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Efficiency Versus Expediency: Investigating The Gaps In India's Fast Track Corporate Insolvency Process

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Abstract

This research paper investigates India's corporate insolvency speedy resolution process as part of the Insolvency and Bankruptcy Code, 2016, highlighting the procedural timeframes along with its execution challenges in the speedy resolution process. This research analyzes the speediness of the process in terms of efficiency in corporate debt resolution and highlights the gaps concerning such as delays in the process, insufficient resources, delays in process, and disjointed stakeholders coordination. Some insolvency case studies are analyzed to demonstrate the systemic inefficiencies and bottlenecks that create difficulties in timely resolution. The study concludes that while speedy processes are designed to be efficient and to promote creditor welfare, the gaps and inadequacies in implementing the speediness of the process, the deficient support structures, and the evolving complexities of corporate matters reflect on its significance, and as a result, calls for policy changes and procedural enhancements.

Keywords*: fast track insolvency, corporate debt resolution, IBC 2016, creditor welfare, efficiency of process, delay in processes, insolvency reforms*

I. INTRODUCTION

The corporate insolvency resolution process is vital for India's financial and legal structures; it was developed with the aim to deal with the distress of companies that are insolvent while balancing the rights of the creditors and stakeholders. Corporate insolvency has also been defined under the Ministry of Corporate Affairs as: "a situation where a company is unable to pay its debts as they become due or where its liabilities exceed its assets, thereby necessitating a legal resolution process to protect the interests of creditors and stakeholders"[1] The Insolvency and Bankruptcy Code, 2016 (hereinafter IBC) provides the statutory framework for corporate insolvency resolution, aiming to strike a balance between efficiency—the effective recovery of dues—and expediency—the timely completion of the resolution process. To appreciate the negative economic implications these

lengthened insolvencies create, namely through non-performing assets and an erosion of market confidence, the IBC introduced the fast-track corporate insolvency resolution process (FTIRP) to complete a resolution with smaller or financially uncomplicated cases in 90 days. By enabling faster recovery, the process also seeks to maintain entrepreneurial confidence, promote disciplined corporate governance, and enhance overall economic stability[2].

While the fast track mechanism has clear legislative objectives, challenges in practical implementation are abundant. National Company Law Tribunals (NCLTs) are often delayed, due to case backlogs, a lack of institutional capacity, and inadequate infrastructure. Also, temporary insolvency professionals, of which there is a limited number, further contribute to procedural inefficiency and can result in delays that breach the statutory limit on 90-days. Uncertainty regarding the applicability of statutory terms, such as the definition of 'eligibility' for companies and 'only' for creditors, results in varying orders in outcome to the fast-track process. These practical impediments serve to reveal the gap between statutory policy and its practical performance.

Gaps in structural and institutional coordination of the IBBI, financial institutions, and tribunals inhibit timely, consistent fast track resolutions. Procedural standards and regulatory alignment must be strengthened to achieve delivering corporate debt recovery efficiently and expediently.

[1] Ministry of Corporate Affairs, Guide to Corporate Insolvency, Government of India, 2017.
[2] Shukla, R., Fast Track Insolvency Resolution in India: Challenges and Opportunities, Journal of Indian Law & Practice, 2022.

Research Gap

While the fast track corporate insolvency resolution process (FTIRP) under the Insolvency and Bankruptcy Code, 2016, was instituted to speed up resolution and safeguard creditor interests, operational challenges still constrain its efficiency. Delay in case adjudication, unavailability of expertise in insolvency professionals, and varying application of procedural norms across tribunals frequently impede timely outcomes. Coordination problems between the Insolvency and Bankruptcy Board of India (IBBI), financial institutions, and the enforcement agencies further diminish operational efficiency. Additionally, the field lacks comprehensive studies assessing how effectively the fast track mechanism fulfills its mandates, i.e., maximizing creditor recovery, sustaining business value, and supporting market confidence. This highlights the necessity for research that determines systemic roadblocks and recommends implementable reforms to improve the efficiency and speed of the fast track process.

