genuine insolvency resolution. While preserving the home-buyer’s status as a financial creditor, the ruling narrowed individual access to the IBC mechanism.

⁵⁸ *Ibid.*

⁵⁹ *Supra* note 5.

⁶⁰ *Supra* note 9.

⁶¹ *Supra* note 31, s. 5(8).

⁶² *Imperia Structures Ltd. v Anil Patni* (2020) 10 SCC 783.

⁶³ *Wing Commander Arifur Rahman Khan v DLF Southern Homes Pvt. Ltd.* (2020) 16 SCC 512.

⁶⁴ *Manish Kumar v Union of India* (2021) 5 SCC 1.

These rulings collectively affirm the doctrine of concurrent remedies, preserve the consumer's right to choose the most suitable forum, and establish principles for harmonising the objectives of RERA, IBC, and CPA. While courts have leaned towards maintaining legislative coexistence, they have also prioritised the IBC in insolvency contexts, safeguarded the CPA's broader compensatory reliefs, and delineated RERA's sector-specific jurisdiction.

V. SUGGESTIONS FOR RESOLVING THE CHALLENGES IN DISPUTE REDRESSAL, FACED BY HOME-BUYERS

1. **Statutory Harmonisation Of Overriding provisions –** The interplay between Section 88 and 89 of RERA⁶⁵ and Section 238 of the IBC⁶⁶ creates an interpretational hierarchy in which the IBC often prevails, stalling RERA proceedings through the Section 14⁶⁷ moratorium. Codifying a harmonisation clause in both statutes could clarify that RERA proceedings for ongoing projects will continue in parallel with corporate insolvency resolution proceedings (CIRP), unless the Committee of Creditors (CoC) expressly decides otherwise.⁶⁸ This legislative clarity would ensure that RERA's consumer protection objectives are not subsumed by the creditor-centric framework of the IBC.
2. **Institutionalising Project-wise Insolvency as the Default –** Currently, insolvency proceedings typically encompass the corporate debtor, disrupting viable projects unnecessarily. A statutory amendment mandating project-specific insolvency as the default rule – drawing from the NCLAT's *Flat Buyers Association Winter Hills -77 v Umang Realtech Pvt. Ltd.*⁶⁹ decision – would protect ongoing construction and preserve asset value while allowing distressed projects to be resolved independently.⁷⁰
3. **Enhanced Representation of Home-buyers in the CoC –** Although home-buyers are classified as financial creditors under the IBC, their representation through an authorised representative can dilute their influence.⁷¹ Recognising home-buyers as a distinct voting class within the CoC, coupled with specialised training for authorised representatives on real estate-specific issues, would strengthen their decision-making role and protect their interests against institutional creditor's dominance.
4. **Nuanced Application of the Moratorium –** The Section 14 moratorium currently halts all RERA proceedings, including those unrelated to the insolvency estate. Allowing RERA orders on possession, defect liability, and statutory interest to continue during CIRP – while staying only enforcement actions that disrupt insolvency resolution – would preserve consumer remedies without undermining the IBC process.⁷²
5. **Mandatory Pre-CIRP Conciliation under RERA –** Many disputes could be resolved without entering insolvency proceedings if structured negotiation mechanisms existed. Introducing mandatory conciliation under RERA before a group of home-buyers files a

⁶⁵ *Supra* note 29, 2016, s. 88, 89.

⁶⁶ *Supra* note 31, s. 238.

⁶⁷ *Id.*, s. 14.

⁶⁸ *Supra* note 18.

⁶⁹ *Flat Buyers Association Winter Hills -77 v Umang Realtech Pvt. Ltd.*, (2019) Company Appeal (Insolvency) No 926 (NCLAT).

⁷⁰ *Supra* note 3.

⁷¹ *Supra* note 43.

⁷² *Supra* note 3.

Section 7 IBC⁷³ application would serve as a procedural filter, preventing misuse of insolvency provisions and reducing unnecessary litigation.

