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“ANALYSING PERSISTENT DELAY IN CORPORATE INSOLVENCY RESOLUTION PROCESS DURING PRE ADMISSION STAGE”

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ABSTRACT

The Insolvency and Bankruptcy Code, 2016 (IBC), was enacted to create a time-bound insolvency resolution framework for insolvency cases. The procedure begins with the filing of an application under the relevant section of the code before the NCLT. The IBC Code explicitly provides that the application should be either accepted or rejected within the 14-day timeframe of work. However, in practice, this statutory mandate has not been followed, which results in the significant delays at the pre-admission stage. And which results in delay of the timeframe provided under the statute for CIRP process.

This research paper uses an empirical, non-doctrinal methodology, by analyzing 70 cases of the National Company Law Tribunal (NCLT) between 2021 and 2025. The study determines the extent of deviation from the statutory timeline and its impact on the overall CIRP process by examining the time gap between the date of filing and the date of admission of the application by NCLT. The findings show that the average time taken for admission ranges from 200 to 345 days, which is far exceeding the 14-day limit. The study pinpoints the causes of these delays and proposes measures to mitigate them.

Keywords: Insolvency and Bankruptcy Code (IBC), Pre-admission delay, CIRP timelines, NCLT, Empirical legal research, Procedural inefficiency

INTRODUCTION

The passing of the Insolvency and Bankruptcy Code, 2016 (IBC) was seen as a revolutionary move in the field of insolvency law in India. This act has brought in an efficient and time-bound mechanism for the resolution of a company's corporate assets. The Insolvency and Bankruptcy Code has been passed by Parliament in 2016 with the aim of replacing the previous inefficient system, which could not provide a timely resolution of the issue and maximize

assets. Before the introduction of the IBC, the issue of insolvency and recovery of debts was covered under multiple pieces of legislation, like the Companies Act, 1956¹; the SICA (Sick Industrial Companies Act, 1985)²; and the RDDBFI Act of 1993 (Recovery of Debts Due to Banks and Financial Institutions Act)³. These acts operated independently, characterized by delays, concurrent jurisdiction, and poor recovery. Therefore, there was the need for a more coherent process. One of the main aims of the IBC is to develop a uniform insolvency process whose key objective is a timely resolution. The pre-admission stage of the Corporate Insolvency Resolution Process (CIRP), also called the initiation stage, is very vital in this regard. This step is because the adjudicating authority decides whether the application for CIRP can be admitted or not.

The IBC clearly stipulates the statutory procedure for this phase. For example, as per section 7(4)⁴, where CIRP has been initiated by the financial creditor, the adjudicating authority is supposed to determine the presence of default within fourteen days after receiving the application. Furthermore, section 9(5)⁵ mandates that the adjudicating authority must either admit or reject applications made by operational creditors within fourteen days. The same applies to applications from corporate applicants under section 10(4)⁶. That the Code employs the phrase "shall" implies that there is a strict timeline required in this respect and that there should be no delay in initiating the insolvency process.

This time line has been prescribed with the intention of maximizing asset values, achieving recovery, and making the process as efficient as possible. The timeline for conducting the CIRP starts only after admission. Hence, any delay during the pre-admission phase will have a direct impact on the entire insolvency process, making it ineffective.

However, it is important to note that insolvency proceedings often experience delays before admission, despite such a stringent requirement. This trend is evidenced by various studies conducted by experts, along with observations of the judiciary. It is quite evident from their findings that, in many instances, the timeline for admitting insolvency petitions has

¹ The Companies Act, 1956, No. 1 of 1956 (India).

² The Sick Industrial Companies (Special Provisions) Act, 1985, No. 1 of 1986 (India).

³ The Recovery of Debts and Bankruptcy Act, 1993, No. 51 of 1993 (India).

⁴ The Insolvency and Bankruptcy Code, 2016, No. 31 of 2016, §7(4) (India).

⁵ The Insolvency and Bankruptcy Code, 2016, No. 31 of 2016, §9(5) (India).

