

**INFRASTRUCTURE CHALLENGES IN NCLT UNDER THE
INSOLVENCY AND BANKRUPTCY CODE, 2016: A CASE STUDY OF
DELHI**

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ABSTRACT

Infrastructural and professional inefficiencies within the National Company Law Tribunal (NCLT) significantly impact the effectiveness of insolvency proceedings under the Insolvency and Bankruptcy Code, 2016 (IBC).¹ A well-functioning corporate insolvency resolution process (CIRP) is crucial for economic stability and business continuity. However, the shortage of qualified interim resolution professionals (IRPs) and the inadequate integration of digital technology hinder the timely resolution of insolvency cases, leading to prolonged litigations and increased liquidations.² Despite the critical role of IRPs in the CIRP, many lack domain expertise, delaying claim verification, compliance, and resolution planning. Poor stakeholder coordination, financial mismanagement, and ethical concerns further disrupt proceedings.³ Moreover, the limited use of digital technology in case management exacerbates inefficiencies, slowing down procedural timelines.⁴ This research identifies these gaps, emphasizing the urgent need for professional training, regulatory oversight, and digital transformation in insolvency proceedings.⁵

The study adopts an analytical research methodology, focusing on NCLT Delhi. Primary data will be collected through structured questionnaires and interviews with key stakeholders, including IRPs, legal practitioners, insolvency professionals, financial creditors, and NCLT officials. Additionally, thoroughly examining the Companies Act, 2013⁶, and the Insolvency

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¹ The Insolvency and Bankruptcy Code, No. 31 of 2016, INDIA CODE (2016).

² Ritu Gupta, *Challenges in Corporate Insolvency Resolution: A Case Study on NCLT Proceedings*, 12 J. Corp. L. & Prac. 45 (2023).

³ Companies Act, No. 18 of 2013, § 241-242, INDIA CODE (2013).

⁴ Ashish Kumar, *Digitalization and Its Role in Modern Insolvency Proceedings*, 8 INSOLVENCY L. REV. 78 (2022).

⁵ *NCLT Delhi Annual Report 2023*, NATIONAL COMPANY LAW TRIBUNAL (2023).

⁶ Companies Act, No. 18 of 2013, INDIA CODE (2013).

and Bankruptcy Code, 2016⁷, will provide legal insights. Secondary data from books, articles, and official reports will supplement the findings.

Key findings indicate that the inefficiency of IRPs, their lack of industry-specific knowledge, and frequent replacements lead to procedural delays and mismanagement. The absence of a robust digital framework in NCLT Delhi hinders transparency and efficiency. Strengthening the selection criteria and domain-specific training of IRPs, coupled with digital reforms in insolvency case management, can enhance resolution outcomes.⁸ This research has practical implications for policymakers, regulatory bodies, and stakeholders involved in insolvency resolution.⁹ By addressing infrastructural challenges and enhancing professional competencies, insolvency proceedings under the IBC can be streamlined, ensuring effective and timely resolutions for distressed businesses.

Keywords: Insolvency Resolution, NCLT Delhi, Interim Resolution Professional, Digital Infrastructure, CIRP Challenges.

⁷ Mukesh Agarwal, *Regulatory Gaps in Insolvency Law and the Role of NCLT*, 6 INDIAN J. BUS. L. 109 (2021).

⁸ *World Bank Report on Insolvency Procedures in India*, 2023.

⁹ Ministry of Corporate Affairs, *Guidelines for Enhancing CIRP Efficiency*, GOV'T OF INDIA (2023).

INTRODUCTION

1. Background of Insolvency and Bankruptcy Code, 2016

The evolution of insolvency laws in India can be traced back to colonial times, where the first significant development occurred under British rule. The Statute 9 Geo. 4, c. 73 (1828)¹⁰ laid the groundwork by establishing insolvency courts in the Presidency towns, allowing appeals to the Supreme Court. Under this statute, a designated official, referred to as a ‘regular appointee’, was tasked with managing the assets of debtors. Subsequently, the *Indian Insolvency Act, 1848, 11 and 12 Vict. c. 21*¹¹ was introduced to replace earlier legislation and brought merchants and non-traders within its ambit. This Act allowed for enhanced supervision by the Supreme Court, thus laying a more structured foundation for insolvency proceedings in India. With the enactment of the *Presidency Towns Insolvency Act, 1909*¹² the 1848 legislation was repealed. This Act closely followed the English Bankruptcy Acts of 1883 and 1890. Notably, Section 79 empowered courts to investigate the concealment of assets, while Sections 421 to 424 of the Indian Penal Code (IPC)¹³ imposed legal restrictions against discharges obtained through financial fraud. To address insolvency concerns beyond the Presidency towns, the *Provincial Insolvency Act, 1920*¹⁴ was enacted, thereby extending the insolvency framework to the rest of the country. Corporate insolvency found its place in Indian law with the Companies Act, 1956.¹⁵ However, with industrial sickness on the rise, the Sick Industrial Companies (Special Provisions) Act, 1985¹⁶ (SICA) led to the formation of the Board for Industrial and Financial Reconstruction (BIFR). Although well-intentioned, the mechanism proved to be ineffective, often resulting in delays and inefficiencies.

Considering the inefficiencies in the pre-existing legal framework, the IBC¹⁷ was enacted to consolidate and modernize insolvency laws in India. The Code aims to establish a uniform,

¹⁰ Statute 9 Geo. 4, c. 73 (1828) (U.K.), reprinted in *Insolvency Manual* (Taxmann Publications 4th ed. 2020).

¹¹ Indian Insolvency Act, 1848, 11 & 12 Vict. c. 21 (U.K.), repealed by the Presidency Towns Insolvency Act, 1909.

¹² Presidency Towns Insolvency Act, No. 3 of 1909, INDIA CODE (1909), available at <https://indiacode.nic.in>.

¹³ The Indian Penal Code, No. 45 of 1860, §§ 421–424 (India).

¹⁴ Provincial Insolvency Act, 1920, Act No.5 of 1920, available at <https://indiacode.nic.in>.

¹⁵ The Companies Act, No. 1 of 1956, § 433 (India) (repealed).

¹⁶ The Sick Industrial Companies (Special Provisions) Act, No. 1 of 1986, § 4 (India), repealed by the Insolvency and Bankruptcy Code, 2016.

¹⁷ The Insolvency and Bankruptcy Code, No. 31 of 2016, INDIA CODE (2016), available at <https://www.ibbi.gov.in>.

comprehensive, and time-bound process for resolving insolvency and bankruptcy issues for both corporate entities and individuals.

The principal objectives of the Code include:

- i. Maximization of the value of assets.
- ii. Promotion of entrepreneurship.
- iii. Improvement of credit availability.
- iv. Balancing the interests of all stakeholders.

The Code replaced multiple overlapping laws and introduced a creditor-in-control model that empowers financial and operational creditors. It also established the Insolvency and Bankruptcy Board of India as the key regulatory authority. A strict timeline of 180 to 330 days for the completion of insolvency resolution ensures efficiency and reduces delays.¹⁸

Moreover, the Code provides for the appointment of licensed Insolvency Professionals (IPs) to manage the resolution process, thereby ensuring transparency and professionalism. Overall, the IBC marks a paradigm shift in India's insolvency landscape, emphasizing business revival and systemic stability.

2. Role of NCLT in Insolvency Proceedings

The NCLT is the judicial body to administer insolvency proceedings as described under the IBC¹⁹. It ensures the timely and orderly resolution of financially distressed companies. NCLT deals with applications for the CIRP under Section 7²⁰, Section 9²¹, and Section 10²². After the admission of a case, it imposes a moratorium²³, which puts a stay on all legal proceedings against the debtor. It also appoints an IRP,²⁴ who is later confirmed or replaced by the RP with the approval of the CoC.²⁵

¹⁸ Id. § 12 (specifying the 180-day timeline extendable by 90 days with approval)

¹⁹ The Insolvency and Bankruptcy Code, No. 31 of 2016, § 408, INDIA CODE (2016).

²⁰ Id. § 7 (Application by financial creditor).

²¹ Id. § 9 (Application by operational creditor).

²² Id. § 10 (Initiation by corporate applicant).

²³ Id. § 14 (Moratorium).

²⁴ Id. § 16(1) (Appointment and tenure of Interim Resolution Professional).

²⁵ Id. § 22 (Appointment of Resolution Professional by Committee of Creditors).

The process of resolution must be completed within 180-330 days.²⁶ Where a viable plan of resolution receives approval from the CoC and adheres to legal requirements, the NCLT sanctions it under Section 31 of the IBC.²⁷ In case no plan is approved, liquidation becomes mandatory,²⁸ and a Liquidator is appointed for the liquidation of assets and distribution of proceeds.²⁹ NCLT also examines fraudulent transactions³⁰ (Section 66) and has the power to debar promoters from bidding under Section 29A. Appeals against NCLT orders can be filed with NCLAT within 30 days.³¹ In short, NCLT ensures a fair and transparent insolvency resolution, balancing creditor rights and debtor protection.

3. Rationale for the Study

The IBC, 2016 was enacted to facilitate a timely and efficient insolvency resolution process in India, with the NCLT as the primary adjudicating authority. However, notwithstanding its proposed efficiency, the functioning of the NCLT, particularly at the Delhi Bench, has been hindered by major infrastructure-related problems.

Problem Statement

The Delhi NCLT, being one of the most overburdened benches, faces significant challenges in processing insolvency cases. Lack of physical and online infrastructure, absence of benches, judicial and administrative staff shortage, and too high a case pendency result in prolonged delays in resolving insolvency. These inefficiencies have a direct bearing on creditors, debtors, and other parties and ultimately compromise the IBC's very purpose of expeditious resolution and value maximization of stressed assets.

