

Insolvency and Bankruptcy Code, 2016: Regulatory Architecture, Judicial Evolution, and the Role of Artificial Intelligence

Mr. Aman Sharma

Student, Christ University

ABSTRACT

When the Insolvency and Bankruptcy Code was enacted in 2016, it was not just another piece of legislation — it was a statement that India's approach to failed businesses and mounting debt could no longer remain what it had been for decades. The Code superseded more than a dozen laws which overlapped each other, created an entirely new institutional machinery, and put creditors at the heart of the solution. A decade later, the results are mixed but meaningful. This paper examines the IBC from multiple perspectives: the Code's regulatory architecture (the four institutional pillars and the CIRP mechanism); judicial evolution through landmark decisions like Essar Steel and Swiss Ribbons; contemporary challenges including the low adoption of PPIRP for MSMEs, the monumental shift in cross border insolvency via the IBC Amendment Bill of 2025, and personal guarantor proceedings; and finally, the emerging role of Artificial Intelligence in insolvency practice and its implications for the Company Secretary profession. At the end of the paper are some practical recommendations to the IBBI, the legislature as well as the Company Secretary profession.

Objective of Study: To examine the IBC's regulatory architecture, trace its judicial evolution through landmark decisions, analyse contemporary implementation challenges (PPIRP, cross border insolvency, personal guarantor proceedings), and evaluate the emerging role of Artificial Intelligence in insolvency practice with recommendations for the IBBI, legislature, and the CS profession.

Methodology: Doctrinal legal research drawing on statutes, regulations, and case law, supplemented by empirical data from IBBI Annual Reports and academic papers.

Findings: While the IBC has significantly improved India's insolvency resolution landscape and global rankings, structural bottlenecks — NCLT capacity constraints, near dormant PPIRP adoption, and ~50% creditor haircuts — demand targeted reforms. AI presents transformative but bounded opportunities in insolvency practice, requiring immediate IBBI regulatory guidance.

Keywords: IBC 2016, CIRP, IBBI, PPIRP, Cross Border Insolvency, Artificial Intelligence, NCLT.

1.0 Introduction

1.1 Why India Needed a New Insolvency Law

Before 2016, if a company in India failed to repay its debts, the creditor's options were scattered across an alphabet soup of statutes — SICA, RDDBFI, SARFAESI, the Companies Act, the Presidency Towns Insolvency Act — each with its own forum, timeline, and procedural quirks. The average debt resolution took between four and ten years. India's score on the World Bank's 'resolving insolvency' indicator was

dismal: creditors recovered less than 26 paise for every rupee of admitted debt, and even that trickle took years to arrive.¹ the banking system, meanwhile, was sitting on nonperforming assets that were growing faster than they could be resolved.

The Bankruptcy Law Reforms Committee (BLRC), constituted in 2014 under the chairmanship of Dr. T.K. Viswanathan, spent over a year examining global insolvency models before submitting its report in November 2015.² The Committee's recommendation was clear: scrap the patchwork, build a unified code, and organise it around one principle — time. The IBC was Parliament's answer to that recommendation, receiving Presidential assent on 28 May 2016.

1.2 The Shift from Debtor in Possession to Creditor in Control

The single most consequential conceptual shift the IBC introduced was stripping the existing promoter management of control the moment a CIRP application is admitted. Under earlier Indian law, debtors could hold off creditors for years while remaining in management — what academics call the 'debtor in possession' model. The IBC replaced this with a 'creditor in control' framework: from the date of admission, the Board of Directors is suspended, an Insolvency Professional takes over the management, and the Committee of Creditors decides the fate of the company. It is not a more peripheral arrangement of the procedure; it is a major redistribution of power.

1.3 Background: Constitutional Validity — Swiss Ribbons Pvt. Ltd. v. Union of India

The Code's architecture was challenged before the Supreme Court almost immediately. In *Swiss Ribbons Pvt. Ltd. & Anr. v. Union of India & Ors.*,³ the Court upheld the Code's constitutional validity in full. The petitioners had contended that treatment of the financial and operational creditors in a different manner was arbitrary and not in compliance with Article 14. The Court disagreed, holding that financial creditors are structurally better placed to evaluate and drive resolution than operational creditors, who supply goods or services with limited visibility into the borrower's financial health. The Court also made a point worth remembering: the IBC is a legislation aimed at resolution, not at punishment. That framing has influenced judicial interpretation of the Code ever since.