⁶ The Insolvency and Bankruptcy Code, 2016, No. 31 of 2016, §10(4) (India).

considerably exceeded the statutory 14 days. Therefore, it becomes relevant to conduct further research on the topic and find out the exact reasons behind the said problem.

Hence, the objective of the present study is to analyze the delays at the pre-admission stage under the IBC. This empirical study is based on case-level analysis of data collected from the National Company Law Tribunal (NCLT).

RESEARCH OBJECTIVE

- To compare the statutorily mandated timeline and the practical aspect of such timelines as given under the IBBI report and NCLT data.
- To examine the extend of delays in Corporate Insolvency Resolution Process at the stage of admission of the application by the NCLT.

METHODOLOGY

This study uses an empirical, non-doctrinal legal research approach, concentrating on a quantitative analysis of judicial facts, rather than solely on doctrinal examination.

The study utilizes primary data derived from 70 cases which has already adjudicated or are been pending before the National Company Law Tribunal, specifically identifying the dates of filing and admission of Corporate Insolvency Resolution Process (CIRP) applications. We calculated the number of days the Adjudicating Authority took to approve each application.

This made it possible to objectively judge delays at the pre-admission stage. The research spans from 2021 to 2025. The study “Assessment of Corporate Insolvency and Resolution Timeline” conducted by the Insolvency and Bankruptcy Board of India in collaboration with the Indian Institute of Corporate Affairs (2021) has been used as a baseline for pre-admission timelines for the year 2021. This baseline has been used to compare the real-world results from the next few years.

Furthermore, a comparative analysis of the actual admission timelines against the 14-day stipulation outlined in the Insolvency and Bankruptcy Code of 2016 was conducted to ascertain the divergence between legal mandates and practical outcomes. The data, organized in chronological order, is presented visually to help identify trends and recurring patterns.

REVIEW OF LITERATURE

The concept of insolvency in India, through its statutory manifestation of the Insolvency and Bankruptcy Code, 2016 (IBC), essentially rests on the basis of a 'time-bound' approach to resolution, which is considered vital in maximizing asset value and attaining efficiency in the process. The theoretical foundation of the above concept can be identified from the recommendations made by the Bankruptcy Law Reforms Committee (BLRC) in its important report of 2015. In the same report, the BLRC noted that delay in insolvency proceedings results in the depreciation of asset value and makes the process of recovery impossible. Thus, strict observance of deadlines, like the 14 days required for filing of cases relating to insolvency applications, was recommended by the BLRC, making speed an inherent characteristic of the process. **(Bankruptcy Law Reforms Committee [BLRC], 2015)**

From this philosophical standpoint, scholars have taken their thoughts a step further by conceiving time as an economic factor in the process of insolvency. According to M.S. Sahoo, time should be considered a valuable factor in the resolution procedure since every delay result in depreciation of the business's value and makes a resolution even less likely. Under this conception, delays, especially pre-admission ones, make the whole idea of the IBC irrelevant by turning it into a process of recovery rather than reviving the business. It is noteworthy to highlight that the aforementioned doctrinal position is important insofar as it raises the issue of delay to the level of the system's defect **(Sahoo, 2025)**.

The empirical validity of this factor is seen in the study carried out by Neeti Shikha and Urvashi Shahi (2021) and stands to be one of the few early studies on insolvency timeline studies under the IBC. The present investigation reveals a substantial disparity between statutory requirements and practical outcomes; specifically, while the Code stipulates a 14-day period, empirical data indicates an average duration of approximately 130 days. This discrepancy underscores systemic inefficiencies and provides measurable evidence supporting the divergence between legislative intent and practical implementation. However, despite its methodological value, the scope of this study was limited to the period preceding 2021 **(Shikha & Shahi, 2021)**.

The scholarly and policy literature that came after has always been able to highlight the root causes of such delays, thus validating the empirical results. In her article on insolvency process durations, Sanchita Tewari has shown that the timeliness of the IBC is greatly undermined by

procedural difficulties and the court's heavy caseload (**Tewari, 2024**). In addition, the policy papers like "Timely Turnaround: Bottlenecks in CIRP and Liquidation under IBC" have identified a range of issues that cause the delay in the resolution process. The list includes insufficient documentation, inefficiency in the procedures involved, and lack of capacity among other things (**Indian Institute of Insolvency Professionals of ICAI [IIPI], 2024**). Finally, the recent scholarly literature, for example, in Pooja Nakul Maniar and Roksana Hassanshahi Varashti (2025)'s research, shows that bureaucracy, infrastructure problems, and inefficiencies are some of the factors causing delays in the insolvency process (**Maniar & Varashti, 2025**).