Significance of the Study

Addressing these infrastructural challenges is imperative for improving the framework of insolvency in India. A properly functioning NCLT is paramount for fostering investor confidence, ensuring financial stability, and maintaining the integrity of the IBC. Through an

²⁶ Id. § 12 (Timeline for completion of CIRP).

²⁷ Id. § 31 (Approval of resolution plan).

²⁸ Id. § 33 (Initiation of liquidation).

²⁹ Id. § 66 (Fraudulent or wrongful trading).

³⁰ Id. § 29A (Persons not eligible to be resolution applicant).

³¹ Id. § 61 (Appeals and jurisdiction of NCLAT).

investigation of the impact of infrastructure lacunas, this research might offer lessons that could advance institutional reforms, hence making insolvency proceedings more efficient. The findings of his study can inform policy deliberation about judicial and administrative reforms under the NCLT regime. Strengthening infrastructure, judicial capacity enhancement, and the harnessing of technology can help realise quicker insolvency resolution, reduce pendency in cases, and realise the efficient objective of the IBC.

4. Research Objectives

The objective of this study is to examine the infrastructure challenges faced by the NCLT at the Delhi Bench regarding insolvency proceedings under the IBC, 2016. It aims to:

- Assess how inadequate infrastructure (physical, digital, and human resources) affects the effectiveness of insolvency resolution.
- Analyze delays in cases and backlogs resulting from infrastructural constraints.
- Evaluate the impact of judicial and administrative capacity in obtaining a timely resolution under IBC.
- Examine inefficiencies in the functioning of IRPs due to a lack of specialization, expertise, and institutional support, which could affect the effectiveness of corporate insolvency resolution procedures.
- Determine key policy and institutional changes to strengthen the effectiveness of NCLT, improve IRP's professional abilities, and ensure the IBC objectives remain on track.

5. Research Methodology

My research employs both empirical and analytical approaches, with emphasis on data and case studies of the Delhi NCLT Bench. The empirical component entails studying actual cases, determining trends, and scrutinizing judicial decisions to comprehend the real-world implications of corporate and insolvency laws. At the same time, the analytical approach critically analyses legal provisions, judicial decisions, and regulatory regimes to draw well-reasoned conclusions regarding the changing corporate legal landscape. Considering the sensitive and confidential character of the data employed, utmost respect for ethical and legal requirements is ensured at all stages of research. Integrating empirical evidence with analytical thinking, this study endeavours to propose a richly nuanced and well-balanced view of

corporate legal dynamics under the umbrella of the National Company Law Tribunal, balancing theoretical and practical relevance.

INFRASTRUCTURE CHALLENGES IN NCLT DELHI

1. Overview of NCLT Delhi's Functioning

The NCLT Delhi is a major bench within the NCLT, assigned to deal with company law issues and insolvency and bankruptcy proceedings under the IBC. Due to being in the national capital and controlling a lot of the country, it gets involved in resolving many significant corporate insolvency cases.

With time, NCLT Delhi has grown into the main meeting point for various parties involved in insolvency, that is, RPs, the CoC, banks and companies facing insolvency proceedings. Although the role is very important, people involved have grown concerned about the tribunal's ability to cope with the increasing amount and complexity of cases. There is a large difference between what the law requires and what is being done, so a comprehensive analysis of its infrastructure and work procedures is needed.

Though NCLT Delhi's members and staff have tried hard to meet increasing responsibilities, there are still structural problems that need addressing. Such challenges are known as systemic and consist of poorly provided benches, not enough members with relevant qualifications, platforms that are unsuitable for the work and underperforming technology. To improve the efficiency of NCLT Delhi and meet the IBC goals, these challenges need to be dealt with in many ways.

2. Deficiencies in Physical and Digital Infrastructure

A judicial or quasi-judicial system relies on solid physical and digital support. NCLT Delhi can do much better when it comes to these areas. Physically, the tribunal continues to operate with overcrowded courtrooms, not enough waiting spaces and too few places for consultations. Because digital kiosks, fast internet and organized document submission counters are missing, stakeholders, including advocates, insolvency experts and creditors, regularly encounter difficulties. Problems are just as severe from a digital standpoint. E-filing and online case tracking are available by principle, but they often have many glitches and do not work well.

Many stakeholders say that they experience problems with updating records, document retrieval and monitoring how a case is progressing. The fact that a single platform for handling lots of requests and difficult paperwork is not available means the resolution process is harder than it should be. Among the main digital problems is that virtual hearing platforms are not integrated well. While hybrid hearings are now normal worldwide, NCLT Delhi still does not have reliable tools for people participating by video. Due to this, legal proceedings are delayed, and these delays lead to higher costs for litigants who are not based in Delhi. A further issue is that there are not many automated and AI tools available. Some of the most advanced places in the world are currently using AI to sort documents, create case summaries and provide basic legal analysis. NCLT Delhi, meanwhile, does not use advanced software tools, which results in these problems with its documents and generated orders.

3. Case Backlogs and Delays in Resolution

A major effect of lacking infrastructure at NCLT Delhi is an increase in case backlogs. Lately, there has been a major rise in pending insolvency and bankruptcy cases at the tribunal, mainly because there are not enough judges and orders are processed too slowly.

It is often mentioned by stakeholders that the process of issuing orders takes more time even after the hearings have finished. The tribunal is often overloaded, creating delays which is made worse by having flexible procedures for writing orders. Further, with few dedicated benches for insolvency, members might be dealing with company law, merger, oppression and mismanagement, and insolvency matters at the same time, which spreads their resources and reduces their effectiveness.

The staff working in the registry section at NCLT Delhi has a heavy workload and doesn't often have the necessary knowledge to deal with the specific rules of the IBC. Burke also mentioned that delays when listing cases, uploading cause lists and sharing information with parties increase the problems.

Critics report that often, adjournments are permitted with little justification, which makes the process take longer. Commercial courts in developed areas have an organized timetable, but NCLT Delhi does not, which results in delays in resolving cases.

A further challenge comes from the role of regulatory bodies like the Insolvency and Bankruptcy Board of India (IBBI). Delayed communication sometimes happens between NCLT and IBBI, which leads to sluggish processes, mostly for appointing resolution professionals, investigating conduct and filing of compliance reports.

Because of these delays, the main aim of the IBC—to resolve insolvency cases promptly—is hampered, which makes assets less valuable, discourages investment and weakens stakeholder confidence.

4. Comparative Analysis with Other NCLT Bench

It is observed that NCLT Delhi has to handle many cases compared to similar courts in other locations, yet it does not match in terms of appropriate facilities. Even though Mumbai and Chennai have moved forward in using technology, Delhi is still having difficulties dealing with inefficiencies

As an illustration, the Mumbai Bench of the NCLT has taken big steps forward in going digital and has improved case monitoring, hybrid hearings and support from the registry. The Chennai bench has found ways to improve the scheduling of cases and has tried holding summary hearings for matters that do not involve disputes, which has sped up court processing.

In this regard, NCLT Delhi is not using online tools and lacks a proper procedure, follows has hindered the speed of insolvency proceedings. There are frequent complaints from stakeholders about finding out about listings at the last minute, no clear information being provided and difficulty using online systems.

Besides, benches in Bengaluru and Kolkata have fewer cases and a good cooperation between their registry and bench members, which makes scheduling and resolving cases more efficient. Still, NCLT Delhi cannot deal with the large number of cases on its own due to inefficiency.

How stakeholder participation is being used to enhance strategies is very different from other benchmarks. Some regions now have feedback forums and formal review meetings to help tribunals act proactively on main issues. There are no set dialogue strategies at NCLT Delhi, so the approach from above tends to miss important problems faced by insolvency professionals.

There are many problems with the infrastructure at NCLT Delhi, which seriously limit its ability to settle insolvency cases efficiently. Large volume and important location make Bankruptcy Law a strong part of the insolvency field, but its current inefficiencies reduce its effectiveness.

It is necessary to put in place a wide-ranging reform strategy to solve these problems. Examples include setting up more benches, upgrading parks, providing advanced digital technology, improving the number of staff and their training and organising feedback mechanisms. Forming separate insolvency benches, applying tighter timelines and using AI for routine tasks may help NCLT Delhi become an example for other tribunals.

Benchmarking Delhi with other successful cities can point out useful ways of working that could be applied elsewhere. Handling these challenges will help improve systems and regain confidence in how insolvency is managed, ensuring the IBC is respected and applied.

PROFESSIONAL INEFFICIENCIES IN CIRP

Section 18 of the Code enlists the Interim Resolution Professional's Duties as follows:

- i.* The IRP shall collect all information about the assets, funds, and business of the corporate debtor to determine the financial position of the corporate debtor, including information in respect of:
 - a.* Business operations during the previous two years.
 - b.* Financial and operating payments during the previous two years.
 - c.* A statement of assets and liabilities as of the commencement date; and
 - d.* Such other matters as may be stated.
- ii.* The IRP shall receive and classify all the claims made by the creditors to him after the public announcement is issued.
- iii.* The IRP shall constitute a committee of creditors.
- iv.* The IRP will also monitor the assets of the corporate debtor and keep its operations functional until a resolution professional is appointed by the committee of creditors.
- v.* The IRP will furnish the information gathered to the information utility if necessary.
- vi.* The IRP will become the possessor and owner of any asset of which the corporate debtor is the holder of ownership rights as reflected in the balance sheet of the corporate

debtor, or by information utility or depository of securities or any other registry reflecting the assets' ownership, including:

- a. assets where the corporate debtor has title thereto, which can be in a foreign jurisdiction.
 - b. Assets that can or cannot be found in the possession of the corporate debtor.
 - c. Tangible properties, whether movable or immovable.
 - d. Intangible properties like intellectual property.
 - e. Securities like shares in any subsidiary company of the corporate debtor, financial instruments, and insurance policies.
 - f. Assets on which ownership is to be decided by a court or authority.
- vii. the IRP party is required to undertake any other responsibility that can be assigned by the Board.