1. World Bank Doing Business, World Bank, 2016: Digital Quality and Efficiency of Regulations. Washington, D.C.: World Bank Group (2016).
2. Bankruptcy Law Reforms Committee, Report of the Bankruptcy Law Reforms Committee, Vol. Rationale and Design (November 2015).
3. *Swiss Ribbons Pvt. Ltd. and Anr. v. Union of India and Ors.*, (2019) 4 SCC 17.

2.0 Research Gap / Need of the Study

While studying the IBC for the CS Professional exams, a persistent disconnect emerged — the Code is brilliantly designed on paper, but actual outcomes often tell a different story. Cases drag on for years beyond the 330day limit. Promoters who caused the insolvency sometimes still find ways to reenter through related parties. The prepackaged route for MSMEs, introduced in 2021, is barely used despite widespread distress. These gaps form the empirical and doctrinal core of this research.

The AI dimension arose from a practitioner discussion: that young CS professionals would not merely utilise AI but would have it assist in their tasks. This prompted the central question examined in Section 7.0: which elements of insolvency practice are automatable, and, critically, which are not?

2.1 Research Objective / Research Question

The research question is not simply 'what does the IBC say?' but 'how well is it working in 2026, and where does it need to change?' Specific research objectives are:

- To map the IBC's four pillar regulatory architecture and its operational strengths and weaknesses.
- To trace the judicial evolution of the Code through landmark Supreme Court and NCLAT decisions.
- To evaluate contemporary implementation challenges: PPIRP underutilization, the 2025 cross border insolvency amendment, and personal guarantor enforcement.
- To analyse the transformative but bounded role of AI in CIRP proceedings and identify the regulatory gap the IBBI must fill.

3.0 Review of Literature

The IBBI's own Annual Reports remain the most authoritative source of empirical data tracking CIRP admissions, resolutions, liquidations, and the amounts recovered against amounts admitted. The 2023–24 Annual Report, for instance, reported that of the 7,849 CIRPs admitted since inception, 3,171 had ended in liquidation orders⁴ — a figure that critics have used to argue that the IBC functions more as a liquidation machine than a resolution mechanism. That view, however, requires nuance: many of those companies were already economically dead by the time they reached the NCLT.

The NIBM Working Paper No. 53, authored by Pandey et al. (2022), is one of the more rigorous empirical studies on how public sector banks have fared under the IBC.⁵ The paper found that while recovery values under the Code are significantly better than what banks obtain through SARFAESI or DRT routes, the average haircut absorbed by financial creditors in CIRP resolutions stood at approximately 48% of admitted claims as of 2022. For large NPAs — accounts above ₹500 crore — the haircut was even steeper in several cases. It is an eyeopener for a framework where maximisation of value is among its guiding objectives.

Chaturvedi and Singh's 2024 paper in the IJFMR takes a procedural lens to the problem, examining how litigation at the NCLT and NCLAT has extended resolution timelines far beyond the statutory limit.⁶ Their central argument — that the IBC's timebound framework is being undermined from within by the same adjudicatory system that is meant to enforce it — is blunt but difficult to dispute.

Insolvency Law Committee's 2018 Report on Cross Border Insolvency identified the absence of a Model Law framework as the IBC's most significant structural omission, a gap that the Jet Airways litigation exposed in practical terms and that the 2025 Amendment Bill now moves to fill.

The IIIPI Guidance Note on Digital Adoption for Resolution Professionals (2025) and the IBBI's own Report on AI and PUFEE Transactions (2025) together establish the regulatory acknowledgement that AI integration in CIRP is imminent — yet neither document provides a liability framework for algorithmic decision support, which forms the concluding research gap this paper addresses.

Collectively, the literature affirms a consistent theme: the IBC's design is sound, but implementation through adjudicatory delays, PPIRP dormancy, and regulatory lacunae in AI governance is the domain requiring urgent scholarly and legislative attention.

⁴ Insolvency and Bankruptcy Board of India, Annual Report 2023–24. IBBI: New Delhi (2024).

⁵ Pandey, A. et al. (2022). Public Sector Banks and Insolvency and Bankruptcy Code. NIBM Working Paper No. 53.

