

**JUDICIAL INTERVENTION IN CORPORATE INSOLVENCY
RESOLUTION UNDER THE INSOLVENCY AND BANKRUPTCY
CODE: AN ANALYSIS OF KALYANI TRANSCO V. BHUSHAN
POWER AND STEEL LTD.**

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Abstract

The introduction of the Insolvency and Bankruptcy Code, 2016 (IBC) signifies an important change to the Indian regulatory framework for corporate insolvency resolution by introducing a single time-bound system for the resolution of financially distressed corporations. The IBC aims to achieve the optimal value of the corporate estate, ensure the efficient resolution of insolvency cases, and maintain a balance between the interests of stakeholders. An important part of the IBC system is the incorporation of the “commercial wisdom” of the Committee of Creditors (CoC), enabling the creditors to exercise primary control over the approval of the resolution plan while limiting the scope for judicial intervention.

Despite the regulatory system’s intentions, the judicial authorities continue to play an important role in the supervision of the insolvency resolution process. Judicial officials frequently vary from guidelines because they feel that intervention is essential to keeping appropriate processes, maintaining compliance with appropriate regulations, & protecting those who will ultimately bear the burdens of resolving an insolvency. Recent years have seen an increasing level of scrutiny by courts towards judicial interventions - this has called into question how such interventions will affect the efficiency with which cases are resolved.

This paper will review all instances of judicial intervention within the context of the new corporate insolvency framework found in the IBC legislation; particularly, how such judicial interventions were addressed through the decision rendered in Kalyani Transco v. Bhushan

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Power and Steel Ltd. Based upon a review of the decision rendered therein and predetermined sections of the IBC, this article will provide analysis concerning the effectiveness of judicial intervention for improving accountability within the regulatory system while continuing to address the historical autonomy that has been afforded creditors under traditional methods for dealing with insolvent corporate entities (i.e. commercial insolvencies).

Introduction

Corporate Insolvency in India has long been a matter of concern from a legal and economic point of view. Until the introduction of the Insolvency and Bankruptcy Code, 2016 (IBC), in India, various laws were in place to govern corporate insolvency, including the Sick Industrial Companies (Special Provisions) Act, 1985; the Recovery of Debts Due to Banks and Financial Institutions Act, 1993; and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Such a multi-pronged approach to corporate insolvency in India often gave rise to conflicting jurisdictions, thereby leading to delays in the resolution of corporate debt situations. As a result, it became extremely difficult for creditors to recover their dues, and corporate debtors faced a decline in the overall value of their assets due to lengthy legal proceedings².

Keeping in view these inefficiencies in corporate debt resolution in India, the Indian Parliament enacted a comprehensive code of corporate insolvency in India through the Insolvency and Bankruptcy Code, 2016. The IBC aims to ensure a time-bound resolution of corporate debt situations, maximise the overall value of corporate assets, ensure easy access to credit, and balance the interests of various stakeholders in corporate debt situations in India³. An integral feature of IBC is the creditor-driven approach, where, during the Corporate Insolvency Resolution Process (CIRP), decision-making authority vests in the hands of the Committee of Creditors (CoC)⁴. Such a feature of IBC is a reflection of the Indian Parliament's intent to ensure commercial decisions in IBC proceedings are left to creditors and judicial intervention in approving a resolution plan is kept to a minimum.

² See generally *Sick Industrial Companies (Special Provisions) Act*, No. 1 of 1986 (India); *Recovery of Debts Due to Banks and Financial Institutions Act*, No. 51 of 1993 (India); *Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act*, No. 54 of 2002 (India)

³ Insolvency and Bankruptcy Code, No. 31 of 2016, pmb. (India)

⁴ Id. §§ 21, 30(4)

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Within the institutional mechanism established under the IBC, the National Company Law Tribunal is responsible for handling cases of corporate insolvency. At the same time, the National Company Law Appellate Tribunal has been granted appellate jurisdiction to hear appeals against the decisions of the National Company Law Tribunal⁵.

The Supreme Court of India has been conferred with appellate jurisdiction over the decisions of the National Company Law Appellate Tribunal. In a series of landmark judgments, the Indian judiciary has clarified the scope and objectives of the IBC. In the judgment delivered in the case of *Swiss Ribbons Pvt. Ltd. v. Union of India*, the Supreme Court upheld the constitutional validity of the IBC and emphasised the importance of the prompt resolution of insolvency cases⁶. In another judgment delivered in the case of *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*, the Supreme Court reasserted the view that “commercial wisdom” of the Committee of Creditors falls outside the judicial review mechanism⁷.