1. Changes needed in CIRP

i. Submission of valuation report as a whole:

Currently, as per Regulation 35(1) of the CIRP Regulations, the resolution professional appoints two registered valuers to value the fair and liquidation value of the corporate debtor by individual assets according to internationally accepted valuation standards and then calculate the total average fair and liquidation value of the corporate debtor.

Where the valuation of an asset class differs by a margin of not less than 25% (twenty-five percent) or on a request by the CoC of the corporate debtor, the resolution professional can appoint a third valuer for that particular asset class. Then, the average of the two nearest valuations is considered to determine the fair value and liquidation value. It should be noted that 'asset class' is a specific type of asset, i.e., land and building or machinery and equipment, which have similar features and require a separate set of valuers for assessment, as demarcated in the Companies (Registered Valuers and Valuation) Rules, 2017 (Valuation Rules).

The Discussion Paper indicates, however, that this approach is not compatible with the Valuation Rules that already mandate the valuer to obtain inputs in their valuation report or have another registered valuer undertake a separate valuation for any assets if it is required. These details may be recorded in the report by the respective valuer.

To bring about consistency between the CIRP Regulations and the Valuation Rules, the Discussion Paper recommends amending sub-regulation 1(a), 1(b), and 1(c) of Regulation 35 to require that the registered valuer(s) engaged by the resolution professional shall submit the valuation report for the whole of the corporate debtor as per the Valuation Rules. These valuers can incorporate the inputs of another registered valuer for other asset classes or can get a separate valuation of an asset class done by them.

ii. *One valuation estimates for MSMEs and for companies with pre-set asset size:*

The CIRP Regulations require the appointment of two registered valuers by the resolution professional within forty-seven days from the date of the start of the CIRP. A third valuer may later be appointed subject to the requirements of Regulation 35 of the CIRP Regulations.

The Discussion Paper states that the costs associated with the appointment of these valuers are included in the CIRP costs. Higher CIRP costs for MSMEs or corporate debtors with smaller asset sizes can have negative implications and lead to delays for such CIRP due to funding requirements. Thus, to counteract the delays caused by filing a series of reports and to take care of the cost-consciousness of the CIRP for certain corporate debtors, the Discussion Paper proposes modifications in sub-regulation (1) of Regulation 27 of CIRP Regulations to specify that the Resolution Professional shall appoint a single (1) registered valuer when the corporate debtor falls under the category of micro, small, or medium enterprise under subsection (1) of Section 7 of the MSME Development Act, 2006, or has an asset value not exceeding INR 1,000 crores under the latest available balance sheet. The CoC can, however, appoint two registered valuers with reasonable grounds. Two registered valuers shall generally be appointed in the CIRP of every corporate debtor, subject to the above.

iii. *'In interim' appointment of Authorized Representative:*

As per Section 21(6A)(b), it shall be a responsibility of the interim resolution professional to apply for an appointment of a representative of an authorized representative who represents a class of creditors and the appointment, before the commencement of the CoC's initial meeting, will have to be confirmed by the adjudicating authority.

It has been noted that in certain circumstances, the appointment of an AR gets delayed so that the interests of the creditor class are not reflected in the CoCs. To remove this hindrance, the Discussion Paper suggests introducing a proviso to Regulation 16(1) of the CIRP Regulations permitting an AR to sit in CoC meetings and perform duties specified under Section 25A of the Code from the date of filing the appointment application with the adjudicating authority until the confirmation date.

TECHNOLOGICAL GAPS IN INSOLVENCY PROCEEDINGS

Value maximization is one of the most important objectives of a CIRP under the IBC. Even though the legislative time frame for the CIRP process has been specified as 330 days under the IBBI, the real average length of a CIRP is 679 days.³² The evidence indicates that there is a direct correlation between the pace of the CIRP and subsequent recoveries for stakeholders. However, the difficulty in procuring critical information from relevant stakeholders often obstructs the CIRP at various points. This piece discusses the benefit of a robust and technologically enabled Information Utility formed under the Code and digital convergence of pillars of insolvency, such as the IBBI, Adjudicating Authorities, IP, and IU, in bridging the gap.

The IBC places IU as repositories holding financial data regarding debtors, which is a unique characteristic of the IBC compared to cross-border insolvency frameworks. The IBC lays down the necessary services to be provided by an IU. Crucially, National e-Governance Services Limited is currently India's sole registered IU. The IU and database are currently being utilized only to a limited extent, as elaborated below:

By a circular dated 12 May 2020, the Adjudicating Authority has directed the mandatory insertion of a Record of Default issued by the IU in submissions under Section 7 of the Code. Section 17(2)(c) of the Code gives IPs the right to access electronic records from the IU, a vital provision to authenticate the accounts of the corporate debtor and cross-check debt amongst various classes of creditors. To establish debts, a creditor may establish the existence of debt based on the records kept by the IU.

³² See The Quarterly Newsletter of Insolvency and Bankruptcy Board of India, January – March 2024, Vol 30.

1. Challenges and Recommendations

An IU may strengthen the CIRP and live up to its role as the fourth pillar in the insolvency system if it is comprehensive and reliable in the information it holds. Robust digitization may be a remedy. It follows that:

Financial creditors should be made mandatory to furnish real-time data to the IU on their lending, and this data should be combined with the existing MCA master data and NCLT e-filing platforms. This can be achieved by implementing a CIN-based linking module. Furthermore, to assist financial creditors further, modules can be created within the IU to consolidate records of guarantees and electronic bank guarantees (e-BG), thus promoting transparency and accountability in CIRP.

The IU platform is mainly employed by financial creditors. It is crucial to make operational creditors use the platform for fuller data consolidation. This can be done by integrating the IU with the existing GST network and thereby creating a real-time account of transactions based on tax incidence and payment. This can help an operational creditor establish debt and defaults under Section 9 of the Code when they file their claims with the IPs.

The CIRP process can be automated and linked to IU, with emphasis

- i. Reducing administrative costs, which in turn adds to high CIRP costs.
- ii. Streamlining the CIRP by minimizing dependency on time-consuming manual collation of claims.
- iii. Involving all creditors in the CIRP for successful debt settlement and ensuring a "clean slate" for the successful resolution applicant.
- iv. Access to digitized and certified financial health information on a centralized platform might attract more attention from financial institutions / potential resolution applicants.

Government authorities, including tax administrations and local municipal authorities, often remain unaware of a debtor's initiation into the insolvency process, thus leading to delayed presentation of claims and litigation. Creating an API-based link among the NCLT database and the IU and potentially integrating information records of the IU with the likes of GSTN to forward information on accepted insolvency petitions can reduce such delays and ensure that debts against tax departments, local municipal administrations, public/government organizations such as electricity boards, etc. are covered within the resolution framework. C)

Essentially, the Adjudicating Authority does not consider a RoD as conclusive evidence of default and debt. Further documentary proof in this context is assessed, and detailed hearings are held to ascertain the fact of debt before admitting debtors to CIRP. The creation of a good, digitized repository of information would help the Adjudicating Authorities in conforming to the time frame given for admitting petitions of insolvency.

The ongoing digital developments and improvements in the IU framework are critical steps toward these ends. In resolving current shortcomings and leveraging the power of digitization, CIRP may transform into a more effective, transparent, and streamlined process, ultimately to the gain of all the parties involved.

DATA COLLECTION AND ANALYSIS

The effectiveness and credibility of this research rest significantly on a robust methodology for data collection and analysis. To understand the procedural delays in the CIRP under the IBC, at the NCLT, Delhi, a mixed-methods approach was employed. This involved both primary data collection through surveys and interviews, and secondary data analysis from statutory and documentary sources. Together, these datasets provided a comprehensive and contextual understanding of the key challenges, stakeholder perceptions, and procedural shortcomings in the insolvency resolution mechanism.

1. Primary Data: Survey and Interviews

Primary data served as the backbone of this empirical study. Two principal methods were used: structured surveys and semi-structured interviews. The survey was designed to quantify stakeholder experiences with procedural delays, timelines, and case outcomes. It included both closed and open-ended questions to capture both numerical data and qualitative insights. The semi-structured interviews were conducted to delve deeper into recurring issues, personal experiences, and expert suggestions that go beyond statistical representation.

The interviews allowed for free-flowing dialogue, where participants shared procedural difficulties, bottlenecks in filing and adjudication, and their views on possible reforms. Interviews lasted between 20 to 45 minutes and were conducted in person or via video

conferencing, depending on availability. A thematic analysis was conducted on interview transcripts to identify patterns and core concerns.