⁶ Chaturvedi, P. & Singh, M. (2024). Insolvency Resolution under IBC: Challenges and Prospects, Vol 6(3). IJFMR.

4.0 Research Methodology

This is a doctrinal research paper. Its primary material consists of statutes, regulations, and case law. All

statutes cited refer to the IBC as amended up to the Finance Act, 2025.

Study Type: Doctrinal / qualitative legal research.

Data Type: Primary: legislation and case law. Secondary: IBBI Annual Reports, academic papers, institutional guidance notes.

Sources of Data: IBC 2016 (as amended); Supreme Court and NCLAT judgments; IBBI Annual Report 2023–24; NIBM Working Paper No. 53; Chaturvedi & Singh (2024, IJFMR); BLRC Report (2015); IIIPI Guidance Note (2025); Economic Survey 2025–26.

Sample / Scope: All CIRPs admitted from the Code's commencement through March 2025; selected landmark judgments from 2018–2025.

Method of Analysis: Statutory interpretation, case law analysis, and purposive construction of legislative intent, supplemented by empirical data from IBBI dashboards where it illuminates legal argument.

Statistical Methods: Descriptive statistics from secondary sources (IBBI, NIBM) — no original quantitative analysis performed.

5.0 The Regulatory Framework Four Pillars of the IBC

One of the IBC's most deliberate design choices was to build a new institutional ecosystem rather than retrofit existing regulators and courts. The four-pillar arrangement IBBI, Insolvency Professionals, Information Utilities, and Adjudicating Authorities was designed to distribute the regulatory and operational burden so that no single institution was overwhelmed.

5.1 The IBBI: Regulator, Rule Maker and Data Publisher

Section 188 of the Code instituted The Insolvency and Bankruptcy Board of India as the highest regulator. It is the registering and regulating body of Insolvency Professionals, Insolvency Professional Agencies, and Information Utilities. It also frames regulations under Sections 196 to 208 of the Code, conferring substantial delegated legislative power. The IBBI's quasi-judicial wing handles disciplinary proceedings against IPs — a function it has exercised with increasing frequency, sending an important accountability signal to the profession. One aspect that deserves specific mention is the IBBI's commitment to public data publication: the Annual Reports, quarterly data dashboards, and Discussion Papers the Board releases form the empirical backbone of much of the scholarship in this area.

5.2 Insolvency Professionals and the CS Connection

Insolvency Professionals are the people who actually run the CIRP on the ground. Once the NCLT admits a CIRP application, an Interim Resolution Professional is appointed usually within the same order. The IRP substitutes the management of the corporate debtor, gathers claims, forms the Committee of Creditors, and either continues as the Resolution Professional (RP) or is replaced by a nominee of the CoC. Company Secretaries who qualify as IPs occupy a particularly well-suited role in this framework. The ICSI has established the ICSI Institute of Insolvency Professionals (IIP) as a recognised Insolvency Professional Agency. CS professionals function as IRPs and RPs in corporate insolvencies, as Liquidators under Chapter III of Part II of the Code, and as Registered Valuers for fair value and liquidation value assessments.

5.3 Information Utilities: The Underdeveloped Pillar

Section 214 of the Code envisages Information Utilities as repositories of authenticated financial data that can be used to verify debts quickly. The only registered IU is the National E-Governance Services Ltd. (NeSL). Practically, the IU ecosystem is underdeveloped since a significant volume of credit

transaction data in India is not uploaded systematically. Better data infrastructure and AI driven data aggregation could meaningfully address this gap.

5.4 NCLT and NCLAT: The Adjudicatory Bottleneck

There are currently 15 benches of the NCLT across India. By any measure, this is completely insufficient for the volume of work the tribunals handle not just CIRP applications but company law petitions, merger approvals, and oppression and mismanagement cases. Vacancies on the Bench have been a persistent problem. Hearing dates are routinely adjourned. It is not uncommon for a CIRP that should end in 270 days to still be pending at the NCLT three years after admission. The institutional capacity issue of the IBC's adjudicatory machinery is the largest structural risk to the success of the Code.