Despite the legislative intent to restrict judicial intervention under the IBC, the Indian judiciary and judicial authorities have been actively involved in the process of ensuring that the requirements of the law are met. The increased involvement of judicial authorities has given rise to concerns over the extent of judicial oversight that can be permitted under the IBC. Excessive judicial intervention may undermine the autonomy of creditors and impact the smooth resolution process, while inadequate judicial oversight may lead to procedural injustices to stakeholders.

Kalyani Transco v. Bhushan Power deals with several issues surrounding how much the courts should involve themselves in the corporate insolvency processes. The matter dealt with considerable financial claims by the parties involved in the insolvency resolution processes, as well as competing interests from all parties who provided funding to Bhushan Power. There is a fine line between the level of court or judge involvement in the insolvency resolution process and the creditors’ level of autonomy regarding the management of their own assets. This article will look at the evolving scope of judicial intervention under the IBC

⁵ Id. §§ 61–62

⁶ *Swiss Ribbons Pvt. Ltd. v. Union of India*, (2019) 4 SCC 17.

⁷ *Comm. of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*, (2020) 8 SCC 531.

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and attempt to determine if the level of such intervention enhances or interferes with the principle of commercial wisdom, which is one of the primary purposes of the Code⁸.

Legal Framework of Corporate Insolvency under the Insolvency and Bankruptcy Code

In 2016, the Insolvency and Bankruptcy Code (IBC), created a fully structured system to resolve corporate insolvency in India by amalgamating previously scattered insolvency laws. To develop a time-efficient and streamlined method of resolving Corporate Financial Distress, while creating maximum value from the debtor's assets and protecting the interests of the stakeholders⁹. One of the major elements of this Code is the Corporate Insolvency Resolution Process (CIRP), a systematic process to enable financially troubled companies to be reorganised or liquidated.

1. Corporate Insolvency Resolution Process (CIRP)

The IBC is underpinned by the Corporate Insolvency Resolution Process (“CIRP”). If there is a default, the CIRP can be initiated by any of the following entities:

- i) a financial creditor,
- ii) an operational creditor, or
- iii) the corporate debtor itself¹⁰.

The application for the initiation of a CIRP must be made to the National Company Law Tribunal (“NCLT”), which is the adjudicating authority for matters involving corporate insolvency. Once the tribunal establishes that there has been a default, it will admit the application and declare the moratorium pursuant to section 14 of the Code¹¹.

The declaration of a moratorium puts a pause on all legal proceedings and enforcement actions against the corporate debtor and freezes the value of all the corporate debtor's assets while the corporate debtor is going through the insolvency resolution process. Management of the corporate debtor will be transferred to the Interim Resolution Professional (“IRP”) to manage the corporate debtor’s operations and collect information regarding the corporate debtor's financial position¹². The IRP

⁸ Kalyani Transco v. Bhushan Power and Steel Ltd, 2025 INSC 621; Civil Appeal No. 1808 of 2020

⁹ Insolvency and Bankruptcy Code, No. 31 of 2016

¹⁰ Insolvency and Bankruptcy Code, 2016, §§ 7–10

¹¹ Insolvency and Bankruptcy Code, 2016, § 14

¹² Insolvency and Bankruptcy Code, 2016, §§ 16–18

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will also form the Committee of Creditors (the “CoC”), which typically consists of financial creditors and plays an important role in the process.

2. Role of the Committee of Creditors

The CoC (Committee of Creditors) has a key role in the insolvency system that exists under the Insolvency and Bankruptcy Code, or IBC. Specifically, the CoC observes the financial position of the corporation that is insolvent and makes recommendations regarding what would be the best way to resolve the insolvency. The CoC can approve and endorse a voluntary resolution plan. Before a voluntary resolution plan can be approved, the plan must have the support of a majority of the CoC's membership, which is made up of creditors¹³.

The IBC demonstrates a model for insolvency where creditors are in control of the outcome of the distressed company. Financial creditors ultimately utilise their commercial judgment in making the decision regarding what direction to take in relation to the distressed company moving forward. This approach recognises that financial creditors, especially financial institutions, have the experience and background required to determine whether to approve a resolution plan and, if so, which type of resolution plan would be best to maximise the value of the assets of the distressed company. Thus, at the time when the adjudicatory authority makes its determination regarding the resolution plan that has been approved by the CoC, the adjudicatory authority's role is limited to that of reviewing the resolution plan to ensure compliance with the IBC¹⁴.