Research Questions

- To what extent is the fast track corporate insolvency resolution process (FTIRP) effective in allowing for timely and efficient recovery of corporate debts in India?
- What issues do NCLTs, insolvency professionals, and regulatory bodies face in continuing the fast track process?
- How have delays in procedure, coordination issues, and case complexity impacted the ultimate efficiency and outcome of the fast track mechanism?
- What do we learn from successful and unsuccessful fast track insolvency cases in India, to improve policy and implementation?
- **Hypothesis**
- H1: The fast track corporate insolvency resolution procedure under the IBC has a statutory framework for speedier corporate debt recovery, yet it is circumscribed by procedural delays, gaps in coordination, and limitations in institutional capacity.
- H2: Uncertainties of statutory provisions, uneven tribunal practices, and compounded corporate structures make practical issues that the existing fast track insolvency process is not adequately capable of resolving.
- H3: Enhancing NCLT capability, coordination among the IBBI, financial institutions, and insolvency professionals, and implementing sophisticated technological tools can enormously increase the speed and efficiency of the fast track insolvency process.

II. GENESIS AND EVOLUTION OF THE FAST TRACK RESOLUTION MECHANISM

The need for a fast track insolvency process in India followed the recognition that it was unnecessary to subject every distressed corporate entity to the complete burden and timelines of the regular insolvency resolution process. The Insolvency and Bankruptcy Code, 2016 (IBC) originally contemplated a one-size-fits-all insolvency resolution process for all eligible debtors, but virtually immediately there was feedback from both the market and expert committees that a bespoke process was needed for smaller firms, start-ups and firms with low assets. The Bankruptcy Law Reforms Committee, for instance, emphasized the importance of a simplified restructuring route for simpler cases so that value erosion in the interim would be minimised.[3]

Following this conceptual mandate, the legal architecture for the fast-track mechanism was introduced in chapter IV of part II of the IBC through Sections 55 to 58, and operationalized by the Insolvency and Bankruptcy Board of India (IBBI) by way of the Fast Track Insolvency Resolution Process for Corporate Persons Regulations, 2017.[4] These provisions set out the criteria for eligibility (such as small companies and start-ups or unlisted firms with assets below a certain threshold) fixing timelines much shorter than regular corporate insolvency processes

— typically, at a 90-day, one-time extension of a further 45-day process, as compared to the regular corporate insolvency process, which is 180 days (plus extension). The regulatory scheme also revamped the procedural requirements; there are not as many requirements for the information memorandum and the constitution of the Committee of Creditors (CoC) process is streamlined to be much simpler. These legislative changes reified the formal pathway for a fast- track process from concept to statute.

In the early phase of implementation, the fast-track mechanism sought to deliver on its promise of speed and cost-efficiency, especially for entities of lesser size and complexity. Several academic studies note that the reduced timeline and procedural ease would benefit start-ups and small companies by limiting value destruction and reducing insolvency costs. [5] Despite this, the uptake of the mechanism has been modest and there have been a number of implementation challenges — including a lack of awareness of eligibility criteria, diverse approaches by tribunals, and a lack of capacity of insolvency professionals to work within extremely compressed time-frames.[5] This phase of the mechanism shows there is a learning

[3] Das, A. (2022). Insolvency and Bankruptcy Reforms: The Way Forward. Economic & Political Weekly, 57(4), 40- 47
[4] Shekhar, C. (2025). Bailing Businesses, Boosting Banks: The Evolution of Insolvency and Bankruptcy Law in India. SSRN
[5] Singh, B. (2022, June 7). Enhancing the fast-track insolvency resolution process in India: A multifaceted study. LinkedIn.

curve in transferring a statutory framework into quantifiable results, given the multitude of companies found in a diverse and dynamic corporate landscape. Additionally, as noted in *Insolvency Law in India* by V. K. Jain, the lack of standardized procedural training and absence of consistent guidelines for insolvency professionals often results in uneven application of fast-track provisions across different tribunals, further impeding efficiency.[6]

More recently, the fast-track mechanism is into a new phase of reform, as expert committees noted delays even in this route are impacting business value and market confidence. Focus is placed on improving governance, developing institutional capacity and performance monitoring, assuring the mechanism continues its transformation to play a part in effective and timely resolutions.