Furthermore, larger studies in academia like "Bailing Businesses, Boosting Banks: The Development of Insolvency and Bankruptcy Law in India" and other studies analyzing the structure of the IBC, strengthen the claim that inefficiencies in the admission process are a major source of ineffectiveness in the Code. According to these researchers, inefficiencies at the early stage of the legal process lead to a series of consequences throughout the CIRP process, influencing the rate of recoveries, increasing the rate of liquidations, and decreasing the confidence of investors (**Shekhar, 2025**). More importantly, these studies frame the issue of inefficiency as a matter of economics rather than merely law.

In spite of the wealth of existing literature, however, an important deficiency exists that cannot be overlooked. First of all, existing empirical research, even including the highly influential work by Shikha and Shahi, is primarily focused on pre-2021 data. Moreover, much of the existing literature remains conceptual or, alternatively, oriented towards policy-making without being grounded in any kind of data collection efforts. The existing literature does not cover the issue of delays after 2021, especially in terms of the effect of new judicial trends, increased number of cases, as well as changes associated with the COVID-19 pandemic on tribunal operations. In addition, existing literature fails to assess variations of pre-admission periods across NCLT benches, as well as at the level of individual cases, in order to reveal the factors behind such delays.

This research will attempt to bridge this gap through the empirical study of insolvency application cases before different NCLT benches during 2022-2025, and with a particular attention paid to the period between application and admission.

EMPIRICAL STUDY OF PRE ADMISSION STAGE

The Insolvency and Bankruptcy Code 2016 (IBC) is a paradigm shift in the Indian insolvency system because it presented a consolidated and time-sensitive system of resolution of distressed assets. The Code has one of the core goals to provide quick settlement hence saving the worth of assets and facilitating economic efficiency. The strict timelines that are provided in the Corporate Insolvency Resolution Process (CIRP) are indicative of the legislative purpose.

Nevertheless, even with the statutory requirement, delay of timeframe have become part and parcel of insolvency procedures. Such delays are also pronounced in two key phases; the pre-admission where the application is reviewed by the Adjudicating Authority and the post-admission where the CIRP process takes place.

The chapter carries out a dual analysis both doctrinal and empirical in order to study the pre admission stage of procedural delays. It particularly dwells on the discrepancy in statutory timelines and actual practice which is backed by information on Insolvency and Bankruptcy board of India (IBBI) and separately taken case information on the National company law tribunal (NCLT).

The Insolvency and Bankruptcy Code, 2016 (IBC) sets out a systematic and time-limited model to guarantee the quick completion of the insolvency process, the pre-admission stage which is a pivotal step in the commencement of the Corporation Insolvency Resolution Process (CIRP). At this point, the Adjudicating Authority, which is the National Company Law Tribunal (NCLT) must look into the question of whether an application to begin CIRP should be approved or not. The legislative basis of this step is set forth in Sections 7, 9 and 10 of the Code⁷ as applied together with the Insolvency and Bankruptcy (Application to Adjudging Authority) Rules, 2016⁸. All these requirements have a common effect of placing a standardized requirement on the Adjudging Authority to ensure that it acts within a specified period of time, and, therefore, reflects the legislative purpose of ensuring that the entry point of the insolvency proceedings is minimized.

⁷ The Insolvency and Bankruptcy Code, 2016, No. 31 of 2016 (India).

⁸ Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (India).