2. Questionnaire and Targeted Stakeholders

The questionnaire was designed to address multiple dimensions of procedural inefficiency, such as delays in admission, lack of infrastructure, adjournments, and digital limitations. It contained five sections covering:

- Duration and stage of involvement in CIRP
- Specific delays experienced
- Institutional or legal roadblocks
- Technological integration and its limitations
- Suggestions for improvement

To ensure well-rounded perspectives, the survey was disseminated among diverse stakeholders involved in CIRP proceedings, particularly at NCLT, Delhi:

- IRPs: Provided critical insights on their experience with the insolvency process, including delays in claim verification, CoC formation, and submission of resolution plans.
- NCLT Officials: Shared procedural and administrative challenges from the tribunal's perspective, including case backlogs, member availability, and registry functioning.
- Legal Practitioners Specializing in Insolvency Law: Contributed expert opinions on loopholes in the IBC and NCLT Rules and how litigation strategies contribute to delay.
- Financial Creditors and Corporate Debtors: Offered experiential data on how delays affect recoveries, restructuring plans, and business continuity.

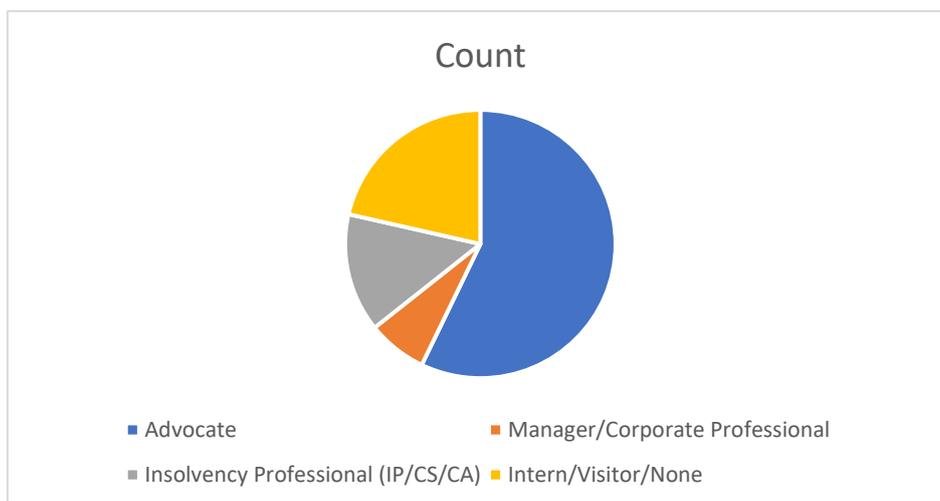
Secondary data provided essential context and supported the triangulation of primary findings. This included:

- Legal statutes such as the Insolvency and Bankruptcy Code, 2016, NCLT Rules, 2016, and related circulars from IBBI and MCA
- Annual and thematic reports by the IBBI, Parliamentary Standing Committees, and the World Bank's Doing Business Index
- Judicial precedents and case studies from NCLT, NCLAT, and the Supreme Court that highlighted procedural interpretations and adjournment patterns

Together, this mixed dataset enabled a multi-layered analysis of systemic inefficiencies and stakeholder experiences, providing a solid empirical foundation for the findings and recommendations of the study.

i. What is your professional designation and experience in insolvency resolution?

In the realm of insolvency resolution, professional designations encompass a range of roles, each with distinct responsibilities and expertise. Key designations include IPs, Advocates specializing in insolvency law, Chartered Accountants, Company Secretaries, and Cost Accountants.



An IP is a professional who can act for an organization that is going through insolvency. They oversee the CIRP, for example, by taking charge of the debtor's assets, running operations and supporting the resolution process. Professionals in bankruptcy are responsible to the IBBI for their licenses and behaviour. People with knowledge of insolvency laws, also known as advocates, take on the roles of representing different parties before the National Company Law Tribunal (NCLT). They give expert advice, compose

important documents and confirm that the business follows all due legal steps. Assessing finances, making sure the law is followed and creating a strategy are areas where Chartered Accountants, Company Secretaries and Cost Accountants offer help with insolvency. They are necessary to assess the debtor's finances, come up with possible solutions and ensure that all legislation is followed. People working in insolvency resolution have experience that varies a lot. Lawyers could have started recently, or they may have gained a lot of experience over the years from working on various difficult cases. Having wide and deep experience makes it easier for professionals to respond to situations during insolvency.

ii. Have you been directly involved in insolvency cases under NCLT Delhi? If yes, how many cases have you handled?

Direct involvement in insolvency cases under NCLT Delhi entails active participation in the resolution process, representing clients, managing debtor operations, or overseeing the liquidation process. The number of cases handled by a professional reflects their practical experience and familiarity with the tribunal's procedures. For instance, an advocate specializing in insolvency might have represented clients in numerous cases, while an Insolvency Professional could have managed several CIRPs. The complexity and scale of these cases can vary, influencing the professional's expertise and approach to subsequent cases.

iii. What is your primary role in the insolvency process (IRP, creditor, legal practitioner, tribunal official, etc.)?

The insolvency process involves multiple stakeholders, each with specific roles:

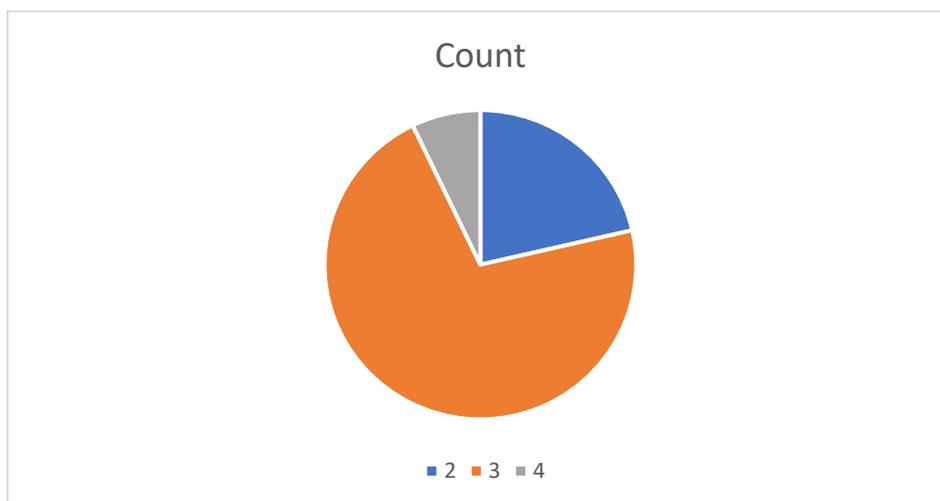
- **IRP//RP:** Appointed to manage the CIRP, take control of the debtor's assets, and facilitate the resolution process.
- **Creditor:** Entities or individuals to whom the debtor owes money. Creditors are classified as financial creditors (e.g., banks) or operational creditors (e.g., suppliers).
- **Legal Practitioner:** Advocates representing any of the stakeholders in legal proceedings, ensuring their clients' interests are protected and legal procedures are followed.

- **Tribunal Official:** Members or officials of the NCLT who oversee the proceedings, ensure compliance with the IBC, and pass judgments on cases.

Understanding one's primary role is crucial as it defines the scope of responsibilities, ethical obligations, and the perspective from which one approaches the insolvency process.

iv. How would you rate the infrastructure facilities at NCLT Delhi in terms of efficiency?

The efficiency of infrastructure facilities at NCLT Delhi is pivotal for the smooth conduct of insolvency proceedings. Efficient infrastructure encompasses well-equipped courtrooms, advanced digital systems for case management, adequate seating arrangements, and necessary amenities for stakeholders. While some professionals may find the facilities adequate, others might point out areas needing improvement, such as outdated technology, insufficient space, or lack of accessibility features. The perception of efficiency often correlates with the frequency of delays, ease of accessing case information, and the overall user experience within the tribunal premises.



v. Have you faced delays in insolvency resolution due to infrastructural issues at NCLT? If yes, what were the primary causes?

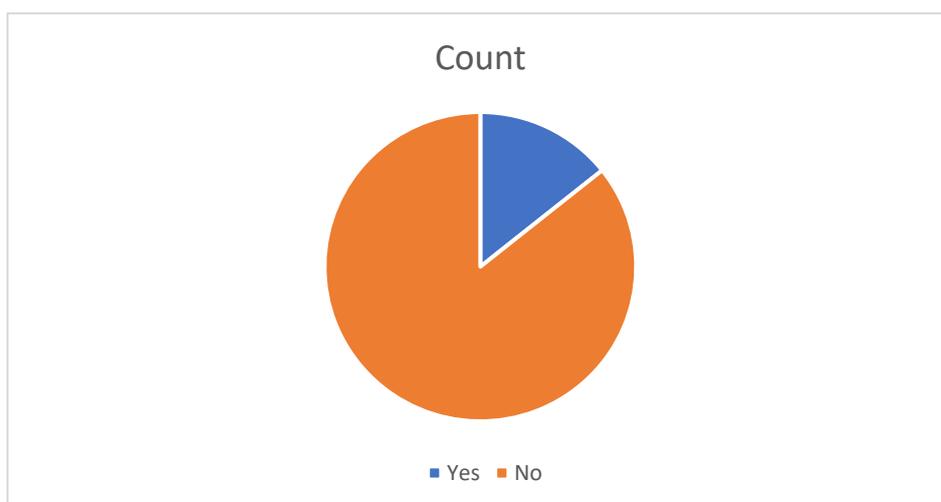
Infrastructural issues can significantly impede the timely resolution of insolvency cases. Common causes of delays include:

- **Limited Courtrooms:** A shortage of courtrooms can lead to scheduling conflicts and prolonged waiting periods for hearings.
- **Technological Limitations:** Outdated or malfunctioning digital systems can hinder e-filing, case tracking, and virtual hearings, leading to administrative bottlenecks.
- **Insufficient Staff:** A lack of adequately trained personnel can slow down processes like document verification, scheduling, and communication between parties.
- **Unresponsive Registry:** Delays in processing filings, issuing orders, or responding to queries from stakeholders can stall proceedings.