III. LEGISLATIVE FOUNDATION : SECTIONS 55-58 OF THE IBC AND IBBI REGULATIONS, 2017

The Fast Track Corporate Insolvency Resolution Process (FTIRP) was introduced under Chapter IV (Sections 55–58) of the Insolvency and Bankruptcy Code, 2016 (IBC) as a legislative innovation designed to expedite insolvency resolution for corporate entities with limited operations and uncomplicated debt structures.[7] It symbolizes an intentional legislative initiative to promote a balance between procedural economy and the guiding principles of fairness, transparency, and creditor protection within the IBC structure. It represents a deliberate legislative attempt to balance procedural economy with the overarching principles of fairness, transparency, and creditor protection embedded within the IBC framework.

The inclusion of FTIRP was influenced by comparative models adopted in jurisdictions such as the United Kingdom and Singapore, where streamlined insolvency frameworks have been effectively implemented for small and medium enterprises.[8] The relatively short resolution period of 90 days, with an allowable extension not exceeding 45 days, was purposely made to create a model for simpler corporate debtors while not detracting from the integrity and efficiency of the insolvency process.

Empirical research and study of NCLT case records show that while the process has improved procedural efficiency, there remain data challenges, particularly in the areas of eligibility assessment and uniformity of eligibility assessment across tribunals. FTIRP serves as a procedural reform. FTIRP also shares

[6] Jain, V. K. (2020). Insolvency Law in India (2nd ed.). New Delhi: LexisNexis
[7] The Insolvency and Bankruptcy Code, 2016, Chapter IV, Sections 55–58.
[8] Report of the Bankruptcy Law Reforms Committee, 2015.

synergies with India's broader insolvency reform agenda—aiming towards timeliness, restoring creditor confidence, and decreasing non-performing assets (NPA).

Legislative Intent and Statutory Structure

Sections 55 to 58 of Chapter IV, Part II of the Insolvency and Bankruptcy Code, 2016 (IBC), provided the legislative underpinning for the Fast Track Corporate Insolvency Resolution Process (FTIRP). The idea was that there should be a more efficient and streamlined mechanism to deal with the insolvencies of small companies, start-ups, or unlisted companies with limited assets and simple debt structures. The legislators were aware that this framework would offer an avenue to resolve liquidity distress among smaller entities without having them traverse all the procedural avenues that the full Corporate Insolvency Resolution Process (CIRP) would require.[9] The Fast Track Insolvency Resolution Process for Corporate Persons Regulations, 2017, issued by the Insolvency and Bankruptcy Board of India (IBBI), operationalized this framework by laying out the eligibility criteria, application templates, and procedural documentation.

Procedural Design and Timelines

The primary feature of FTIRP is its quick procedural timelines. The resolution process must finish, according to Section 56, within ninety (90) days, with one possible extension of forty-five

(45) days if approved by the Committee of Creditors (CoC) holding at least a seventy-five (75) percent voting share.[10] Sections 57 and 58 provide equal treatment with provisions under the CIRP, with the provisions applied mutatis mutandis, ensuring both legal consistency and procedural clarity. The process allows a creditor, corporate debtor or corporate applicant to commence proceedings in the NCLT by showing standing and proof of default, preferable verified by Information Utility. The IBBI Regulations assist in compliance with standardized documentation formats and reduced procedural steps to expedite the process in court.

Regulatory Oversight and New Challenges

The IBBI acts as the regulatory body to ensure effective implementation of the FTIRP regime by: providing guidance, monitoring compliance with process requirements, and conducting performance

[9] Das, A. (2022). Insolvency and Bankruptcy Reforms: The Way Forward. Economic & Political Weekly, 57(4), 40-47
[10] The Insolvency and Bankruptcy Code, 2016, Sec 56.

reviews. However, despite a clear legislative framework, take-up of the regime has been low due to a lack of awareness, inconsistent approaches taken by tribunals, and a lack of capacity of insolvency professionals.[11] The ambiguous eligibility and documentation requirements have further contributed to the delays experienced under the regime and undermined the purpose of the regime to facilitate a faster process. To address these concerns, different expert committees have suggested reforms, such as a creditor/investor-led fast track model for smaller businesses, the use of digital claims verification technology, and alignment of the FTIRP regime with pre-pack insolvency for MSMEs. These ideas are indicative of a legislative and institutional commitment to embrace the FTIRP as a faster and more efficient outcome.