In instances where the application is initiated by a financial creditor under section 7(4)⁹, the Adjudicating Authority must determine the occurrence of default and this must be done within fourteen days of receipt of the application, mainly based on information utility records or any other evidence provided. Likewise, under Section 9(5)¹⁰, in applications brought on behalf of operational creditors, the NCLT, in a case where the application is complete, and there is no pre-existing dispute, the NCLT has fourteen days to either grant the application or reject it, in a case where the application is incomplete, or a genuine dispute is proved. The section 10(4)¹¹ dealing with application of the corporate debtor himself also requires admission or rejection within the same fourteen days. The fact that the term shall has been used in these provisions shows the strength of the legislative law that is trying to make sure that the admission is immediate and that the worth of the assets possessed by the debtor is not lost at the earliest possible moment.

The research paper Assessment of Corporate Insolvency and Resolution Timeline published by the Insolvency and Bankruptcy Board of India (IBBI) Research Initiative under the title of the Indian Institute of Corporate Affairs, by Neeti Shikha and Urvashi Shahi¹², is an extensive empirical scrutiny of the delays in the various phases of the Corporate Insolvency Resolution Process (CIRP). The paper is data-oriented because it examines CIRP forms (Forms 1-6) of 1,189 companies and a survey of insolvency professionals to determine in which the stages have the most significant delays. Among the major conclusions of the research is that the delays are not limited to the later stages of CIRP but can also be seen at the pre-admission stage i.e. between the moment when the application is filed and the moment when it is admitted by the Adjudicating Authority. The study points out that, although the Code specifies that a 14 days period would be taken to complete the admission of applications, the average was actually 131 days, which shows that there is a significant variation in the stipulated time.

⁹ The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), ascertain the existence of a default from the records of an information utility or on the basis of other evidence furnished by the financial creditor under sub-section (3).

¹⁰ The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), by an order— (i) admit the application and communicate such decision to the operational creditor and the corporate debtor.

¹¹ The Adjudicating Authority shall, within a period of fourteen days of the receipt of the application, by an order— (a) admit the application, if it is complete; [and no disciplinary proceeding is pending against the proposed resolution professional] or (b) reject the application, if it is incomplete: [or any disciplinary proceeding is pending against the proposed resolution professional]

¹² Insolvency & Bankruptcy Board of India, *Assessment of Corporate Insolvency and Resolution Timeline*, IBBI Research Initiative, RP-01/2021 (Feb. 2021).