Addressing these infrastructural challenges is essential to enhance the efficiency and effectiveness of the insolvency resolution process.

vi. Do you believe the current number of NCLT benches in Delhi is adequate to handle the increasing insolvency cases?

The adequacy of NCLT benches in Delhi is a critical factor in managing the caseload effectively. With the rise in insolvency cases, especially post-implementation of the IBC, the existing number of benches may be under strain. An insufficient number of benches can lead to backlog, extended resolution timelines, and increased pressure on tribunal members. Expanding the number of benches or appointing additional members could alleviate these issues, ensuring more timely and efficient case handling.



vii. What are the most significant infrastructure-related challenges faced during insolvency proceedings? (e.g., lack of courtrooms, case management delays, insufficient staff)

Significant infrastructure-related challenges include:

- Lack of Courtrooms: Limited physical spaces for hearings can cause scheduling delays and overcrowding.
- Case Management Delays: Inefficient tracking and management

viii. Do you think the delay in insolvency resolution affects the recovery rate of creditors? If yes, how?

Delays in insolvency resolution significantly affect the recovery rate of creditors, especially financial institutions, operational creditors, and other stakeholders involved. The IBC, was implemented with the intent to ensure a time-bound resolution of insolvency cases—ideally within 180 to 270 days. However, in practice, many cases extend well beyond this limit due to procedural hurdles, litigation, and infrastructural issues. These delays have direct and indirect consequences on the recovery prospects of creditors.

First, the value of a distressed asset tends to erode over time. As the insolvency process drags on, businesses in distress often fail to maintain operations efficiently. Employees may leave, contracts may get terminated, and customers may lose trust. This leads to a rapid decline in the going concern value of the company, reducing what can be recovered in resolution or liquidation. This time decay significantly reduces the eventual realizable value of the debtor's assets, thereby shrinking the recovery pool for creditors.

Second, delays encourage legal uncertainty and decrease the willingness of potential resolution applicants to offer competitive resolution plans. Investors or bidders may hesitate to commit time and capital to a process perceived as slow or inefficient, leading to fewer and lower offers. This again affects the chances of creditors realizing a satisfactory portion of their claims.

Third, delayed proceedings result in increased legal, administrative, and compliance costs. The longer the process, the more resources creditors have to allocate to legal representation, attendance in hearings, preparation of documents, and follow-ups with

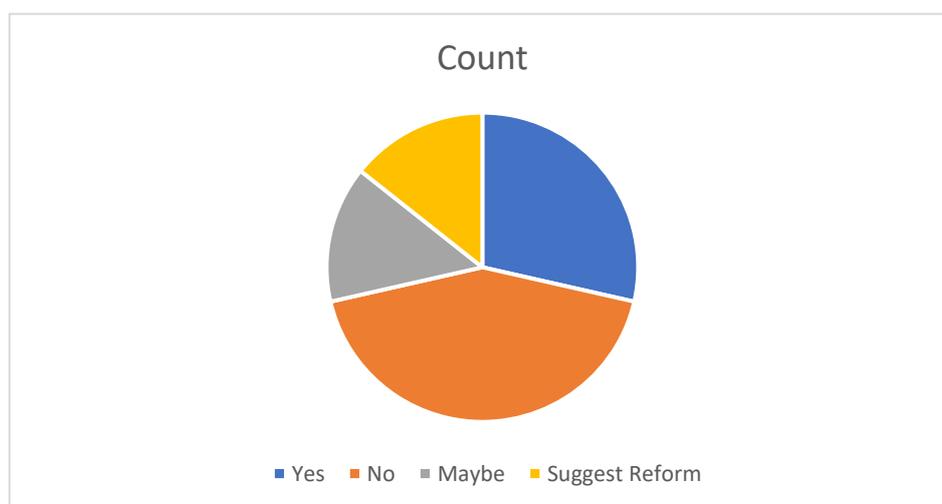
the resolution professional or tribunal. These mounting costs eat into the final recovery amounts.

Fourth, delays weaken the deterrent effect that IBC was intended to create. The efficiency of any insolvency regime depends on how quickly and fairly it can deliver outcomes. If corporate debtors know that proceedings will drag on for years, they are less likely to fear consequences and may misuse the system to postpone repayments.

In conclusion, time is a critical factor in insolvency proceedings. Delays not only dilute the spirit and objectives of the IBC but also drastically reduce creditor confidence in the system. Timely resolution can maximize the value of the debtor's assets and increase the likelihood of higher recovery for all stakeholders involved.

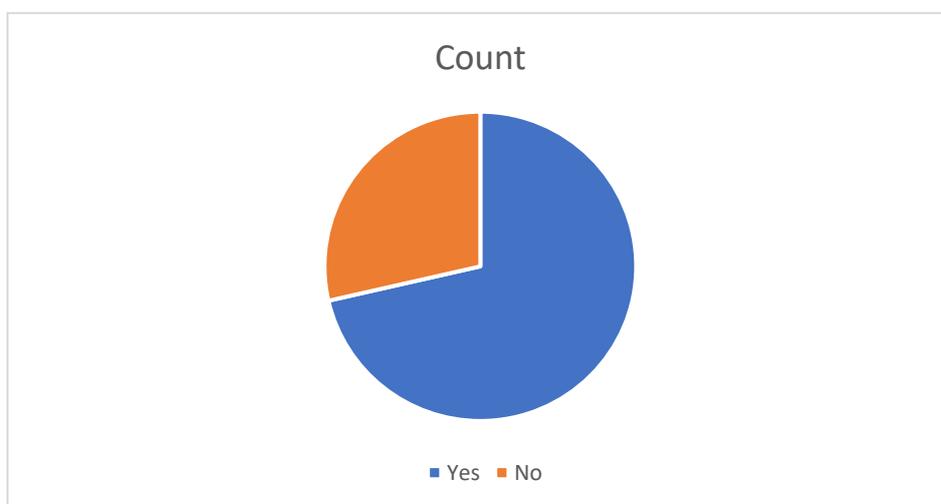
ix. Do you think the current selection and appointment process for IRPs ensures competency and efficiency?

The current selection and appointment process for IRPs appears inconsistent in ensuring competency and efficiency. While the regulatory framework sets strict qualification standards, the actual appointment mechanism lacks transparency and does not always prioritize domain-specific expertise. In certain cases, appointments seem to depend on availability rather than merit or specialization. A more structured, merit-based, and competency-driven selection mechanism, possibly supplemented by a ranking or evaluation system, could ensure that only well-qualified and experienced professionals handle complex insolvency matters.



x. **Have you encountered cases where an IRP lacked the necessary expertise to handle complex insolvency cases?**

Yes, several practitioners have observed instances where IRPs lacked the requisite knowledge and experience to manage complicated insolvency cases effectively. Such shortcomings can lead to delays, mismanagement of creditors' interests, and procedural irregularities. The appointment of ill-equipped IRPs often burdens the CoC and future RPs, necessitating post-appointment course corrections. These observations underscore the need for competency-based selection and continuous capacity building.



xi. **What are the biggest challenges IRPs face in managing the CIRP?**

IRPs face a myriad of challenges in managing CIRP, including legal complexities, non-cooperation from promoters, resistance from stakeholders, and procedural hurdles. Financial constraints like interim financing difficulties and CIRP cost contributions further complicate their role. Additionally, dealing with inconsistent or outdated information, coordinating with regulatory authorities, and managing multiple litigations pose significant obstacles. These challenges are often exacerbated when IRPs lack domain-specific knowledge or adequate institutional support.

xii. **Do you believe that IRPs require specialized training before being assigned to large corporate insolvency cases?**

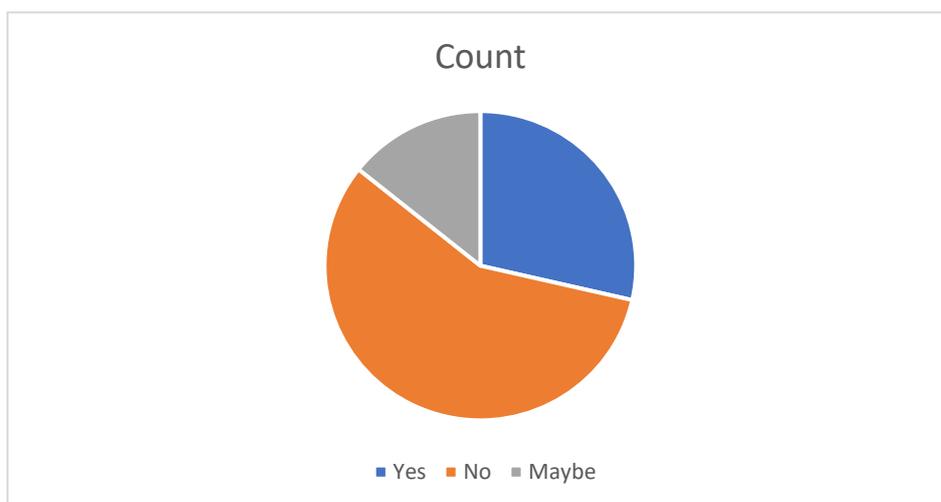
There is a consensus that IRPs should undergo specialized training before handling large and complex insolvency cases. Corporate insolvency requires not just legal acumen but also financial, managerial, and negotiation skills. Domain-specific training

can equip IRPs to deal with complex debt structures, cross-border issues, and multi-stakeholder scenarios, improving overall process efficiency. Such training would boost stakeholder confidence and minimize the learning curve during CIRP.



xiii. Does NCLT Delhi have an effective digital case management system? If not, what improvements are needed?