3. Approval of Resolution Plans

A Committee of Creditors is committed to authorizing or formally approving the new resolution plan that will replace the old resolution plan and will empower an adjudicating authority to schedule a hearing, if necessary, regarding implementation of such new plan at the time of final approval of the agreement between the corporation and the creditors, which have been prescribed in section thirty of the code providing for the payment of insolvency-resolution costs and the safeguarding of the rights of operational creditors¹⁵. The adjudicator is not permitted to ask about the commercial viability of any resolutions after they have been authorised by the CoC.

¹³ Insolvency and Bankruptcy Code, 2016, § 21

¹⁴ Insolvency and Bankruptcy Code, 2016, § 31

¹⁵ Insolvency and Bankruptcy Code, 2016, § 30

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The logical and legal limit on judicial review is evidence of the legislative purpose of the Commercial Code to limit the number of times that courts are allowed to interfere with creditors' decisions regarding commercial transactions.

4. Doctrine of Commercial Wisdom

One of the most important principles that govern the entire process of insolvency as mandated under the Insolvency and Bankruptcy Code (IBC) is the doctrine of "commercial wisdom." This principle clearly asserts that the Committee of Creditors (CoC) has the final say in assessing the viability of the resolution plans on the grounds of their commercial feasibility. The jurisprudence has always been that the courts must not interfere with the decision of the CoC on the grounds of their commercial wisdom unless there has been a clear violation of the provisions of the Code.

In the recent decision of the Supreme Court of India in *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*, the apex court clearly held that the "commercial wisdom" of the Committee of Creditors stands supreme¹⁶. Furthermore, the Court also held that such decisions are not susceptible to any kind of interference. In another recent decision in *Swiss Ribbons Pvt. Ltd. v. Union of India*, the Court clearly held that the limited scope of judicial intervention as mandated under the Code has been intended to ensure the efficiency of the entire process of insolvency¹⁷.

Despite these judicial pronouncements on the issue, the scope of judicial intervention in the entire process of insolvency continues to be a matter of debate. Thus, the interpretation of these principles has been a major factor in the evolution of the jurisprudence of insolvency.

Judicial Review in Insolvency Proceedings

The Insolvency and Bankruptcy Code, 2016, has a significant role in the establishment of Judicial Reviews, which explore whether the different options for proceeding with the insolvency process are both legal and fair. Also, while the Code generally allows a 'creditor-driven' process, Judicial Authorities are involved as the supervisor of the process to make sure the process is being followed correctly in regard to the requirements of the Institutional Regulation and Law that applies to insolvency. The Adjudicating Authority for Corporate

¹⁶ *Comm. of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*, (2020) 8 SCC 531.

¹⁷ *Swiss Ribbons Pvt. Ltd. v. Union of India*, (2019) 4 SCC 17.

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Insolvency is the National Company Law Tribunal (NCLT) whose decisions may be appealed to the National Company Law Appellate Tribunal (NCLAT) and finally to the Supreme Court of India¹⁸. As part of their role the courts will interpret and adjudicate on the provisions of the Code, and on the disputes which will arise out of the Corporate Insolvency Resolution Process (CIRP).

The right of judicial review under the IBC has been specifically designed to be very limited. Courts and/or Tribunals will only concern themselves with whether the Code has followed procedural requirements that form part of the IBC, and whether the resolution plan has satisfied the statutory requirements. Courts and/or Tribunals will not generally determine if the resolution plan approved by the Committee of Creditors (CoC) is commercially feasible, or financially viable. This restriction on what courts can consider is intended to allow for more of the creditors to have a say in making commercial choices about the long-term future of the corporate debtor.

Multiple important rulings have underscored the necessity of limiting judicial involvement. For example, in *Swiss Ribbons Pvt. Ltd. v. Union of India*, the Supreme Court has noted that one of the goals of the IBC is expedited and cost-efficient resolution. As such, any unreasonable level of judicial involvement would diminish this purpose¹⁹. Likewise, in *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*, the Court has reiterated that to the greatest extent possible, the COC's commercial judgment should not be challenged by adjudicative bodies unless the COC has demonstrated a lack of legal compliance²⁰.