6.0 The Corporate Insolvency Resolution Process

6.1 Who Can Trigger CIRP: Sections 7, 9, and 10

The CIRP can be initiated by three categories of persons. A financial creditor, under Section 7 of the Code, can file before the NCLT on the occurrence of a default — defined as nonpayment of a debt when it falls due. An operational creditor, under Section 9, must first serve a demand notice and wait ten days before filing, and the debtor can defeat the application by proving a preexisting dispute. The corporate debtor itself can file a voluntary application under Section 10, though this route is rarely used in practice because promoters seldom voluntarily invite the loss of control that CIRP brings.

The minimum default threshold was raised from the original ₹1 lakh to ₹1 crore by a 2020 government notification — partly to filter out small disputes that clog the NCLT and partly as a COVID era protective measure. The NCLT is required to admit or reject the application within 14 days of filing. In *Innoventive Industries Ltd. v. ICICI Bank*, the Supreme Court clarified that admission is not an exercise of discretion: if a default exists and the application is complete, the NCLT must admit.

6.2 The Moratorium under Section 14

Upon admission of a CIRP application, the NCLT declares a moratorium under Section 14 of the Code. The moratorium is a standstill on the corporate debtor's legal and financial affairs: no suits can be filed or continued against it, no security interests can be enforced, no asset can be transferred or disposed of, and no recovery proceedings can be initiated or continued. It runs from the date of the admission order until the completion of the CIRP or the issuance of a liquidation order.

In *P. Mohanraj & Ors. v. M/s Shah Brothers Ispat Pvt. Ltd.*, the Court held that while a moratorium under Section 14 does not bar criminal proceedings under Section 138 of the Negotiable Instruments Act, the trial court must stay those proceedings once the moratorium is declared. The Court also clarified that the moratorium is confined to the corporate debtor — it does not protect personal guarantors or co-accused promoters in criminal matters.

6.3 Section 29A: The Eligibility Filter and Its Complications

Section 29A, introduced by the Insolvency and Bankruptcy Code (Amendment) Act, 2018, disqualifies persons whose account has been classified as a Nonperforming Asset for over a year from submitting a Resolution Plan in respect of that debtor. The logic was straightforward: stop promoters who drove a company into insolvency from buying it back at a steep discount through the resolution process.

In *ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta and Ors.*, the Supreme Court provided Section 29A with the most authoritative construction. The Court took an expansive view, tracing the eligibility disqualification through interconnected companies to prevent structured arrangements designed to evade

the bar. This widened the net considerably — to the point where some practitioners have argued that Section 29A has made it harder to find eligible resolution applicants for mid-sized and smaller corporate debtors. The tension between the anti-promoter cronyism objective of Section 29A and the practical need for a large pool of eligible buyers remains one of the Code's most unresolved design problems.

7.0 Judicial Trends and Landmark Decisions

7.1 Essar Steel: The Judgment That Settled the Architecture

If one had to pick a single judgment that did the most to clarify how the IBC was supposed to work, it would be the Constitution Bench decision in *Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta & Ors.* The case arose from the resolution of Essar Steel, one of the largest insolvencies under the Code, and addressed a cluster of questions that had generated conflicting NCLAT decisions.

The Court's most important holding was on the 'commercial wisdom' of the CoC. It unambiguously held that once the CoC approves a resolution plan by the requisite voting share, neither NCLT nor NCLAT can reopen the commercial terms or redistribute the resolution proceeds differently. Judicial review is available only to check whether the plan meets the statutory requirements not to substitute the Court's economic preferences for the CoC's. This ruling effectively ended a period where appellate tribunals were acting as commercial arbiters, which was causing enormous uncertainty for resolution applicants.

7.2 Other Significant Decisions: 2020–2025

In *Lalit Kumar Jain v. Union of India & Ors.*, the Supreme Court upheld the notification extending Part III of the Code to personal guarantors, settling a dispute about whether the government could bring insolvency provisions into force selectively for different classes of persons.

At the NCLAT level, *Union of India v. Shri Madan Lal Food Products Pvt. Ltd.* clarified that withdrawal of a CIRP application under Section 12A requires 90% CoC approval, and that this threshold is mandatory, not discretionary. This is important because exit conditions had to be clear as settlements between debtors and creditors during CIRP are frequent.

7.3 The 2024–2025 Regulatory Developments

As of late 2025, the IBBI circulated several Discussion Papers proposing significant changes to the framework — including proposals to rationalize post approval monitoring of resolution plans (a gap that has led to post approval failures), strengthen PPIRP, and tighten IP conduct standards in large CIRPs. The Finance Act had already increased the minimum default threshold from ₹1 lakh to ₹1 crore — an adjustment that filtered a significant pool of small disputes out of the NCLT.

