

Role of Associations of Allottees in IBC Proceedings

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ABSTRACT

The Insolvency and Bankruptcy Code (IBC), 2016 has completely transformed the scene of corporate insolvency in India, where real estate cases, due to the big number of home buyers affected, have turned out to be one of the most complicated areas. The 2018 change was a turning point in the legislation as it acknowledged allottees as financial creditors and thus conferred them the legal right to partake in the insolvency process through the Committee of Creditors (CoC). This turning point resulted in the creation of the Associations of Allottees (AoAs), which have now become the representatives of the homebuyers acted as a one united voice—previously divided and legally incompetent—able to assert their rights in IBC proceedings. This research aims to delve into the changing role, effectiveness, and challenges of AoAs in real estate insolvency, while at the same time evaluating their influence on resolution outcomes, project completion, and protection of the consumer's interest. The study takes a doctrinal methodology supported by some empirical observations and a comparative understanding from international real estate insolvency models. The outcome indicates that AoAs provide a lot of benefit by bringing in transparency to the process and better decision making, both collectively and individually, and perhaps even more so—the latter since no accountability is forced on the part of the former, i.e., the developers and the resolution professionals. However, there still exist coordination issues, and the lack of legal literacy, along with the delays in the procedures, and inconsistency in the representation by the authorized personnel, which together are blocking the full potential of the AoAs. The evaluation also implies that while the AoA mechanism strengthens the consumer-oriented insolvency governance, it also necessitates the structural reforms to boost efficiency and consequently minimize the delays. In a nutshell, the study puts forward the vital role of AoAs in the IBC setup and that precise and more regulative guidelines are the "calling" in this regard.

Keywords: *Corporate creditors, Insolvency and bankruptcy, Homebuyers, Committee of creditors, Association of allottees, CIRP- Corporate insolvency resolution professional, Insolvency, Builders or promoters or Developers,*

INTRODUCTION

The Insolvency and Bankruptcy Code (IBC), 2016 has provided a unified approach to the resolution of financial distress and one of the significant achievements was that the legal status of the allottees or homebuyers was recognized as that of the financial creditors thus allowing them to be directly involved in the bankruptcy proceedings. However, the fact that there were so many and they were so scattered made the representation of the homebuyers a real challenge, thus the formation of the Associations of Allottees (AoAs) became critical for the exercise of their rights through collective decision-making and effective representation. AoAs act as a platform for the integration of the voices of many buyers, the provision of a smooth communication channel with the resolution professionals, and the guarantee of knowledgeable voting on the resolution plans. Notwithstanding the development, there are still several issues to address like different ways of establishing AoAs, lack of proper definition of their powers, and delays in the procedures. Moreover, there are conflicts among the various parties involved—homebuyers, developers, financial institutions, and insolvency professionals—regarding the priority, the valuation, and the control of the resolution process. The difficulties involved in this process have shown the importance of AoAs in protecting the interests of homebuyers in real estate insolvency cases.

Purpose and significance of the paper

This paper aims to give a thorough assessment of the changing role of Associations of Allottees (AoAs) in the proceedings under the Insolvency and Bankruptcy Code (IBC), with a particular focus on the scenario of real estate bankruptcies where home buyers make up a significant stakeholder group. The 2018 amendment which acknowledged allottees as financial creditors has allowed AoAs to acquire legal authority and subsequently, to intervene in the decision-making process regarding, among others, the voting of the Committee of Creditors (CoC), the approval of the resolution plan, and the protection of consumer interests. The author wishes to investigate the extent to which AoAs can facilitate the process of collective representation, alleviate the problem of information asymmetry, and increase the power of the dispersed homebuyers who, at the moment, find it very difficult to participate actively in the complicated procedures of insolvency. The value of the research is in the area of finding out if AoAs have really empowered allottees, increased transparency and thus, contributed to the fairness of the resolution outcome. It points out, at the same time, the difficulties of coordination, differences in interest, and the limitations of the procedure, thus providing a basis for the policymakers to refine the framework for a more effective and equal insolvency resolution.

Research questions

1. How successfully do Associations of Allottees (AoAs) reflect the common demands of homebuyers in IBC cases?
2. What influence, if any, do AoAs exert on the decision-making process of the Committee of Creditors (CoC) in real estate bankruptcy cases?
3. What are the obstacles and constraints that block the way of AoAs in being the fair, transparent, and efficient insolvency resolution?