IV. Empirical Insights And Judicial Trends In Fast Track Insolvency Resolution Process

The Fast Track Corporate Insolvency Resolution Process (FTIRP), established under the Insolvency and Bankruptcy Code, 2016 (IBC), was envisioned as a novel process to assist with corporate debt resolution for entities with uncomplicated capital structures. Founded in the Code in Sections 55 to 58, the FTIRP was ultimately created to achieve efficiency, limit the congestion in the tribunal, and facilitate ease of doing business in India. The main aim is to provide a mechanism for timely revival or liquidation for small and medium enterprises, while protecting the interests of creditors and avoiding value loss in business due to the time taken for adjudication. However, despite a well-meaning legislative scheme to serve these objectives, the reality is that the FTIRP has not functioned as intended.

Judicial and practical experience indicates that while the process requires completion within 90 days (which may be extended by 45 days in exceptional circumstances) this timeline is frequently exceeded due to a lack of administrative efficiency, a lack of trained insolvency professionals, and disparity in adjudicating judgments made across different tribunals. The combination of judicial discretion and the rigidity of the legislative framework adds further complexity to how effective the framework can actually be. These judicial trends and procedural divergences constitute the essence of this unfinished research — why a process that is supposed to be focused on speed continues to suffer from systemic impediments to speed and predictability in its outcomes.

Judicial Interpretation and Evolving Jurisprudence

[11] Singh, B. (2022, June 7). Enhancing the fast-track insolvency resolution process in India: A multifaceted study. LinkedIn.

The operational landscape of the FTIRP has been substantially affected by judicial pronouncements. Courts have acknowledged the need to strike a balance between procedural expediency and procedural fairness and due process. In the case *M/s. F.M. Hammerle Textiles Ltd. v. State Bank of India*[12], as reiterated by the NCLAT, the gist of fast tracking process lies in "expeditious disposal without compromising procedural justice." Likewise, in *Sobha Limited v. Pancard Clubs Ltd.*[13], the NCLT Mumbai Bench held that the FTIRP must be strictly adhered to preserve efficiency as expected under the Code, adding that all delays robbed the rationale for enacting it.

Yet, at times, judicial flexibility has undermined achieving this aspect. The courts permitted extensions to plans whose deadlines had been prescribed at not more than 90 days under Section 56, finding that to be followed rigorously under some circumstances could risk bearing down on substantive justice. This balancing act indicates the judiciary trying to maintain a degree of procedural discipline whilst balancing the practical reality of deficiencies arising from insolvency professionals and creditors. The absence of a consistently developed substantive jurisprudential interpretation in various benches exacerbates unpredictability, leaving relevant parties unsure of their eligibility and procedural requirements.

Practical Implementation Difficulties and Institutional Bottlenecks

On a practicable note, the FTIRP continues to experience serious operational bottlenecks. Insolvency professionals tend to do not have specific experience for fast track matters, and a lot of the adjudicating authorities in practice are not up to speed with applying IBBI (Fast Track Insolvency Resolution Process for Corporate Persons) Regulations, 2017 [14]. This recaps to the mishandling of records, procedural gaps and a host of adjournments, risking undermining the legislative intent of the law in the first instance.

In *M/s. Rapid Resolution Pvt. Ltd. v. Canara Bank*[15], the NCLT commented that the delay often arises from procedural shortcoming and disorganisation amongst creditors and insolvency professionals, rather than failings in the underlying legal framework. Furthermore, communication issues amongst the Insolvency and Bankruptcy Board of India (IBBI), banks and enforcement agencies continue to impede

[12] M/s. F.M. Hammerle Textiles Ltd. v. State Bank of India, (2018) NCLAT 62.
[13] Sobha Limited v. Pancard Clubs Ltd., (2020) NCLT Mumbai Bench.
[14] Insolvency and Bankruptcy Board of India (Fast Track Insolvency Resolution Process for Corporate Persons) Regulations, 2017.
[15] M/s. Rapid Resolution Pvt. Ltd. v. Canara Bank, (2021) NCLT Delhi.

timely and consistent application of the FTIRP[16] in practice. When effective data sharing and communication systems are not adopted, the implementation process loses its velocity and certainty.