8.0 Contemporary Issues in Insolvency Practice

8.1 Prepackaged Insolvency (PPIRP): Promising, But Underutilised

When the government introduced the Prepackaged Insolvency Resolution Process (PPIRP) through the Insolvency and Bankruptcy Code (Amendment) Act, 2021, it was heralded as a game changer for MSMEs. The concept was simple: let the debtor and its creditors agree on a Base Resolution Plan before approaching the NCLT, get Court approval within 120 days, and avoid the full CIRP machinery with all the disruption, cost, and stigma it brings. The process is governed through the new Sections 54A to 54P of the Code.

The 2025 empirical evidence, however, reveals a stark imbalance between policy intent and outcome. According to government statistics, close to 100,000 MSMEs shut down since 2020. Yet, by March

2025, IBBI data highlighted that only 14 PPIRP applications had been admitted nationally, with fewer achieving a successful resolution. The requirement that 66% of unrelated financial creditors must approve the Base Plan even before filing is operationally difficult for smaller companies. Furthermore, lower-level bank officials display significant reluctance to approve PPIRP 'haircuts' for fear of accountability, preferring the traditional CIRP/SARFAESI routes despite higher value erosion. The Economic Survey of 2025–26 categorised the PPIRP as 'near dormant,' emphasizing the immediate need for threshold reductions and extensive banker sensitisation.

8.2 Cross Border Insolvency: The 2025 Paradigm Shift

Previously regarded as the 'missing chapter' of the IBC, India's cross border insolvency framework historically relied on Sections 234 and 235 of the Code, permitting bilateral agreements that largely remained nonoperational. Cases like Jet Airways exposed this liability sharply: Dutch courts initiated their own Jet Airways insolvency proceedings, leading to parallel Indian and Dutch resolution processes without a formal legal framework to synchronise them.

A monumental shift occurred in August 2025 when the Union Finance Minister introduced the Insolvency and Bankruptcy Code (Amendment) Bill, 2025 in the Lok Sabha. The proposed Bill is designed explicitly to dismantle the fragmented bilateral approach by inserting Section 240C, which aligns Indian law directly with the UNCITRAL Model Law on Cross Border Insolvency. This watershed amendment empowers the Central Government to prescribe standardised rules for the administration, cooperation, and jurisdiction concerning foreign insolvency proceedings ensuring better coordination with international tribunals, securing foreign assets of Indian debtors, and dramatically boosting global investor confidence in the Indian credit environment.

8.3 Personal Guarantors: The New Frontier of Enforcement

Part III of the IBC was extended to personal guarantors to corporate debtors through a notification dated 15 November 2019, upheld by the Supreme Court in *Lalit Kumar Jain v. Union of India & Ors.* Recent IBBI data showed thousands of personal guarantor applications being filed, representing massive capital sums. In practice, this has become a parallel enforcement route that banks use alongside the corporate CIRP — partly to put pressure on promoters to cooperate with the resolution process and partly as a genuine recovery mechanism where corporate resolution fails.

9.0 Artificial Intelligence in IBC Proceedings — Potential and Limits

As of 2025–2026, the discussion around Artificial Intelligence (AI) in the insolvency ecosystem has moved from theoretical potential to impending regulatory necessity. The IBBI is actively exploring rendering AI usage mandatory for resolution professionals to accelerate timelines and reinforce compliance. The Indian Institute of Insolvency Professionals of ICAI (IIPI) similarly advocates for deep digital integration.

9.1 Concrete Uses of AI in CIRP

Fraud Detection and PUFET Transactions: One of the hardest tasks for an RP is identifying Preferential, Undervalued, Fraudulent, and Extortionate (PUFET) transactions hidden within millions of rows of ledger data. Machine Learning algorithms can cross-reference submitted financial records against GST networks, MCA21, and banking histories to flag anomalous cash flows instantly, tracing hidden promoter assets with algorithmic precision.

Automated Insights and Legal Precedent Mapping: Instead of spending weeks analysing dense NCLT/NCLAT precedents, resolution professionals are increasingly utilising Natural Language

Processing (NLP) and Large Language Models (LLMs) to instantly summarise tribunal case laws, crosschecking Resolution Plans against Section 30 parameters and Section 29A filters.