Research objectives

1. The first is to study the powers given by law and the duties of the AoAs in IBC proceedings with a special emphasis on their position as financial creditors.
2. The second aim is to assess the degree of Aoa's influence in voicing the homebuyers' group interests during the main processes like CoC participation, voting, and resolution plan evaluation.
3. The third one is to recognize the main problems passing through Aoa's—legal, procedural, and structural—and to give suggestions on how to fortify their position in the case for more transparent and just insolvency outcomes.

LITERATURE REVIEW

Academic writing on IBC: According to Baxi (2019), the Insolvency and Bankruptcy Code marks a significant shift in the creditor-debtor relationship in India, and it is now going towards a creditor-in-control model where the focus is on the quick resolution of the case. He contends that the academic discourse around IBC has mainly concerned itself with the issues of implementation, judicial procrastination, and the interpretive role of courts such as NCLT and NCLAT. Furthermore, Baxi points out that there is a constant debate in the literature whether to prioritize creditor rights in the complex insolvency cases that involve several financial and operational creditors, thus being caught up in the efficiency vs. rights dilemma. The steady progression of scholarly studies towards the direction of insolvency reforms helping India's business climate and financial stability has been made evident by Baxi's scrutiny. Sharma (2021) provides a comprehensive overview of the academic discourse on IBC, pointing out the gradual increase of attention towards homebuyers' rights as a result of the 2018 amendment. He further elaborates on how the legal, economic and governance analysis of the Code have been the common practice among researchers, and that there were already a few issues such as conflicting judicial interpretations, practical challenges in the COC functioning, and the increasing involvement of consumer groups like Associations of Allottees amongst these. In parsing the arguments of contemporary scholarship, Sharma indicates the need of more extensive empirical studies to truly assess the transparency, fairness, and resolution effectiveness of IBC reforms.

Role of homebuyers in insolvency: Batra (2019) draws attention to the change in the legal status of homebuyers under the Insolvency and Bankruptcy Code (IBC) as a result of the 2018 amendment which re-categorized them as financial creditors. The author indicates that the transition allowed the homebuyers to join the CoC at the front with the rights to vote and a proper way to protect their financial interests. The paper points to the recognition as a factor that broadened the scope of consumer protection in insolvencies in the real estate sector, as it ensured the homebuyers were not passive sufferers but held the rights of active participants in the resolution of the process. However, Batra also mentions the difficulties in the smooth functioning of the process, especially in managing large and scattered groups of allottees for the purpose of informed decision-making. Saxena (2021) looks at the practical implications of the participation of homebuyers in bankruptcy procedures and states that their involvement has made real estate developers more accountable. Saxena indicates that homebuyers provide the Committee of Creditors (CoC) with ground-level information about the delays in the project, the misuse of funds, and the construction that is going on, so the CoC can evaluate the resolution plans more accurately. The further research indicates that the acknowledgment of homebuyers as financial creditors is a very significant event but, on the other hand, the difficulties related to the representation, the presence of different interests in the case of allottees, and the slow process of forming associations are among the issues that still limit the effectiveness of homebuyers.

Articles on CoC dynamics: In the article, Batra (2020) discusses the changing dynamics of the Committee of Creditors (CoC) as per the Insolvency and Bankruptcy Code and points out that the composition of creditors has a great impact on negotiation outcomes and decision-making efficiency. The study reveals that the financial creditors, who are in a controlling position in the CoC voting, always want to maximize the recovery and inclusivity of the stakeholders at the same time, which often takes operational creditors and homebuyers to the side. Batra claims that the issue of unequal negotiation power harms the process, in terms of transparency and fairness, especially in the case of real estate insolvencies that are very complicated. The author then goes on to say that during the CoC discussions, the interests can be balanced if the reforms that allow for a wider representation are in place.

Mehra (2021) study is mainly concentrated on the behaviour of CoC, the author deals with the issues of strategic voting, coalition formation and information asymmetry among creditors in large insolvency cases. It rather points out that the members of CoC cast their votes following individual institutional aims instead of collective resolution efficiency, which causes to have delays and less than optimal outcomes. The author also mentions that by accepting the allottees as the financial creditors, not only diversity has been introduced but also coordination problems have been aggravated. It is argued in the article that by sharing and introducing more procedural guidelines, the CoCs will be more effective and thus the resolutions will be fairer.