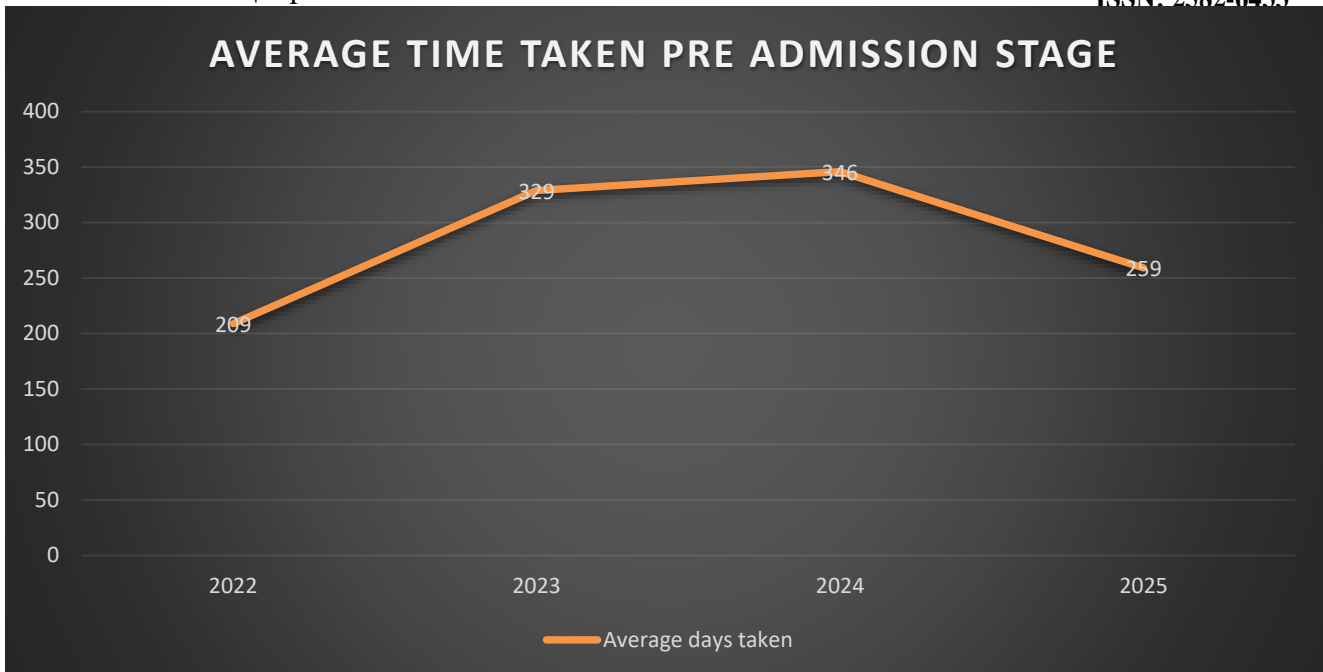


FIGURE 1: Average time taken (in days) for admission of insolvency applications under the IBC (2022–2025), based on data collected from NCLT case records.

The current research would be based on an empirical and case-based approach to investigate the duration required by the Adjudging Authority to accept applications made in the Insolvency and Bankruptcy Code, 2016. The data has been gathered using official case records that can be found in the official websites of other benches of National Company Law Tribunal (NCLT) and IBBI Website. The choice of several benches would be used to provide a larger and more comprehensive picture of how the admission stage works in different jurisdictions.

To fulfil this research, cases which were filed on Sections 7, 9 and 10 of the IBC were found. Two important variables were produced in each instance, namely: the date in which the application was filed and the date on which the Adjudicating Authority in which the application was filed. The time difference between these two dates was also determined in terms of days, and this gave the real time actually taken in the cases of admission. A total of 70 cases is gathered in various NCLT.

The dataset includes 2022-2025, which is the post-pandemic period and when the IBC framework was amended significantly. The calculated delays were then mean-wise grouped and mean time took in admission calculated yearly. This is the totality of data on which Figure 1 is based.

Observations from the Data

- Firstly, the data clearly show how the time to take admission is always much higher than the stipulated fourteen days in the IBC. As of 2022, it takes around 200 days on average, which in turn is a considerable deviation of the legislative requirement. This implies that the issue of delay at the admission stage was already established by this time.
- Secondly, the delay sharply increases in 2023, and the average time increases to about 330 days. This growth may be explained by the backlog and more filings after the COVID-19, as well as the problems with the functioning of NCLT benches.
- Thirdly, the delay is highest in 2024 at almost 345 days, which is almost the same as the maximum stipulated time to complete the whole CIRP. It is an important point, since it suggests that the period of the time of receiving an application is approaching the overall period that was supposed to be spent on resolving an application under the Code.
- Fourthly, even though the 2025 delay reduces marginally to about 260 days, it is a significantly high delay. This implies that there might be some marginal gains in efficiency but the structural problems have not been addressed.

The tendency illustrated in Figure 1 indicates a systemic and old-fashioned latency in the admission procedure and not specific or case-related inefficiencies. The gradual rise between 2022 to 2024 shows that the issue was becoming worse with time and especially during the post-pandemic time. The fact that the decrease in 2025 is minimal also does not indicate a structural adjustment but is a temporary occurrence. The most notable conclusion drawn out of this data is that even the pre-admission phase has become a major bottle-neck in the insolvency system. CIRP timelines do not commence until the time of admission and thus, any delay made in this step results in an increase of the insolvency process itself, already over the legal limit.