NCLT Delhi's digital case management system, though functional to an extent, suffers from inefficiencies. Users report frequent technical glitches, delayed case listings, and non-intuitive interfaces. E-filing is inconsistent, and real-time updates are rare. To enhance effectiveness, the system needs upgrades, including seamless integration of e-filing, automated case tracking, and user-friendly dashboards. Regular training for stakeholders and IT support staff would also enhance usability and reduce case-handling delays.



Virtual hearings were introduced as a necessary solution during the COVID-19 pandemic and have continued since due to their advantages in terms of convenience and reach. However, the implementation of virtual hearings at NCLT Delhi has not been without challenges, especially in insolvency matters where time sensitivity and document-heavy submissions are common.

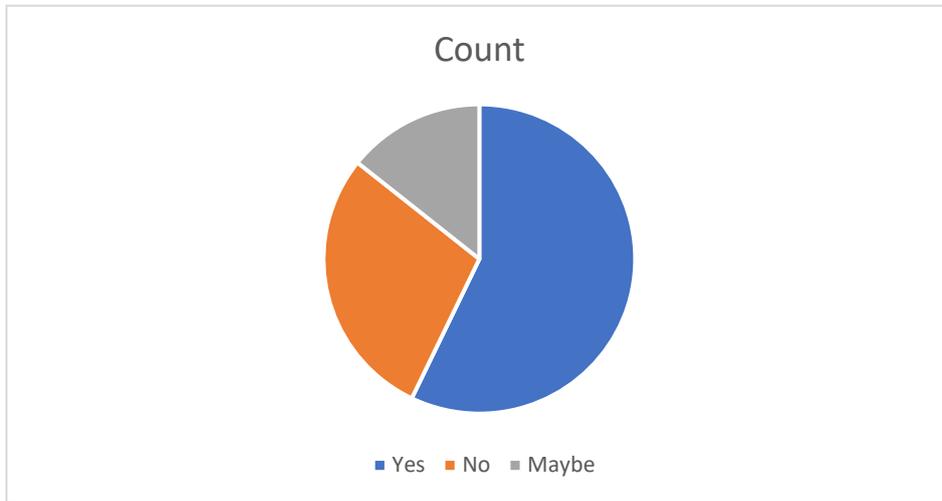
- **Technical Glitches:** Frequent connectivity issues, poor audio/video quality, and sudden disconnections have been reported by several professionals. Such disruptions during hearings cause communication breakdowns and result in adjournments or misinterpretation of arguments.
- **Lack of Familiarity:** Many judges, registry staff, and even some legal practitioners are not fully comfortable with virtual platforms. This results in delayed logins, confusion over document sharing, or procedural mistakes during hearings.
- **Inadequate IT Support:** There is often a lack of dedicated IT personnel to manage and troubleshoot issues during live hearings. When things go wrong, it may take a long time to resume proceedings, wasting precious tribunal hours.
- **Limited Capacity for Multiple Cases:** Insolvency matters typically involve multiple parties—debtors, creditors, lawyers, resolution professionals—which virtual platforms may not be able to accommodate effectively in terms of speaking time or screen-sharing.
- **Document Management Issues:** E-filing and virtual submissions have often resulted in missing or incorrectly uploaded documents. Judges may not have the full record during the hearing, leading to the deferment of the matter.

While virtual hearings have their merits, such as reducing the need for travel and increasing accessibility for outstation parties, there is a pressing need to upgrade the technology, train all users, and institutionalize clear protocols for submissions and participation to make them a reliable alternative.

xiv. Do you believe that implementing AI-based or automated systems can improve insolvency case processing at NCLT?

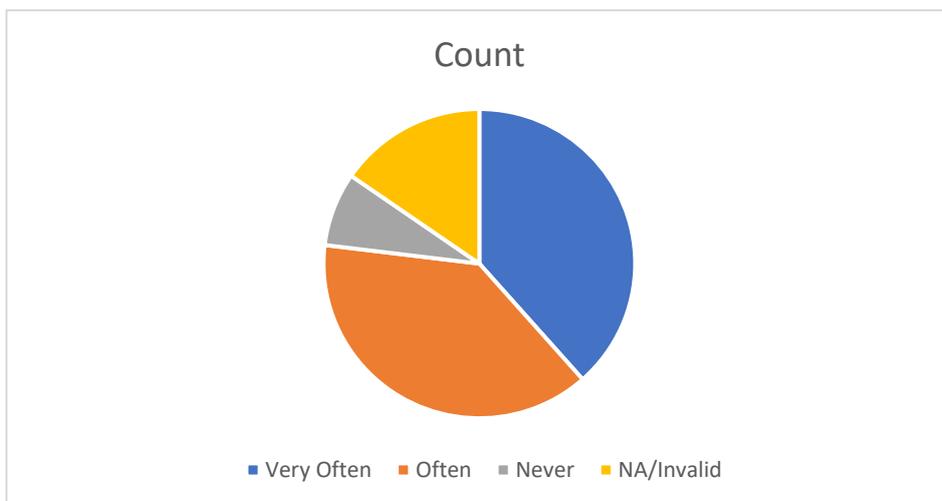
Most responses suggest that AI-based and automated systems can greatly improve insolvency case processing. AI tools can assist in analyzing data, screening resolution plans, and predicting case timelines. Automation can streamline repetitive tasks like

document reviews, hearing scheduling, and communication among stakeholders. This would reduce human error, increase transparency, and improve case throughput at the tribunal, making insolvency proceedings more efficient and time bound.



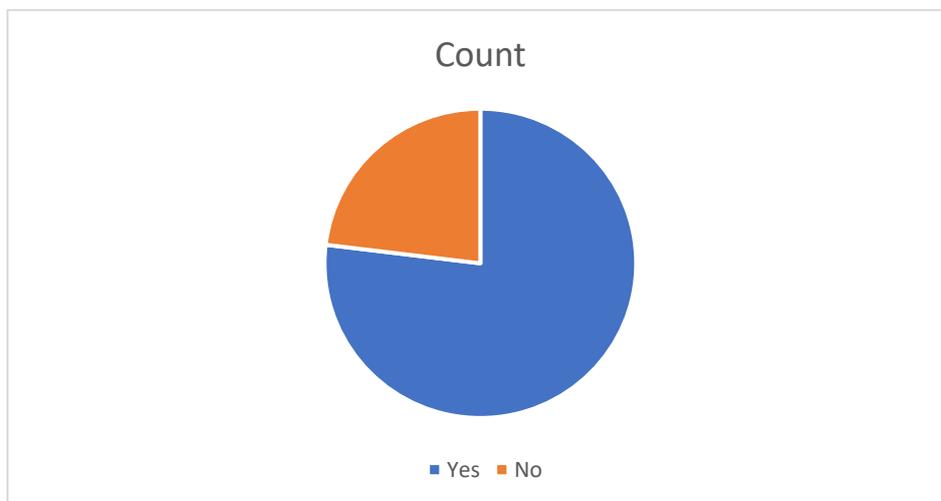
xv. How often do you experience delays due to the lack of digital infrastructure (e.g., e-filing, virtual hearings, automated tracking of cases)?

Delays stemming from inadequate digital infrastructure are frequent. Several professionals report facing delays of weeks—even in urgent filings—due to poor e-filing systems and irregular virtual hearings. The lack of automated updates and real-time tracking hampers timely case progression and increases manual follow-ups. Enhancing digital infrastructure is vital to alleviating these bottlenecks and streamlining case resolution timelines.



xvi. Have you faced difficulties in accessing digital records and filings related to insolvency proceedings?

Yes, accessing digital records has often been a challenge. Issues such as incomplete uploads, non-standardized formats, delayed updates, and non-centralized document systems make it difficult for professionals to track filings and case progress. These obstacles hinder effective representation and delay strategic decision-making. A centralized, user-friendly portal with consistent updates and archiving is needed to ensure seamless access to all stakeholders.



xvii. Do you think the Insolvency and Bankruptcy Code, 2016, requires amendments to improve the efficiency of CIRP?

While the Insolvency and Bankruptcy Code, 2016, is a landmark reform, it does require amendments to address emerging inefficiencies. Issues such as unclear resolution timelines, procedural loopholes in Section 12A, and litigation-induced delays affect the efficiency of the CIRP. Amendments focusing on stricter timelines, better coordination among regulatory bodies, and stronger deterrents against frivolous litigation could significantly enhance the process.

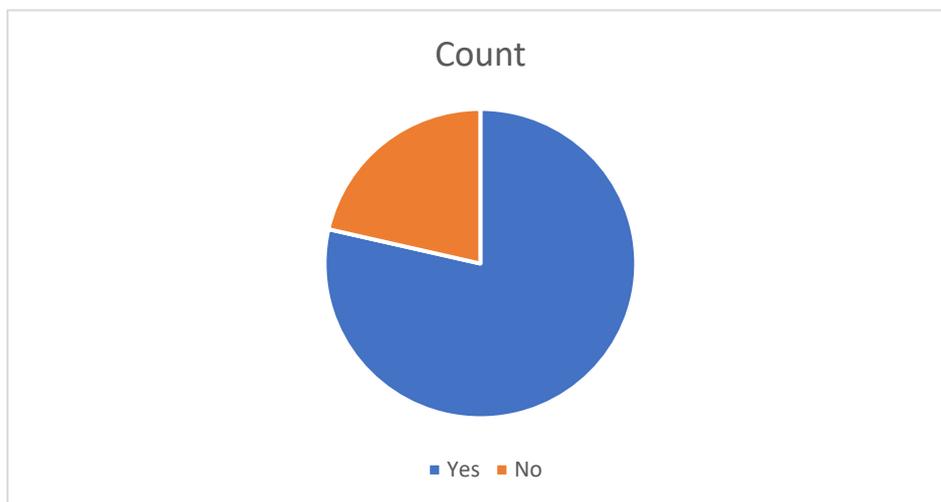
xviii. What regulatory changes do you suggest for better implementation of insolvency proceedings?