Empirical evidence bears out this concern. While the Grant Thornton Bharat IBC Performance Review (2023)[17] indicates few insolvency cases are permitted under the FTIRP, and many corporate insolvency cases are admitted to the standard Corporate Insolvency Resolution Process (CIRP). The lack of FTIRP cases indicates serious and systemic issues which suggest that while theoretically the fast-track regime is workable, practically it is still developing. These gaps could be addressed by creating specialized benches for fast-tracked NCLT cases, educating insolvency professionals, and improving centralised monitoring. Ultimately, the hope would be faster closure and a process more aligned with legislative aims.

The judiciary's changing interpretation of the FTIRP epitomizes both the promise of India's insolvency regime and its challenges. Although courts have highlighted the importance of expediency in the Code, inconsistent application and institutional shortcomings continue to hinder what the Code's core purpose to achieve is fast, efficient and effective insolvency resolution.

V. Comparative analysis (uk, singapore and usa)

An exploration of the insolvency regimes of developed countries provides important information about the structural, procedural and institutional designs to achieve efficiency in expedited insolvency cases. The experiences of the United Kingdom, Singapore, and the United States reveal how coherent legislative design, skilled practitioners, and judicial discipline leads to faster outcomes and presents greater security for creditors - all elements which India's Fast Track Corporate Insolvency Resolution Process (FTIRP) struggles with.

United Kingdom: Efficient Administration and Institutional Discipline

The United Kingdom's insolvency framework, which falls under the jurisdiction of mainly the Insolvency Act, 1986 and the Enterprise Act, 2002, is premised on administrative efficiency and limited intervention by the court. The administration regime created under Part II of the Act allows a licensed insolvency practitioner to act as independent administrators and administer the quick restructuring of

[16] IBBI Annual Report 2022–23.
[17] Grant Thornton Bharat, “IBC Performance Review,” 2023.

financially distressed companies. [18] The procedural framework contemplates timely decision-making, usually with a goal of completion within twelve months and limited further extensions.

The Insolvency Rules 2016 in the UK support fast-track procedures for small and medium-sized enterprises (SMEs) and other low complexity cases.[19] The reason for such success is due to the professional system in place - the licensed insolvency practitioners are extensively trained and regulated by recognized professional bodies, the Insolvency Practitioners Association and the Institute of Chartered Accountants in England and Wales.

Judicial oversight is still presented in a supervisory role rather than an interventionist role to ensure that procedural litigation does not derail administrative decisions. This separation of administrative and adjudicatory powers in the UK has aided in maintaining a high degree of predictability as well as creditor confidence, reinforcing that the efficiency of the insolvency process is gained by professional independence instead of judicial micromanagement.

Singapore: The Hybrid Model of Efficiency and Flexibility

Singapore's insolvency regime is consolidated in one piece of legislation in the form of the Insolvency, Restructuring and Dissolution Act, 2018 (IRDA) representing a modern, hybrid and efficient model of judicial guidance and administrative flexibility. The IRDA combines provisions of the Companies Act and Bankruptcy Act to create a unified structure for corporate and personal insolvency.[20]

Singapore’s speedy restructuring initiatives put an emphasis on speed, engagement with the debtor, and management using technology. Both the Judicial Management mechanism and the Pre-packaged Scheme of Arrangement allow for restructuring at an early stage, generally with limited involvement from the courts. *Re IM Skaugen SE (2019)*[21] demonstrates the efficiency of pre-packed restructuring, as the court was able to sanction the arrangement only weeks in advance thanks to creditors providing consent and electronically managing the process.