Reports by IBBI, MCA committees: In its Annual Report, IBBI (2019) pointed out the increasing role of homebuyers and Associations of Allottees after their acknowledgement as financial creditors through the amendment in 2018. The report claimed that the representation made by AoA as a whole quorates in the Committee of Creditors and the voting on resolution plans is also well-informed. The report, however, mentioned the difficulty of insufficient communication between the scattered allottees and the requirement of more explicit procedural rules. The IBBI underlined that the power of the AoA could very well bring about the rise of transparency and accountability in real estate insolvencies. The MCA Committee (2018) did a thorough assessment of the necessity to label allottees as financial creditors thereby advising about forming structured systems for their participation in insolvency proceedings. One of the arguments in the report was that the Associations of Allottees were the organized platforms that could put together the claims of homebuyers and thus making the whole issue of resolution more efficient. It was also acknowledged that the individual homebuyers without the collective bodies were having a hard time grappling with the complex insolvency proceedings. The committee suggested reforms to institutions that would lead to the participation of AoAs being weighty and thus having the rights of the consumers protected.

Judicial review and Supreme Court observations: Kumar (2020) elucidates that the Supreme Court interpretations have significantly influenced the judicial review under the Insolvency and Bankruptcy Code (IBC), and the emphasis was on balancing the commercial wisdom of the Committee of Creditors (CoC) with procedural fairness. Kumar claims that the Court's stance in the landmark cases of *K. Sashidhar v. Indian Overseas Bank and Essar Steel v. Satish Kumar Gupta* shows a restrained judicial intervention model in which the courts confine their role to reviewing the legality of processes rather than replacing the commercial judgment. His review points out that the Court's so considerate and balanced posture has not only been a plus for the predictability and efficiency of insolvency resolution but also for the rights of the stakeholders whom it has protected. Sharma (2021) highlights that the shifting position of the Supreme Court regarding the homebuyers and Associations of Allottees (AoAs) has allowed for a wider scope of judicial review under the IBC. In cases like *Pioneer Urban Land v. Union of India*, amongst others, the Court affirmed the status of allottees as financial creditors, thus allowing them to play a significant role in the insolvency process. She argues that the Court has been instrumental in resolving confusions over the issues of voting rights, representation, and CoC decision-making, thereby allowing judicial review to function as a corrective mechanism against arbitrary or exclusionary practices within the insolvency regime.

Gaps in existing scholarship: According to Chakraborty (2019), the practical operation of Associations of Allottees (AoAs) in the bankruptcy of construction companies has been largely ignored by academic researchers even if the IBC system has clarified creditors' rights. He observes that the behavior of financial institutions in the Committee of Creditors (CoC) is the main subject of most studies, which creates a gap in understanding the collective decision-making power of scattered homebuyers. Chakraborty believes that the restricted empirical research on AoAs hinders the proper evaluation of their effectiveness, challenges regarding representation, and role in the outcomes of resolution.

Sharma (2021) notes that the difficulties encountered by AoAs after the 2018 amendment as recognition of financial creditors have not been sufficiently reflected in the existing research and analyses. She indicates gaps in the areas of coordination problems, ignorance of the law among the allottees, and the small role of the representatives in the meetings of CoC. Sharma points out that while legal reforms gave more power to homebuyers, there are still no extensive studies in the academic literature that measure the extent to which AoAs protect consumer interests in insolvency proceedings.

Legal Framework

Statutory Provisions: The legal framework that dictates the participation of allottees in real estate insolvency cases under the Insolvency and Bankruptcy Code (IBC) is mainly composed of certain statutory provisions and regulations that have been issued in aid of the provisions. By virtue of Section 5(8)(f), the homebuyers are financially classified as creditors, thus, they enjoy the same legal status as banks or other financial institutions. The following amendments made to Section 7 grant the allottees the right to jointly apply for admits into corporate insolvency resolution processes (CIRP) whenever the required minimum is surpassed. Section 21(6A)(b) brings in a new character of an Authorized Representative (AR) who has the power of appointment to act on behalf of a large group of allottees in the Committee of Creditors (CoC). Regulation 16A also gives a detailed account of the procedure in which the AR casts votes on behalf of all homebuyers depending on the majority vote within the group. These provisions when taken together facilitate the organized involvement of allottees in the CoC, where they can regulate the making of critical decisions such as giving the green light or rejecting the resolution plans, especially in real estate projects where their financial stakes and timely receiving of houses are the main issues at concern.