6. Standardisation of Builder-Buyer Agreements – Ambiguities and one-sided clauses in builder-buyer contracts frequently fuel disputes under RERA, IBC, and CPA.⁷⁴ A nationally standardised builder-buyer agreement, with non-waivable protections such as fixed delivery timelines, escrow safeguards, and clear force majeure terms, would harmonise contractual obligations and minimise litigation triggers.⁷⁵
7. Completion-First Principle in Real Estate Insolvency – Liquidation in real estate insolvency often undermines home-buyers' interests by offering monetary recovery rather than possession.⁷⁶ Codifying a statutory preference for resolution plans that prioritise project completion over liquidation would align the IBC process with RERA's consumer-protection ethos and restore confidence in the housing market.
8. Proportionate Threshold for Section 7 Applications – The current requirement of 100 allottees or 10% of total allottees to initiate insolvency⁷⁷ can unfairly disadvantage buyers in smaller projects. A proportionate threshold – such as 5% of total allottees or 25 buyers, whichever is lower – would make IBC remedies more accessible without inviting frivolous filings.
9. Integrated Case Management between RERA and NCLT – Parallel proceedings in RERA, NCLT, and consumer forum can lead to duplication and contradictory orders. Establishing a shared case management portal accessible to all relevant adjudicatory bodies would enable coordinated decision-making, reduce procedural conflicts, and improve transparency for litigants.⁷⁸
10. Judicial and Legislative Guidelines for Forum Selection – Forum shopping remains a persistent challenge due to concurrent statutory remedies.⁷⁹ Issuing binding judicial or legislative guidelines for forum choice – allocating possession disputes primarily to RERA, insolvency matters to IBC, and deficiency or compensation claims to the CPA – would streamline dispute resolution while preserving each forum's legislative mandate.
11. Penalty for Delays – Statutory timelines should be reinforced with penalty mechanisms for non-compliance, and digital hearing infrastructure should be scaled to reduce adjournments.⁸⁰ Further, specialised real estate benches within NCLT and RERA authorities may aid in strict case management.

VI. CONCLUSION

The trajectory of India's real estate sector reflects both its promise and its perils. As one of the largest contributors to GDP and employment, the sector is structurally vital for the economy and socially indispensable in fulfilling the basic aspiration of home ownership.

⁷³ *Supra* note 31, s. 7.

⁷⁴ *Supra* note 41.

⁷⁵ Rachita Shah and Arundhati Diljit, "Real Estate Developers and Homebuyers: Finding a Harmony Under the IBC", *National Law School Business Law Review*, 6 (1) (2020).

⁷⁶ *Ibid.*

⁷⁷ *Supra* note 31, s. 7.

⁷⁸ *Supra* note 16.

⁷⁹ *Supra* note 8.

⁸⁰ *Supra* note 76.

Despite a plethora of discussions, negotiations, and immeasurable plight of home-buyers, the RERA has remained insufficient in curbing the woes of the real estate industry. Therefore, about 18.8% (nearly one-fifth) of all insolvency cases comprise of real-estate industry.⁸¹ It is important to realise that owning a home is not just a vital investment but a socio-cultural entity, in the India. Therefore, the harassment of homebuyers at the hands of corporates & builders is a great miscarriage of justice. Moreover, the real-estate industry functions as a major investment avenue, both for domestic savings and foreign direct investment.

The intersection of RERA and IBC embodies a delicate balance between two distinct legislative objectives: safeguarding home-buyers through sector-specific consumer protection and ensuring market stability through efficient insolvency resolution. While judicial interpretation, particularly in Pioneer Urban, has attempted to harmonise the statutes, unresolved conflicts over jurisdiction, moratorium effects, and forum selection continue to undermine the efficacy of both regimes.

A legal framework that leaves home-buyers trapped in the cracks between multiple for a undermines both constitutional promises and economic efficiency. A coherent reform agenda – anchored in statutory harmonisation, project-specific insolvency, enhanced buyer representation, calibrated moratorium rules, mandatory conciliation, contractual standardisation, and a completion-first resolution philosophy – offers a pathway to reconciling these objectives. The integration of procedural systems and the issuance of clear forum-selection guidelines would further reduce uncertainty, curb forum shopping, and strengthen institutional credibility.

Ultimately, resolving the RERA-IBC conflict is not merely a matter of legal alignment but a prerequisite for restoring consumer trust, sustaining investor confidence, and ensuring the timely delivery of homes. Legislative and procedural reforms, grounded in the dual imperatives of protection and efficiency, can transform the present multi-forum conundrum into a complementary framework that serves both economic and social justice. The way forward lies in acknowledging that neither RERA nor IBC, can independently address the structural vulnerabilities of the sector.

⁸¹ *Supra* note 1.