REASONS FOR DELAY AT THE PRE-ADMISSION

STAGE UNDER THE IBC

The complexity of establishing the existence of default is also one of the main causes of time loss at the pre-admission stage. The Insolvency Law Committee has noted that, in spite of the fact that the Code is set to specify the off-the-record determination of default, the Adjudicating Authority has a tendency to conduct a more detailed review of financial records, especially

when no authenticated information is available.¹³ The Code also had the contemplation of using the Information Utilities as a means of ensuring a sure and verified records of default yet the minimal application of the same in practice has led to the independent verification by the tribunal. This greatly adds on to the length of time required in the admission process as it is now at the mercy of the quality and thoroughness of the documentation by creditors.¹⁴

The other key contributing factor of delay is the growing propensity of corporate debtors to repel admission in litigation. In spite of the fact that the Supreme Court in the case of *Innoventive Industries Ltd. v. ICICI Bank*¹⁵ specified that the scope of the Adjudicating Authority during the admission stage is confined to defining the presence of default, in reality, in most cases, debtors object to the cases associated with limitation, maintainability, and validity of claims. The necessity to establish the presence of a pre-existing dispute as established in *Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd.*¹⁶ makes the admission procedure more difficult in situations involving operational creditors making it a contested adjudicatory hearing, but not a summary one.

One of the main theological causes of delay is that the judicial understanding of the fourteen days period as an instructional guideline and not a binding one. The Supreme Court determined that the time limit provided in the admission is not binding and thus eliminated any rigid effect of failure to comply, in the case of *Surendra Trading Company v. Juggilal Kamalapat Jute Mills Co. Ltd.*¹⁷ This has been a very dramatic interpretation on the operation of the insolvency framework in that the Adjudging Authority can overstep the given time limit and get away with it. As such, the statutory timeline has lost a significant amount of its enforceability and is more of a guideline than a binding directive.

The issue is also made worse by institutional barriers in the NCLT. The tribunal has a broad spectrum of other issues that it is mandated to deal with besides the insolvency issues such as, company law disputes, oppression and mismanagement issues. The small count of benches and members together with the large number of filings is causing high levels of pendency and

¹³ Ministry of Corporate Affairs, Gov't of India, *Report of the Insolvency Law Committee* (Feb. 2020).

¹⁴ Insolvency & Bankruptcy Board of India, *Discussion Paper on Enhancing Effectiveness of Information Utility* (Apr. 8, 2022).

¹⁵ *Innoventive Indus. Ltd. v. ICICI Bank Ltd.*, (2018) 1 SCC 407 (India).

¹⁶ *Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd.*, (2018) 1 SCC 353 (India).

¹⁷ *Surendra Trading Co. v. Juggilal Kamalapat Jute Mills Co. Ltd.*, SCC OnLine SC 1448 (2017) (India).

delays in listing and disposal of cases. The Insolvency Law Committee and other IBBI publications have recognized the fact that the capacity of the Adjudicating Authority is also a decisive factor in the respect of timely applications. The information gathered in this paper including various benches suggests that delay is not limited to a specific jurisdiction but it is structural throughout the tribunal system. A keen interest is necessary in a specific and consolidated AA to resolve the issue of insolvency, liquidation, and bankruptcy cases in corporates and individuals as soon as possible. This specialisation would be more consistent, efficient, and knowledgeable in the domains of decision-making. Further, since insolvency procedures are not adversarial, and since commercial judgments fall outside the scope of the AA, the single-member benches are adequate in the majority of cases. The single-member benches would instantly increase the functional capacity of the AA, without reducing the quality of adjudication.¹⁸

There are also procedural inefficiencies that make delay at the admission stage. This is usually done by means of serving of notice to the corporate debtor, submissions of answers and rejoinders and hearings in several rounds. The adjournments are also regularly provided because of the absence of parties or the demand to have extra time to submit documents. Research has identified CIRP bottlenecks to be those delays that are inherent in the procedure such as delays in listing and pronouncement of orders which significantly extend the admission time.¹⁹ Consequently, a process that is supposed to take fourteen days to be accomplished, takes several months.

Besides these structural and procedural factors, there are also behavioural considerations in addition. The IBC has been widely applied in debt recovery, which compels parties to negotiate settlement before admission. The result is usually frequent adjournment and delay in the decision to be accepted. Such settlements are potentially helpful in settling disputes, but they negatively impact the time-limited structure of the Code by extending the pre-admission phase. To sum up, the pre-admission stage delay is an outcome of legal, institutional, procedural, and behavioural issues. The fourteen day statutory timeline has not been installed effectively since it is interpreting in a directory way, evidentiary in complexities, anti-corporate debtor litigation, constrained institutional and procedural ineffectivenesses. The conclusions of this paper, with

¹⁸ M. S. Sahoo, *Expediting IBC Processes* (2025).