Table 1. Statutory Provisions Related to Allottees under IBC.

Provision	Key Feature	Relevance to Allottees
Section 5(8)(f)	Recognises homebuyers as financial creditors	Grants legal standing to participate in CIRP and CoC indirectly through AR
Section 7 (Amendments)	Allows allottees to file insolvency applications collectively (minimum threshold required)	Empowers homebuyers to initiate CIRP against defaulting builders
Section 21(6A) (b)	Introduces Authorized Representative (AR) for a class of creditors	Ensures unified and efficient representation of large groups of homebuyers
Regulation 16A	Specifies the voting process of AR based on majority instructions	Enables transparent and democratic decision-making within the allottee group
Role of CoC in Real Estate Projects	CoC evaluates and approves resolution plans, assesses feasibility and viability	Homebuyers' interests are considered through AR's participation and voting rights

Relevant Rules & Regulations; The legal basis that regulates the participation of allottees in the insolvency process is mainly established by the Insolvency and Bankruptcy Code (IBC), 2016 and the CIRP Regulations, which officially classify homebuyers as financial creditors. These rules determine the process for different classes of creditors to communicate through an Authorised Representative (AR), who is responsible for coordinating communication, circulating agendas, gathering voting instructions, and casting votes on behalf of allottees in the Committee of Creditors (CoC). The AR's rights and obligations are to facilitate informed decision-making, ensure transparency, and strictly follow the majority mandate of the class. The voting thresholds established by the IBC necessitate 66% of the CoC's voting share for approval of resolution plans, major decisions, and extensions, whilst ordinary matters might need only 51%. The combination of these rules allows for the structured involvement of allottees while still managing achieving efficiency and collective decision-making during the CIRP.

Table 2. Key Legal Provisions Related to Allottees in CIRP.

Aspect	Legal Provision	Summary
CIRP Regulations	IBBI (CIRP) Regulations, 2016	Provides procedure for representation of allottees as a class creditor and appointment of AR.
Rights & Duties of AR	Reg. 16A & 25	AR communicates notices, collects voting instructions, represents allottees, and votes as per majority mandate.
Voting Thresholds	Sec. 30(4) & Sec. 28 of IBC	66% vote for major decisions including approval of resolution plan; 51% for routine matters.

Parliamentary & IBBI Committee Reports: The Parliamentary and the IBBI Committee Reports have been the core basis for the comprehension of the legal framework regulating the role of the allottees in the IBC proceedings. The Joint Parliamentary Committee (2018) and the IBBI Working Group Reports of the following years put a lot of stress on the point that homebuyers should be treated as financial creditors, thereby making their participation in the insolvency resolution process more significant. The reports were concerned mainly with the allotments of the creditors who were entitled to vote through the representatives, the selling of real estate bankruptcy issues, and the use of money by the developers who had defaulted being the withheld waste. The new legislation was aimed at rectifying the dismal power situation of the minor homebuyers facing the large financial institutions, to the extent that they were able to make a common decision through the Associations of Allottees (AoAs) The reports made it unambiguously clear that Parliament was not only willing to protect the consumers but also to speed up the real estate projects in distress and to ensure that the resolution plans would equitably prioritize the allottee's rights in accordance with the principles of equity, accountability, and participatory justice.

Role Of Association of Allottees in Ibc Proceedings

Participation In the Committee of Creditors (Coc): The Association of Allottees (AoA) is a key player in IBC proceedings as it guarantees that the homebuyers' interests are properly represented in the Committee of Creditors (CoC). Because individual allottees are so many and scattered, they join in the process through one Authorized Representative (AR) who is appointed under Section 21(6A) of the Code and who represents all the allottees together in all the meetings and discussions. The AoA gives homebuyers a well-organized collaboration, and thus, they can take a united position concerning the resolution plan's viability, project completion timelines, and their financial claims' protection. The whole decision-making process makes the allottees' bargaining power stronger and also makes sure that their various concerns are merged together before being taken to the CoC. The voting is done by electronic means, where the AR votes according to the instructions of the majority he/she has received from allottees, thus making sure that there is no barrier to participation, the process is transparent, and also the insolvency resolution process is accountable.