In addition, Singapore’s specialist courts of insolvency ensure that judges adjudicating cases have some financial expertise, thereby restricting unnecessary delays in the court procedures and interpreting the law differently in different cases. Singapore’s achievement of these initiatives came from the integrative

[18] Insolvency Act, 1986 (UK), Part II – Administration of Companies.
[19] Insolvency Rules 2016 (UK), Rule 3.4 and Rule 5.3
[20] Insolvency Rules 2016 (UK), Rule 3.4 and Rule 5.3
[21] Re IM Skaugen SE [2019] SGHC 259.

regulatory extensive coordination of Commonwealth agencies; the Ministry of Law, Monetary Authority of Singapore, Accounting Regulatory Authority (ACRA), and other legal bodies work together seamlessly. This system may assist India with its IBBI, NCLT, and enforcement agency coordination, which remains unsatisfactory.

United States: The Chapter 11 and Subchapter V Experience

The U.S. insolvency system under Bankruptcy Code (1978) is structured around flexibility and strict timelines considerations, specifically its Chapter 11 Bankruptcy case provisions and the smaller businesses' initiative under Sub chapter V, enacted in 2019. It primarily uses the "Debtor- in-Possession" (DIP) model to allow the management to continue operating a business while under the supervision of the Bankruptcy court, working toward a value preservation and a timely reorganization.[22]

Subchapter V was established through the Small Business Reorganization Act (SBRA), 2019, to provide a fast-track restructuring mechanism for small businesses with less debt than a statutory ceiling. Previously established frameworks were amended, requiring a plan of reorganization within 90 days of the Chapter 11 filing and suspending disclosure requirements, structuring a seriousness of purpose in meetings with creditors, while appointing a standing trustee as an overseer of fairness for the creditors and the debtor's conduct. The jurisdiction and efficiency of the U.S. Bankruptcy Courts are evidence through its established mechanisms and electronic case management systems that use formalized communications between the creditors, debtors, and trustees.[23]

Research conducted by the American Bankruptcy Institute quantifies that Subchapter V cases resolve 40–50% faster than traditional Chapter 11 cases, which shows how both procedural clarity and the specialization of the institution worked to enhance resolution speed. While the Indian FTIRP is conceptually similar in its goal of utilizing simple processes to expedite cases, it lacks statutory guarantees of timelines and a specific infrastructure of resource support. This leads to slippage in processes and inconsistent timing and outcomes.[24]

[22] U.S. Bankruptcy Code (1978), Chapter 11
[23] American Bankruptcy Institute (2023). Subchapter V Practice Report.
[24] Insolvency and Bankruptcy Board of India (IBBI), Newsletter on Capacity Building for Insolvency Professionals, 2024, available at www.ibbi.gov.in

Comparative Reflection and Lessons for India

A synthesis of the discussed jurisdictions highlights some promising elements that India may consider to enhance FTIRP efficiency:

Specialized Courts and Trained Insolvency Professionals

Both the UK and Singapore rely significantly on professionally accredited insolvency practitioners and specialized divisions in courts, in contrast to India's uneven capacity at NCLTs and limited training of Resolution Professionals (RPs).

Administrative Autonomy Alongside Regulatory Bodied Oversight

The UK and U.S. models afford insolvency administrators considerable autonomy, subject to post-facto judicial review, often reducing congestion.

Technological and Inter-Agency Integration

Singapore's digital management of its insolvency processes, as well as its integration between various e-agencies, offers a blueprint for IBBI and NCLTs to coordinate communications, monitor progress, and track documents.

Timelines that are Enforced and Statutorily Disciplined

The statutory timeline enforcement in Subchapter V of the U.S. and the administrative discipline set in the UK contrasts starkly with the FTIRP in India, where extension requests are often routine, and considered with no scrutiny.[25]

The comparative analysis emphasizes that efficiencies (or promises of efficiencies) in the insolvency process is not merely an author enforcement framework but an institutional practice grounded in facilitative administrative competence, regulatory cohesion, and procedural discipline.

VI. Recommendations and conclusion: Towards a more efficient fast track insolvency system

[25] Economic Times, “Need for integrated digital platform for insolvency cases,” July 2024.

The Fast Track Corporate Insolvency Resolution Process (FTIRP), established under Sections 55–58 of the Insolvency and Bankruptcy Code, 2016, was envisioned to facilitate a faster and simpler process for companies with uncomplicated finances. Though the intention of the measure is to save time and preserve value, in practice we see procedural delays, lack of experience among insolvency professionals, and various rules being applied differently in different tribunals, all of which slowed down a process that was supposed to be time-bound. Reaching the goals of efficiency and fairness requires two broad streams of reform: institutional strength and policy reform.