¹⁹ Indian Institute of Insolvency Professionals of ICAI, *Timely Turnaround: Bottlenecks in CIRP and Liquidation under IBC* (Aug. 2024).

the help of the case-based study and institutional reports, indicate that the admission stage has been transformed into a lengthy and disputable course of action, thus corrosion to the time-limited goal of the Insolvency and Bankruptcy Code.

Although the Government of India in its Union Budget 2024-25 has suggested the strengthening of National Company Law Tribunals (NCLT) mechanism, the problem should be legislatively resolved as well. Before NCLTs, it should be aimed at streamlining the process. Strict timelines of hearings need to be instituted and followed to minimize cases of adjournment and timely proceedings of cases. To eliminate unnecessary postponements in addition to introduction of penalties against frivolous or vexatious applications, ministry of corporate affairs (MCA) should adopt preliminary screening mechanism to eliminate frivolous and empty interim applications. It is also necessary to revise the scope of inherent power of NCLT under Rule 11 and Section 60(5) to make sure that they are not applied to intervene and hold up the insolvency procedure unnecessarily.²⁰

SUGGESTIONS AND RECOMMENDATIONS

However, the current situation indicates that problems caused by delays in the pre-admission process under the Insolvency and Bankruptcy Code, 2016, are systemic and structural in nature, which require a multi-faceted solution to this problem. It became clear that merely introducing deadlines for certain actions and not enforcing them effectively is not enough to deal with the issue. Thus, it is time for multi-level reforms.

Firstly, there is an acute need to define the nature of the 14 days deadline for admitting an application for insolvency. The interpretation used in the case of *Surendra Trading Co. v. Juggilal Kamlatpat Jute Mills Co. Ltd.*²¹, where this provision is considered a directory one, has considerably weakened the effectiveness of this provision. An appropriate legislative change or judicial clarifications are required, which will make it mandatory for most cases with very few exceptions. The original intention of lawmakers was to have strict deadlines according to BLRC (2015).

Secondly, enhancing the institutional capacity of the Adjudicating Authority (NCLT) becomes

²⁰ Economic Laws Practice, *The Evolution and Effectiveness of the Insolvency and Bankruptcy Code, 2016: An Analytical Perspective* (2024).

²¹ *Surendra Trading Co. v. Juggilal Kamlatpat Jute Mills Co. Ltd.*, SCC OnLine SC 1448 (2017) (India).

paramount. Various studies such as the Standing Committee on Finance (2023–24)²² and the Insolvency Law Committee (2022) found that delays were due mainly to judicial vacancies, lack of capacity, and growing case load. This can be solved by increasing the number of benches and members in the NCLT along with the creation of insolvency benches to help dispose of CIRP admission applications quickly (Standing Committee on Finance, 2023–24). Moreover, using single-member benches for CIRP admission can be a very useful way to achieve this objective.

Thirdly, streamlining the requirement of evidence becomes important through better utilization of IUs. As noted in the Insolvency Law Committee Report (2022)²³, verified default records from IUs can help make the task easier for the Adjudicating Authority in determining defaults and hence speed up the decision process. Incorporation of the IUs' data into the admission application process will make this task into more of a verification process instead of a tedious one, hence solving the issue of delays due to document scrutiny and evidence disputes.

Fourthly, procedural reforms are necessary to curtail adjournments and accelerate hearing procedures. The empirical data from this research, coupled with insights from studies like “Timely Turnaround: Bottlenecks in CIRP”, suggest that multiple adjournments and delays in listing cases substantially increase the admission period. Procedural restrictions need to be imposed to:

- Prevent excessive adjournments,
- Improve accountability by imposing penalties for delay tactics, and
- Establish deadlines for case listings and order issuance.

This reform will ensure that the process conforms to the goal of efficient judgment-making (Timely Turnaround Report).