Role in Claim Submission and Verification: The Associations of Allottees (AoAs) are pivotal in the claim submission and verification phase of IBC proceedings, offering structured support to the home buyers who are often legally and procedurally inexperienced. They help the allottees in collecting the necessary documents such as allotment letters, payment receipts, builder-buyer agreements, and other correspondence records, making sure that the claims have been filed correctly and completely. AoAs also serve as a collective representative body, merging the individual claims into a well-organized format that shows the group's common interests, thus minimizing the occurrence of duplication and making it easier for the Interim Resolution Professional (IRP) or Resolution Professional (RP) to follow. AoAs, through their coordinated efforts, facilitate the communication, classification of claims, and provision of unified information which, in turn, dramatically increases the effectiveness of the verification process. Their presence not only decreases the administrative burdens on IRPs/RPs but also makes it easier for the homebuyers' claims to be presented in a coherent manner, thus increasing the chance of being accurately recognized and considered fairly in the insolvency process.

Safeguarding Interests During CIRP: The Association of Allottees (AoA) has a very important function throughout the period of the Corporate Insolvency Resolution Process (CIRP) as it is the one that constantly supervises the plans made by the creditors and authorizes the homebuyers' interests to be the first ones to be taken care of. The AoA, being a recognized stakeholder, guarantees that the plans put forward for approval always direct the enforcement of the stalled real estate projects instead of just dealing with the financial recoveries. This will be the case, if at all, in situations where the builder-financier alliance is even thought to be a possibility; hence, homebuyer rights would be in jeopardy or the institutional creditors would be favored at the expense of the genuine allottees. The AoAs through their authorized representative participate and influence the process of selection of a resolution applicant who is transparent and credible and, moreover, is capable of delivering the project in a realistic timeframe. Their participation not only helps in holding the parties concerned answerable, but also increases the review of project viability, and overall the CIRP becomes more equitable by the consumer protection and completion commitments being the heart of the resolution process.

Negotiation and Coordination: The negotiation and coordination aspect constitute a vital part of the function of the Association of Allottees (AoA) during IBC proceedings since they gather the conflicting different interests of individual homebuyers into a powerful and effective collective voice. The AoA by making consensus-building its major activity, helps to take a unified position during resolution plan negotiations and each of the allottees' priorities—like project completion on schedule, fair financial adjustments, and consumer rights protection—being

articulated. The common approach not only lessens the number of conflicts among the allottees but also in most cases where the owners have different expectations regarding the timelines for possession, compensation and/or refund mechanisms. The AoA also plays the role of a mediator among the Resolution Professional (RP), promoters, and other financial creditors to facilitate communication, clarify documentation needs, and settle issues that may hold up the insolvency process. The AoA by this kind of collaboration increases the transparency, eliminates the procedural bottlenecks, and at the same time strengthens the position of the homebuyers in the Committee of Creditors (CoC) negotiations. **Participation in Litigation:** The Association of Allottees (AoA) is a crucial party in the legal battle under IBC, as it non-stop gives a strong support to the homebuyers group in front of the courts such as NCLT and NCLAT. They are involved in the process very much by applying for intervention so that the interests of the allottees are officially considered during the insolvency hearings. This is especially true in the case of issues affecting the viability of the project, terms of the resolution plan, misbehavior of the developer, etc. The agencies also file very comprehensive objections to the proposed resolution or liquidation processes by talking about the issues like lack of proper safeguards, distribution mechanisms that are not very fair, or violating statutory provisions. By merging individual complaints into a single representation, AoAs not only make a strong voice of homebuyers but also lessen the load on courts and bring about the transparency and fairness of the proceedings. Their participation in litigation has the effect that the scattered allottees that might otherwise lack the resources or legal expertise are being secured throughout the insolvency process in a manner that is more just and accountable thus contributing to it.