Cost and Timeline Compression: Document and claim processing can be aggregated via AI, slashing the manual verification that traditionally drags CIRPs beyond the 330day mandate. Predictive models can also forecast asset liquidation scenarios, enabling the CoC to vote efficiently based on empirical projections.

9.2 Can AI Replace the Insolvency Professional?

Despite governmental push for AI integration, the core identity of the Company Secretary / Insolvency Professional remains secure — transitioning, however, from a pure processor to an 'AI collaborator.' The functions that cannot be automated are the most critical ones:

- **Fiduciary Accountability:** Legal liability cannot be delegated to an algorithm. When a creditor challenges an RP's decision before the NCLT, the RP must justify it as a professional exercising human judgment.
- **Stakeholder Management:** Negotiating the commercial wisdom among antagonistic CoC factions requires deep emotional intelligence, empathy, and the reading of human incentives that AI lacks.
- **Ethical Discretion:** The IBBI Code of Conduct for IPs establishes parameters for integrity, independence, and professional scepticism — inherently normative standards requiring conscience over computation.

9.3 The Regulatory Gap the IBBI Must Fill

While IIPPI issued preliminary guidance on digital tooling, rigorous statutory frameworks regarding AI usage remain undeveloped. Key regulatory questions the IBBI must address include:

- If an RP uses an algorithmic tool to verify claims and it erroneously deprioritises an operational creditor, where does legal malfeasance lie?
- What algorithmic transparency disclosures must be submitted to the CoC?
- How will AI tools comply with data privacy architectures imposed by the Digital Personal Data Protection Act, 2023, given that CIRP involves thousands of PII datasets?

Addressing these gaps via a specialised IBBI Circular is imperative to secure India's position at the forefront of RegTech insolvency law.

10.0 Results

The doctrinal mapping of the IBC's four pillars (Section 5.0) demonstrates that the regulatory architecture is coherent in design but unevenly operational: the IBBI and IP framework function reasonably well, whereas Information Utilities remain underdeveloped and NCLT capacity is the single largest structural risk to the Code's success.

The judicial evolution analysis (Section 7.0) shows that landmark decisions *Swiss Ribbons*, *ArcelorMittal*, *Essar Steel*, *Lalit Kumar Jain* have progressively clarified the Code's architecture, insulated the CoC's commercial wisdom from appellate overreach, and extended IBC's reach to personal guarantors. The body of jurisprudence is now sufficiently developed to provide predictability for market participants.

Contemporary challenges (Section 8.0) reveal the hardest unfinished business: PPIRP is near dormant (only 14 admissions vs. ~100,000 MSME shutdowns), the 2025 Amendment Bill on cross border insolvency is transformative but not yet enacted, and personal guarantor enforcement has become a parallel resolution tool with its own procedural complexity.

The AI analysis (Section 9.0) reveals that AI is a genuine force multiplier for RPs — particularly in PUFÉ detection and legal precedent mapping — but cannot substitute for fiduciary accountability, stakeholder negotiation, or ethical discretion. The regulatory gap in AI liability and DPDPA compliance within CIRP is the most pressing near term policy challenge identified.

11.0 Findings and Conclusion

11.1 Summary of Findings

The IBC is one of the more carefully designed pieces of legislation independent India has produced. The institutional architecture is coherent, the incentive structure is broadly right, and the judicial process has evolved the Code's interpretation pragmatically. Moving toward 2026 and standardising models across UNCITRAL borders underscores India's intent to remain a robust environment for foreign and domestic creditors.

The IBC's recovery rate has improved India's global resolving insolvency rankings substantially. Yet, a system resulting in nearly 50% capital haircuts for financial institutions and heavy liquidation rates requires finetuning. The Code can, and must, do better.

11.2 Key Recommendations

Enact the 2025 Amendment Bill (Section 240C): Parliament must expedite the IBC Amendment Bill, 2025. Standardizing cross border protocols via UNCITRAL Model alignment is vital to prevent value obliteration in multinational conglomerates.

Fix PPIRP Operationally: Bank sensitisation campaigns and a legislative reduction in the pre-filing CoC approval threshold (from 66% to a lower plurality) would democratize the prepack mechanism and halt the mass closure of viable MSMEs.