Suggested regulatory changes include enforcing stricter CIRP timelines, formalizing cross-regulator coordination (e.g., with SEBI, RERA, and RBI), strengthening IRP independence, and enhancing creditor voting transparency. Introducing litigation

funding and rescue financing frameworks can also accelerate resolutions. Moreover, codifying judicial best practices and limiting adjournments can improve efficiency and reduce forum shopping.

xix. Should there be stricter qualification criteria for IRPs to ensure higher expertise and professionalism?

Opinions vary, but many respondents support stricter qualification criteria for IRPs to ensure high levels of professionalism and expertise. While some believe current qualifications are adequate, others recommend mandatory specialized certifications, experience thresholds, and peer-reviewed performance evaluations. The goal should be to promote consistency, ethical conduct, and subject matter competence across all IRPs.



xx. Are there any international best practices that you believe should be adopted for NCLT Delhi's insolvency framework?

Yes, several international best practices could enhance NCLT Delhi's insolvency framework. Examples include the UK's pre-pack administration process for quicker resolutions, the US's Chapter 11 debtor-in-possession model for efficient restructuring, Singapore's hybrid mediation-arbitration model, and the EU's early warning systems for distressed companies. The adoption of such models can lead to faster, more effective insolvency outcomes while aligning with global standards.

xxi. Do you think the lack of training among NCLT staff or registry officers affects the speed of insolvency proceedings?

A low level of training among NCLT staff and registry officers greatly slows down and diminishes the efficiency of insolvency proceedings. These people are the main reason the tribunal can function daily. They look after the paperwork for cases, plan when hearings take place, check all documents and see to it that any court orders are handled properly and in a timely informed. When things are not working smoothly, the result is usually a delay in procedural activities.

When applications, documents or appeals are being submitted in insolvency cases, registry officers usually act as the main person parties deal with. Confusion brought about by not knowing the proper steps and papers involved in insolvency law can cause them to raise unnecessary objections or slow down processing. It makes lawyers, government officials, and other people involved spend more time filing over the same issues.

In the second place, many staff members in the registry and support staff are still not used to online case management software, not to mention digital tools. The shift toward electronic ways of filing and conducting hearings can slow the legal process for cases where the people or companies involved lack basic technology skills.

The third error may happen when wrong diary numbers or missing annexures, or misplaced files, end up in adjourning a hearing or dismissing the case. Mistakes that can be avoided happen mainly because staff are not trained enough in what to do and how to pay attention.

Fourth, registry staff make sure that any messages from the judge, such as notices, orders or clarifications, get to the intended parties. Anything that hinders communication adds more delays to resolving the issue.

The answer is to provide continuous training sessions for all staff guided by experts on the Insolvency and Bankruptcy Code, recent changes in rules and guidelines and the usage of technology in the courts. Collaborative sessions with IBBI or Ministry of Corporate Affairs officials could be beneficial.

Ultimately, improving the competence of support staff enhances the overall quality and speed of judicial processes. The judiciary and legal community must work together to ensure that this essential pillar is not overlooked in the broader effort to make insolvency resolution faster and more effective.

xxii. In your opinion, what are the top three reforms that can enhance the efficiency of NCLT Delhi in handling insolvency cases?

The top three reforms proposed are:

- Implementing a comprehensive digital case management and AI integration system to reduce manual errors and improve cash flow tracking.
- Establishing specialised benches dedicated to insolvency cases to enhance subject expertise and speed up resolutions.
- Enforcing strict timelines for case disposal and limiting adjournments to avoid procedural delays. These reforms can significantly enhance efficiency, ensure time-bound justice, and restore investor confidence in the insolvency regime.

xxiii. Any other suggestions to improve the insolvency resolution mechanism at NCLT Delhi?

To enhance the efficiency, transparency, and stakeholder satisfaction in insolvency resolution at NCLT Delhi, a multi-dimensional strategy is required. The following recommendations integrate systemic, technological, and administrative reforms:

- **Increase in Number of Benches:** Given the rising volume of insolvency cases, the existing benches at NCLT Delhi are overburdened. Establishing additional benches with well-balanced case distribution can reduce pendency, ease congestion, and ensure timely hearings.
- **Special Insolvency Bench:** Assigning dedicated benches with members trained or experienced in insolvency law would promote consistency, expedite understanding of complex financial matters, and ensure more informed adjudication.
- **Time-bound Order Writing:** Delays in delivering final orders post-hearing remain a major bottleneck. Implementing a structured system to monitor and enforce timelines for order writing can significantly reduce case resolution delays.
- **Digitization and Automation:** While digital tools exist, their effectiveness is limited by outdated software and poor integration. Enhancements should include:
 - ✓ Real-time case status updates
 - ✓ Automated cause lists
 - ✓ Reliable e-filing platforms

- ✓ Hybrid hearing capabilities (physical + virtual)
- ✓ Centralized document repositories
- **Use of AI for Document Review:** AI-based tools can assist in reviewing voluminous filings, flagging inconsistencies, and summarizing key issues. This can help judges and staff save time, reduce errors, and enhance decision-making.
- **Summary Hearings for Uncontested Matters:** Simple and uncontested applications (e.g., straightforward liquidation orders) can be fast-tracked through summary proceedings, helping to unclog the tribunal's docket for more complex cases.
- **Improved Infrastructure for Stakeholders:** NCLT Delhi must upgrade its physical environment to better support professionals and litigants. Suggestions include:
 - ✓ Wi-Fi-enabled waiting and consultation zones
 - ✓ Digital kiosks for real-time case information and document submission
 - ✓ Adequate seating, lighting, and ventilation
 - ✓ Separate counters for resolution professionals, creditors, and legal counsel
- **Recruitment and Training of Registry Staff:** Registry inefficiencies and delays often stem from understaffing or lack of training. Hiring additional support staff and offering periodic training in insolvency law, digital systems, and case management procedures can enhance productivity.
- **Stakeholder Feedback Mechanisms:** Instituting quarterly feedback forums involving insolvency professionals, creditors, and NCLT members can help identify operational bottlenecks and co-create practical solutions.
- **Performance Dashboards and Transparency:** Publishing regular dashboards showing metrics like:
 - ✓ Average case disposal time
 - ✓ Pendency statistics
 - ✓ Reasons for adjournments will promote transparency, accountability, and data-driven reforms.

- **Time Management and Discipline in Proceedings:** Strict enforcement of procedural timelines, discouragement of frivolous adjournments, and effective docket control will create a more disciplined and result-oriented insolvency ecosystem.
- **Strengthening Coordination with IBBI:** Delays often arise from unclear or delayed communication between NCLT and the IBBI. A shared digital interface or standardized coordination protocol can bridge this gap. A combination of judicial specialization, digital transformation, infrastructural upgrades, and stakeholder engagement is key to improving insolvency resolution at NCLT Delhi. These reforms will not only reduce case backlog and improve timelines but also enhance trust and confidence in India's insolvency ecosystem.

KEY FINDINGS AND DISCUSSION

The present study undertakes a critical analysis of the procedural delays observed in the insolvency resolution mechanism under the IBC, with a specific focus on the working of the NCLT Delhi. Drawing insights from primary data collected through stakeholder interviews and structured questionnaires administered to insolvency professionals, lawyers, NCLT officials, and academics, several pertinent findings have emerged that highlight the systemic and procedural inefficiencies impacting the CIRP. This section synthesizes the key findings under four thematic heads.

1. Impact of Infrastructure Deficiencies on CIRP

One of the most recurrent themes emerging from the field responses is the inadequate physical and administrative infrastructure at the NCLT Delhi bench. A significant proportion of respondents opined that poor infrastructure directly contributes to the slow disposal of cases. There is an evident shortage of courtrooms and hearing halls, leading to delays in listing matters. Additionally, there are chronic issues related to the appointment and availability of judicial and technical members at the Tribunal. Vacancies often remain unfilled for months, resulting in an unmanageable caseload for the available members.

Further, insufficient support staff, lack of digital displays, poor record-keeping, and disorganized case files were frequently cited. These issues create bottlenecks in the judicial workflow and hinder the effective scheduling and tracking of insolvency cases. Respondents

noted that even minor administrative issues—such as file misplacement or unavailability of stenographers—can derail scheduled hearings, contributing to adjournments and the deferment of crucial decisions.

Moreover, the lack of dedicated infrastructure for insolvency cases, especially large-scale corporate defaults, has meant that NCLT benches often prioritize urgent matters without a long-term resolution strategy. The absence of a structured docket system and unified case management practices were also identified as major obstacles to timely resolution.

2. Professional Challenges Faced by IRPs

IRPs and RPs play a critical role in the CIRP under the IBC. However, the survey revealed that they face several challenges that significantly impact the pace and quality of insolvency resolution. These include a lack of cooperation from suspended board members, delayed access to company financials, hostile corporate debtors, and unresponsive operational creditors.