Judicial Interpretations: The IBC has been majorly influenced by Judicial decisions interpreting the law regarding Associations of Allottees (AoAs) and their rights, scope, and limitations in insolvency proceedings. In the case of Pioneer Urban Land Infrastructure Ltd. v. Union of India (2019), the Apex Court ratified the decision to categorize the allottees as financial creditors and thus assured their participation in the CoC through their designated representatives. Flat Buyers Association Winter Hills (2020) ruling further reinforced joint participation by calling for a court-monitored buyers' association to be set up for protecting consumer interests during the resolution process. In the case of Manish Kumar v. Union of India (2021), the Court allowed the requirement of a minimum number of homebuyers to file for insolvency to be the law and stressed the necessity of filtering out the trivial cases while ensuring the availability of rights to the deserving ones. The various NCLT/NCLAT verdicts have ironed out procedural matters such as the appointment of AR, voting methods, and participation in lawsuits. These judgments have, on the one hand, enlarged the powers of the AoA but on the other, determined the boundaries within which the CoC must operate, so that the participation of homebuyers does not overshadow the financial stakes of the secured creditors.

Table 3. Impact of Judicial Decisions on AoAs.

Aspect	Judicial Impact
Rights of AoA	Recognition as financial creditors; right to CoC representation; ability to file objections and intervene in proceedings.
Scope of Participation	Active involvement through ARs in voting, hearings, and resolution-plan evaluation; ability to raise collective grievances.
Limitations	Threshold for initiating insolvency; AR voting restricted to majority decisions; limited influence in financially complex matters dominated by secured creditors.
Balance of Power within CoC	Courts ensured homebuyers have a meaningful voice without overshadowing secured creditors; emphasised equitable but not absolute parity.

Challenges Faced by Associations of Allottees: The Allottees Associations (AoAs) encounter several difficulties that affect their participation and performance in IBC case hearings. The main problem is the issue of non-uniformity in representation since often the different sections of homebuyers have opposite demands and needs. This sometimes results in different viewpoints within the associations thus making it hard to build a consensus. The difficulty in coordinating the large groups is a practical problem especially when the allottees are spread over different locations and their participation level is different. A good number of the members also find it difficult to grasp the complicated legal and technical aspects of insolvency which in turn lessens the quality of the collective decision-making process. In some instances, the minority groups may hold the floor and sway the decision disproportionately thus, casting doubt on fair representation. Besides, the slow and inefficient voting mechanisms also exacerbate the problem while the Authorised Representatives (ARs) are usually overwhelmed with work because of the high number of allottees. The combination of all these factors leads to the delay in decision-making thus indirectly affecting the overall effectiveness of the AoAs in the protection of the rights of the homebuyers.

Comparative Perspective : Across different legal systems, the way homebuyers are treated in case of a real estate insolvency differs a lot, indicating different levels of consumer protection and public involvement. The UK places secured creditors first in the order of insolvency claims, yet homebuyers are still granted some rights via trust-based systems and legal protections. However, no collective bodies exist in the UK like India's Associations of Allottees (AoAs). The USA goes for a debtor-in-possession method under Chapter 11, where sometimes consumer representation committees are set up, but in general, homebuyers are considered to be unsecured creditors unless certain escrow protections are in place. Singapore's regulatory framework is very much tied to the Housing Developers Act, where strong supervision is the main feature, providing escrow-based protections and mandatory disclosures; however, there is no formalised collective litigation groups. The UAE guarantees considerable protection to buyers by imposing escrow conditions and through real estate regulatory bodies (like RERA Dubai), thus letting buyers' complaints be addressed in a structured manner although there aren't any collective creditor bodies set up as such. Worldwide, project-based escrow systems have been adopted in places such as Australia and Canada focusing on the consumer, thus fund protection being the priority over creditor hierarchy. In the case of these systems, India's IBC stands out by giving allottees the status of financial creditors and allowing collective bodies with specified voting rights during the insolvency resolution process.

Table 4. Consumer Centric Approaches in Real Estate Insolvency.