IBBI AI Regulatory Circular: The IBBI must immediately issue a framework circular on AI usage in CIRP proceedings, formalising IP liability loops, algorithmic audit trails, and data localisation under the DPDPA, 2023.

NCLT Capacity: A dedicated FastTrack IBC bench within each NCLT backed by AI assisted caseload scheduling tools would surgically target the current adjudicatory bottlenecks causing Section 12 timeframe breaches.

CS Advocacy: The ICSI should aggressively advocate for a defined tech savvy CSIP role in high threshold CIRPs, positioning Company Secretaries as the premier intermediaries capable of navigating both statutory compliance and algorithmic RegTech systems.

To CS students and young professionals: the IBC is not a settled body of law that one studies once and moves on from. It is evolving by the moment — via amendments, groundbreaking Supreme Court rulings, and AI integrations. The practitioners who are important in this area five years down the line will be the ones who remain fluid, flexible, and educated.

References

A. Statutes and Regulations

1. Insolvency and Bankruptcy Code, 2016 (as amended up to Finance Act, 2025).
2. Insolvency and Bankruptcy Code (Amendment) Bill, 2025 (Introduced in Lok Sabha, August 2025).
3. IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
4. IBBI (Liquidation Process) Regulations, 2016.
5. IBBI (Insolvency Professionals) Regulations, 2016.

6. Insolvency and Bankruptcy Code (Amendment) Act, 2018.
7. Insolvency and Bankruptcy Code (Amendment) Act, 2021.
8. Digital Personal Data Protection Act, 2023.

B. Case Law

1. Swiss Ribbons Pvt. Ltd. & Anr. v. Union of India & Ors., (2019) 4 SCC 17.
2. ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta & Ors., (2019) 2 SCC 1.
3. Innoventive Industries Ltd. v. ICICI Bank, (2018) 1 SCC 407.
4. Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta & Ors., (2020) 8 SCC 531.
5. P. Mohanraj & Ors. v. M/s Shah Brothers Ispat Pvt. Ltd., (2021) 6 SCC 258.
6. Lalit Kumar Jain v. Union of India & Ors., (2021) 9 SCC 321.
7. Jet Airways (India) Ltd. v. State Bank of India, Company Appeal (AT) (Insolvency) No. 704 of 2019, NCLAT.
8. Union of India v. Shri Madan Lal Food Products Pvt. Ltd., Company Appeal (AT) No. 414 of 2018, NCLAT (13 January 2020).

C. Reports and Academic Sources

1. Bankruptcy Law Reforms Committee. (2015). Report of the Bankruptcy Law Reforms Committee, Vol. I: Rationale and Design. Ministry of Finance, Government of India.
2. Chaturvedi, P., & Singh, M. (2024). Insolvency resolution under IBC: Challenges and prospects. *International Journal of Financial Management and Research*, 6(3).
3. Insolvency and Bankruptcy Board of India. (2024). Annual Report 2023–24. IBBI.
4. Insolvency and Bankruptcy Board of India. (2025). Report on AI and PUFEE Transactions. IBBI.
5. Insolvency Law Committee. (2018). Report on Cross Border Insolvency. Ministry of Corporate Affairs, Government of India.
6. Indian Institute of Insolvency Professionals of ICAI (IIPI). (2025). Guidance note on digital adoption for resolution professionals. IIPI.
7. Pandey, A., Sharma, R., Bhavna, J., Jaiswal, R., & Bansal, S. (2022). Public sector banks and the Insolvency and Bankruptcy Code. NIBM Working Paper No. 53. National Institute of Bank Management.
8. World Bank Group. (2016). Doing Business 2016: Measuring regulatory quality and efficiency. World Bank.

D. Institutional and Online Sources

1. Cyril Amarchand Mangaldas. (n.d.). Insolvency and bankruptcy blog. Retrieved from <https://corporate.cyrilamarchandblogs.com/category/insolvencyandbankruptcy/>
2. ICSI. (n.d.). Author guidelines — Chartered Secretary Journal. Retrieved from https://www.icsi.edu/media/webmodules/guideline_for_authors.pdf
3. IBBI. (n.d.). Legal framework. Retrieved from <https://ibbi.gov.in/legalframework/act>
4. Taxmann. (n.d.). IBC research database. Retrieved from <https://www.taxmann.com/research/ibc>