Fifthly, the ambit of the litigations must be restricted during the admission phase. The judicial precedent set forth in *Innoventive Industries Ltd. v. ICICI Bank*²⁴ establishes that the mandate of the Adjudicating Authority is to ascertain whether there exists a default. In practice,

²² Standing Committee on Finance, *Sixty-Seventh Report: Action Taken by the Government on the Observations/Recommendations Contained in Thirty-Second Report (17th Lok Sabha) on 'Implementation of Insolvency and Bankruptcy Code—Pitfalls and Solutions'* (Feb. 2024) (India).

²³ Ministry of Corporate Affairs, Gov't of India, *Report of the Insolvency Law Committee* (2022).

²⁴ *Innoventive Indus. Ltd. v. ICICI Bank Ltd.*, (2018) 1 SCC 407 (India).

however, corporate debtors file numerous objections related to limitation, maintainability, and contentious issues. Procedural norms ought to be established to prevent admissions from becoming protracted trials.

Sixthly, there is a requirement to incorporate a pre-screening or filtering system in order to weed out defective and/or frivolous cases right from the beginning. In light of recommendations and analysis provided in various policies and research papers like "Assessing Flaws in the IBC", defective or incomplete applications and procedural flaws play an important role in contributing to the delay. A system of pre-screening the applications can ensure that complete and proper applications only make their way before the Adjudicating Authority.

Seventhly, greater application of technology needs to be made. Use of e-filing systems and automated systems for case management will help enhance efficiency in the system. Technology will also play an important part in coordination between parties involved in the process. There are many reports, scholarly papers, such as "Expediting IBC Processes" by M. S. Sahoo, which have stated how process efficiency and effective use of technology was key to IBC's success (Sahoo)²⁵.

Other factors relating to human behavior that cause delay also need to be considered. The rising trend of the use of IBC processes to recover debts or facilitate negotiations frequently results in deliberate delays in pre-admission proceedings. In response, punitive measures should be strengthened against those who frivolously object or abuse the system, while alternative dispute resolution techniques might be considered for settling pre-admission disputes.

Lastly, comprehensive reform can include the creation of an independent insolvency tribunal for adjudications, distinct from the broad jurisdiction of the NCLT. As mentioned in several committees' reports and scholarly discourse, such an insolvency tribunal will provide specialized expertise, prompt decisions, and consistency, thus eliminating the root cause of delay.

²⁵ M. S. Sahoo, *Expediting IBC Processes* (2025).

CONCLUSION

The current study reveals that the pre-admission phase of the Insolvency and Bankruptcy Code, 2016 has turned out to be an important procedural blockage against the intent behind the legislation which envisaged a prompt start to the insolvency process. As evident from the analysis of 70 cases at the NCLT, the duration of the process invariably exceeds the statutory period of 14 days. Delays range between approximately 200 days to 345 days on average.

The deviations from the statutory norm do not emerge out of mere happenstance but rather due to a complex interplay of various legal, institutional, procedural, and behavioral factors. The non-mandatory nature of the 14-day period, as established through judicial interpretation, weakens the effectiveness of the provision itself. Further, evidentiary issues pertaining to the establishment of default become an added burden. Litigation strategies adopted by corporate debtors and procedural adjournments add another dimension turning a summary proceeding into an adjudication process.

Moreover, limitations on the part of the Adjudicating Authority regarding backlogged cases, lack of appropriate facilities, and concurrent jurisdictions are additional barriers resulting in delays. It emerges from the results that the problems are not restricted to any particular bench but prevalent throughout the tribunal process.

Most importantly, the study draws attention to the cumulative effects of delay in the pre-admission stage, which affect the CIRP mechanism as a whole. As the period of insolvency starts from the point of admission, delay in this regard directly leads to the delay in the process of insolvency itself and does not achieve the objectives of maximizing value, expediting, and efficiency.

On the basis of these results, it can be concluded that the imposition of deadlines alone is not sufficient. What needs to be done now are structural changes, such as improving the capacity of the NCLT, utilizing more Information Utilities, imposing greater control on adjournment, and legislating on the compulsory nature of deadlines.

Failure to take measures in this direction will lead to the continued weakening of the CIRP under the IBC.