Many IRPs reported inordinate delays in receiving approvals from the CoC on essential decisions such as appointing valuers or forensic auditors. In certain cases, banks—who dominate the CoC—adopt a cautious or bureaucratic approach, resulting in procedural lags. The complexity of dealing with multi-creditor frameworks also emerged as a challenge.

Additionally, IRPs face legal and operational uncertainties, including the threat of personal liability for decisions taken during the CIRP. The lack of standard operating procedures and clarity on overlapping statutes like the Companies Act, SEBI regulations, and environmental laws further complicate their functioning. Another major grievance was the delayed payments to RPs and their advisors, which demotivated many professionals from actively engaging in complex cases.

Interestingly, several respondents advocated for the professionalization and accreditation of insolvency practitioners through more rigorous training, performance benchmarking, and the creation of a centralized complaint redressal mechanism to ensure accountability.

3. Digitalization as a Solution for Efficient Resolution

The study found a widespread consensus that the digital transformation of NCLT processes could significantly enhance the efficiency of insolvency resolution. Most participants stressed

the urgent need to move toward a paperless, e-governed adjudication system, especially after witnessing the partial success of virtual hearings during the COVID-19 pandemic.

Many professionals recommended the introduction of automated cause list generation, real-time tracking of case status, and a centralized dashboard for CIRP progress monitoring. There was also a call for the seamless integration of NCLT's database with the IBBI portal, MCA21, and RBI's loan default databases. This integration could reduce duplication of work and expedite background checks on corporate debtors.

Further, the creation of AI-powered tools for sorting, indexing, and summarizing bulky resolution plans or claim verification documents was proposed. Such digital interventions could drastically reduce human error and allow members to focus on decision-making rather than paperwork.

However, it was also acknowledged that digitalization must be inclusive and supported by adequate training, especially for registry staff, judicial members, and lawyers unfamiliar with digital workflows. Concerns about data security and privacy in sensitive insolvency matters were also raised, indicating the need for robust cybersecurity protocols.

4. Implications for Policymakers and Regulatory Bodies

The findings of this study have profound implications for policy reform and institutional strengthening. It is evident that while the IBC framework is robust in its legislative design, implementation gaps at the ground level—particularly in judicial infrastructure, administrative capacity, and procedural uniformity—are impeding its effectiveness.

For policymakers, there is an urgent need to expand the bench strength at NCLT and create specialized insolvency divisions with dedicated members trained in commercial law and financial restructuring. The Ministry of Corporate Affairs and the IBBI should work in tandem to ensure timely appointments and minimize member vacancies.

Additionally, a performance evaluation framework for judicial and technical members, along with timelines for the disposal of insolvency applications, could instill greater accountability. The concept of 'fast-tracks benches' for small and medium enterprise (SME) insolvency cases should also be explored.

For regulatory bodies like the IBBI, the study recommends a revision of the RP empanelment process, better remuneration mechanisms, and a transparent grievance redressal system. Furthermore, a digitally unified IBC ecosystem involving all stakeholders—RP, CoC, NCLT, IBBI, and the debtor company—must be developed to reduce dependency on physical hearings and manual filings.

Finally, the study urges regulators to institutionalize regular feedback mechanisms from practitioners, academics, and industry experts to continuously improve the resolution process. Legislative amendments may also be necessary to grant tribunals more flexibility in exceptional cases while ensuring strict adherence to the spirit of time-bound resolution.

RECOMMENDATIONS AND CONCLUSION

Given the systemic bottlenecks identified in the CIRP, particularly at the NCLT Delhi bench, this section proposes comprehensive recommendations aimed at addressing infrastructural, procedural, professional, and policy-level challenges. These suggestions are structured to ensure time-bound insolvency resolution in line with the objectives of the IBC, 2016. The recommendations have been framed based on empirical findings, stakeholder feedback, and comparative practices observed in developed insolvency regimes. The section concludes with the scope for future research in this domain.

1. Strengthening Professional Training for IRPs

The role of IRPs and RPs is pivotal in administering and facilitating successful corporate insolvency processes. However, the study revealed gaps in their preparedness, technical skills, and ability to handle complex cases. Therefore, the first recommendation is to revamp and intensify the training framework for insolvency professionals.

The IBBI, in collaboration with recognized Insolvency Professional Agencies (IPAs), must offer continuous professional development programs for IRPs. These should go beyond basic legal compliance and include specialized training in:

- Financial forensics and asset tracing
- Negotiation and mediation skills

- Behavioral economics and creditor psychology
- Cross-border insolvency and international best practices
- IT tools for document management and case filing

Moreover, case study-based modules derived from actual NCLT proceedings can be incorporated into certification courses to bridge the theory-practice gap. Introducing tiered accreditation (e.g., Level I, II, III) for IRPs based on experience and success rates may also encourage higher professional standards.

There must also be a focus on ethics and conflict-of-interest management, particularly considering recent instances where IRPs were accused of bias or collusion. Mandatory declarations of interest, peer reviews, and a code of conduct should be enforced more stringently to ensure transparency and credibility in the insolvency ecosystem.

2. Enhancing Digital Infrastructure in NCLT

A key takeaway from the study is that infrastructure inadequacies, particularly digital shortcomings, are a major contributor to procedural delays. As such, upgrading the digital infrastructure of NCLT benches, especially in Delhi, is essential.

The first step would be to establish a centralized Case Management Information System accessible to all stakeholders, including tribunal members, lawyers, IRPs, creditors, and regulators. This system should allow for:

- Online filing of CIRP applications and replies
- Real-time status tracking of cases
- Auto-generation of hearing schedules and cause lists
- E-notifications and alerts to parties
- Uploading of documents and resolution plans in structured formats

Furthermore, the NCLT registry staff and judicial officers must be trained in e-governance tools, and the transition to digital working should be supported by a user manual, helpline services, and periodic review meetings.

The integration of Artificial Intelligence and Natural Language Processing could revolutionize document review, claim verification, and resolution plan analysis, making processes faster and more consistent. These tools can also assist in predictive analytics, helping tribunals anticipate potential procedural hurdles.

The establishment of a Digital NCLT Portal, interoperable with MCA21, IBBI database, RBI defaulter list, and SEBI archives, will streamline compliance and enhance decision-making efficiency. Cybersecurity protocols and data privacy policies must be implemented robustly to maintain trust in digital adjudication.

3. Policy Recommendations for Efficient Insolvency Resolution

At the policy level, both legislative and executive interventions are needed to overhaul the insolvency resolution ecosystem. These recommendations are as follows:

- **Augmenting Judicial Capacity:** There is a pressing need to increase the number of NCLT benches and appoint more judicial and technical members with financial or insolvency expertise. Fast-track benches should be established for small-value or time-sensitive CIRP matters.
- **Legislative Clarity on Timelines:** Despite the statutory time limit of 330 days, procedural ambiguities and judicial interpretations often result in excessive delays. An amendment must be introduced to limit adjournments and ensure strict adherence to procedural timelines, except under extraordinary circumstances.
- **Codification of SOPs for CIRP:** A uniform Standard Operating Procedure must be issued for all stages of the CIRP, from the admission of applications to the approval of resolution plans. This will reduce discretionary delays and bring consistency across different benches.
- **Empowering the CoC:** The CoC must be made more accountable through transparency mandates, such as requiring detailed reasoning for plan rejection or approval. Regulatory oversight over CoC functioning, especially concerning MSME cases, must be introduced to prevent bias or misuse.

- **Incentivizing Timely Resolution:** A system of performance-linked incentives may be introduced for RPs and stakeholders to reward the timely submission and implementation of resolution plans. Conversely, penalties for undue delays, including costs for adjournments or frivolous litigation, may be imposed.
- **Strengthening IBBI Oversight:** The IBBI should periodically audit the performance of IRPs and NCLT benches, publish dashboard data on resolution timelines, and encourage research-backed reforms. The grievance redressal mechanism for stakeholders must also be made more responsive and accessible.

4. Conclusion and Future Scope of Research

The study concludes that while the Insolvency and Bankruptcy Code, 2016, remains one of India's most progressive economic legislations, its implementation—particularly at the level of adjudicating authorities—requires significant improvement. The delays in CIRP proceedings at the NCLT, Delhi bench are not merely procedural anomalies; they reflect deeper issues of infrastructure deficits, lack of digitalization, professional inadequacy, and policy inertia.

It is evident that reforms must be multipronged. Professional capacity-building for IRPs, digital transformation of NCLT's processes, and strong institutional support for CoC functioning must go hand in hand with legislative and administrative interventions. The envisioned reforms must prioritize time-bound resolution, transparency, and stakeholder confidence to ensure the sustainability of India's insolvency regime.

Looking ahead, the scope for further research in this field is wide and promising. Future studies can explore:

- Comparative analysis of India's insolvency timelines with jurisdictions like the UK, Singapore, and the EU
- Empirical review of outcomes post-resolution (e.g., job loss, creditor recovery, company revival)
- Study of behavioral patterns within the CoC and their impact on decision-making
- Analysis of cross-border insolvency mechanisms under the proposed UNCITRAL framework

- Sector-specific insolvency patterns, such as real estate or manufacturing

Additionally, longitudinal studies on tribunal performance, including average case duration, member productivity, and appeal ratios, could provide data-driven policy inputs for NCLT reforms.

In sum, the success of India's insolvency framework depends on collaborative action by regulators, the judiciary, professionals, and policymakers. With coordinated efforts, the system can evolve into a resilient, predictable, and fair mechanism capable of reviving distressed enterprises and protecting stakeholder interests.