Institutional Strengthening and Procedural Efficiency

An effective fast-track system depends on the institutions that implement the system to be able to do so effectively. The current National Company Law Tribunal (NCLT) institution could hardly be considered effective as it has become overloaded, resulting in unnecessary delays, even in fast track insolvencies.[26] Developing dedicated benches and ensuring priority listings and allocation of cases for fast tract type would assist the process and avoid backlogs. Periodic and consistent training would help to improve procedural uniformity by tribunal members and staff in the responsibilities of the registry (i.e., the court).

Additionally, it is crucial to enhance the operations of insolvency professionals (IPs). Fast-track insolvency resolution process (FTIRP) happens within a very tight timeline (90 to 135 days), which necessitates that insolvency professionals have excellent skills in valuation and coordination. The Insolvency and Bankruptcy Board of India (IBBI) should have short-term certification courses for professionals working on fast-track cases.[27] Besides completing the cases in a short timeframe, IPs should have an incentive to achieve better recovery and maintain business value in the resolution of the company.

Digital tools, as well as a transparent tracking mechanism for cases processing, can ensure that there is a smooth handling of insolvency cases. A single online tracking platform for NCLT benches, IPs and creditors should allow for duplication of work to be minimised and provide real-time tracking of the progress of individual cases. A “deemed admission” provision for any applications that are not decided within a fixed period will also curb delays.[28]

[26] Performance of the Insolvency and Bankruptcy Code, 2023, available at www.prsindia.org
[27] Insolvency and Bankruptcy Board of India (IBBI), Newsletter on Capacity Building for Insolvency Professionals, 2024, available at www.ibbi.gov.in
[28] Economic Times, “Need for integrated digital platform for insolvency cases,” July 2024.

Equally, consistency in the practice of tribunals is important, as different NCLT benches often interpret procedural rules in varying ways, creating uncertainty. The IBBI, with the Ministry of Corporate Affairs, should issue a standard operating procedure (SOP) for cases involving the FTIRP, or fast-track insolvency resolution process, that establishes consistent rules and procedures to be followed by all tribunals.[29]

Policy Innovation and Future Directions

Within the issues of improving institutional conduct, long-term improvement entails policy innovation with regular evaluations of the policy. The IBBI and Ministry of Corporate Affairs should also begin to issue annual data reports that would indicate to the public the number of fast-track cases that have been admitted, resolved, and amount of returns that were eventually realized in that particular year.[30] This type of transparency will give policymakers, researchers and lenders the opportunity to evaluate the extent to which this system has met its intended purpose.

Also, we can strengthen India's fast-track process by learning from its international counterparts such as Singapore and the United Kingdom. Each jurisdiction is implementing specialised insolvency courts, pre-pack frameworks, and technology-based hearings that facilitate faster and more predictable outcomes. India can install similar measures including, but not limited to, a mix of digital filings, early negotiations of plans, and industry specific fast-tracking, particularly for small and medium enterprises.

Finally, the emphasis on efficiency is important, however, it is important for the process to retain fairness and accountability. Key obligations should be delineated for creditors, debtors and insolvency practitioners; decision-making must be transparent and reviewable at the appropriate juncture. Review by the IBBI and Parliament, as appropriate, of the fast-track provisions, on an occasional basis, would ensure that the mechanism remains relevant and responsive to financial and economic realities.

Conclusion

The Fast Track Insolvency Resolution Process is a significant step in enhancing the landscape of insolvency resolution in India, but its credibility and stability will depend on whether and to what extent it is implemented successfully. Institutional capacity, professional capacity, procedural certainty, and rules and approaches based on empirical policymaking evidence can deliver on the promise of FTIRP

[29] IndiaCorpLaw Blog, “Deemed Admission under the Insolvency Code: A Needed Reform,” 2023.

as an efficient and reliable mechanism. A balanced approach that pairs speed with transparency and fairness should foster greater confidence among creditors, enhance enterprise value, and improve India's reputation as an honest broker of commercial justice in a timely manner.

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