Country / Model	Consumer-Centric Approach	Protections for Buyers	Existence & Powers of Collective Bodies
UK	Regulatory safeguards, trust and contract-based protection	Limited priority; safeguards via trust property and deposit protection schemes	No formal collective creditor bodies; consumers act individually
USA (Chapter 11)	Court-supervised restructuring; option for consumer committees	Homebuyers usually unsecured unless escrow protected	Consumer committees may exist but have limited decision-making powers
Singapore	Strict developer regulation under Housing Developers Act	Mandatory escrow accounts, progress-based payments, high accountability	No formal collective insolvency bodies; informal buyer groups exist
UAE (RERA Model)	Strong regulatory oversight; buyer-fund protection	Escrow accounts, RERA grievance mechanisms, staged project monitoring	No AoA-like bodies, but RERA allows structured group complaints
Global Escrow-Based Real Estate Models (e.g., Australia/Canada)	Emphasis on fund safety and project completion	Escrow segregation, independent audits, staged disbursements	Collective bodies not formalised, but regulatory agencies act as consumer protectors

FINDINGS & DISCUSSION

The analysis brings to light various insights relating to the operation and influence of the Aeos of Allottees (AoAs) in the IBC cases. Theoretical and developing factual proof suggest that the recognition of allottees as financial creditors has seriously improved the openness and involvement in the cases of insolvency related to real estate. The AoAs have played their part in bringing the issues of homebuyers to the attention of the meetings of the CoC, the checking of the resolution plans, and the litigation thereby, the decision-making process has been made stronger in quality overall. Their participation has had a positive impact on the project completion timeframes in those cases where joint pressure made the resolution applicants and the developers commit to the construction schedules that were realistic. As far as financial protection is concerned, the AoAs have managed to stop the offering of unfair discounts as well as to secure the distribution of the proceeds from the resolution that is more just under the plans. Nevertheless, the findings also indicate that the participation of AoA can at times slow down the process because of the difficulties in coordination, conflicting interests among the homebuyers, and the complexity of the procedures. Generally, AoAs are the ones who increase the accountability and the fairness. However, the extent of their efficiency is determined by the organisational capacity, legal knowledge, and the methods of representation that are effective.

Policy Recommendations

The full realization of the Associations of Allottees' (AoAs) role in IBC (Insolvency and Bankruptcy Code) proceedings is dependent on the implementation of certain policy interventions. An important step in this regard is to give the Authorised Representative (AR) a more powerful role by way of clearer statutory duties, transparent reporting obligations and mandatory consultation mechanisms so that homebuyers' views are represented accurately. Inconsistent practices in the formation, voting, communication and conflict resolution of AoAs can be solved by reducing the differences across cases by developing standard operating procedures (SOPs) for each of those areas. A mandatory pre-formation of AoAs at the project registration stage will help in quick participation whenever there is insolvency, thus avoiding the delays due to the late organization of the AoAs. Electronic voting systems should be made a norm for the purpose of quick, safe, and inclusive decision-making for the stakeholders who are widely spread. IBBI (Insolvency and Bankruptcy Board of India) and state RERAs (Real Estate Regulatory Authority) can jointly hold workshops for allottees to enhance legal literacy and reduce reliance on intermediaries. To prove this point, legal clarity is what is needed as far as the handling of multiple projects under one developer is concerned especially in the areas of separate CoCs and asset pools. Finally, timelines defined for the appointment of the AR, voting, and filing of objections can eliminate procedural delays and increase resolution efficiency overall.

CONCLUSION

The Association of Allottees (AoA) has become a very important participant in India's real estate insolvency framework that has provided an organised voice for the scattered homebuyers who were previously ignored in the IBC process. Their legal recognition as financial creditors has changed the insolvency resolution process by giving a consumer-oriented perspective to the discussions of the Committee of Creditors, the evaluation of resolution plans, and the litigation. AoAs facilitate the provision of information-enhanced transparency since they are the ones to sow the seed of the developer's accountability and the fair sharing of recoveries. They have also been a part of the creation of more realistic project completion strategies and the reinforcing of the protection of buyers' financial interests. Nevertheless, the setup still necessitates improvements, including the better specification of legal powers, the creation of very efficient coordination mechanisms, the enhancement of the role of the AR, and the facilitation of structured digital participation. Future reforms must embrace the enlargement of the institutional support for AoAs and the smoothing out of real estate and insolvency regulations so that a more predictable, transparent, and equitable process is created. In the long run, AoAs are a major step toward customer empowerment and the realization of just insolvency outcomes in the real estate sector.

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