Judicial agencies nonetheless continue to play an essential role in protecting parties' interests and providing transparency for those involved in the insolvency resolution process. Courts may intervene if a party can demonstrate an irregularity in the process, non-compliance with the law or unfair treatment of a creditor. Therefore, the goal of judicial intervention in IBC is two-fold: to ensure the proceedings are legally compliant and to continue to foster a creditor-focused approach to the process of resolving insolvency.

Case Study and Critical Analysis: *Kalyani Transco v. Bhushan Power and Steel Ltd.*

¹⁸ Insolvency and Bankruptcy Code, No. 31 of 2016, §§ 60–62

¹⁹ *Swiss Ribbons Pvt. Ltd. v. Union of India*, (2019) 4 SCC 17

²⁰ *Comm. of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*, (2020) 8 SCC 531

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The Kalyani Transco vs. Bhushan Power and Steel Ltd. case demonstrates some of the complexities involved when judicial intervention occurs during the insolvency process under the Insolvency and Bankruptcy Code (IBC) 2016. This dispute arose due to the Bhushan Power and Steel Ltd. (a large entity engaged in steel production) being placed into corporate resolution action, as it had defaulted on payment to many of its creditors and accrued very substantial financial liabilities to many of its creditors. The NCLT created a Corporate Resolution Process (CIRP) for the company via the IBC²¹. A Committee of Creditors (CoC) was created as part of this process to evaluate and approve any resolution plans prepared by prospective investors²².

Disputes arose among stakeholders (the creditors, the company and prospective investors) concerning the approval and implementation of the resolution plan. Ultimately, the disputes escalated to the Supreme Court of India and brought forth important legal issues concerning the limits of judicial intervention into decisions of the CoC²³. The central issue in the case was whether the judicial authority could review the commercial decisions of the creditors, or whether the judicial authority's role was limited to ensuring that the CoC complied with the requirements of the IBC²⁴.

In addressing these concerns, the Court reiterated its position that the Insolvency and Bankruptcy Code (IBC) is a creditor-driven code with the commercial judgment of the Committee of Creditors (CoC) playing an important role in determining the outcome of the insolvency resolution process²⁵. In this context, the judiciary has to adopt a restrained approach while evaluating the business decisions taken by creditors during the process of corporate insolvency resolution under the IBC, except when the decisions run contrary to the provisions or procedures set under the IBC or any other laws that may apply to the situation²⁶. The Supreme Court has taken similar views to previous cases in determining the effectiveness of the Insolvency and Bankruptcy Code (IBC) to provide an efficient means of resolving corporate insolvency in a timely manner²⁷. This was reaffirmed in *Swiss Ribbons Pvt Ltd v Union of India*, where the Court stipulated that when the insolvency resolution

²¹ Insolvency and Bankruptcy Code, No. 31 of 2016, §§ 7–9

²² Id. § 20

²³ *Kalyani Transco v. Bhushan Power and Steel Ltd*, 2025 INSC 621; Civil Appeal No. 1808 of 2020

²⁴ Id.

²⁵ Insolvency and Bankruptcy Code, 2016, § 30(4)

²⁶ Id. § 31; see also *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*, (2020) 8 SCC 531

²⁷ Id.

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process is resolved, the Committee of Creditors' (CoC) decision will prevail over any interference by the judiciary²⁸.

In its decisions, the Court has highlighted the need for balanced judicial oversight over creditor decisions while carrying out the IBC Corporate Insolvency Resolution Process (CIRP)²⁹. While on the one hand, judicial review is necessary to protect a creditor's rights, over-involvement of the judiciary has the potential to delay the implementation of the resolution plan, resulting in decreased value of the corporate debtor's assets³⁰.

Evolving Jurisprudence on Judicial Intervention under the Insolvency and Bankruptcy Code

The Insolvency and Bankruptcy Code, 2016 (IBC), when it was first enacted, marked the beginning of a new paradigm in the Indian approach to dealing with issues of insolvency and debt restructuring in corporations. The IBC is not only intended to be a “time-bound” and “creditor-centric” approach to dealing with the issues of insolvency, but it is also open to being interpreted and analyzed by the Indian judicial system. The Indian judicial system has recently been at the forefront in laying down the parameters with respect to the extent of judicial intervention in the Corporate Insolvency Resolution Process (CIRP). Because of the plethora of judgments that it has delivered on the issue, it has developed a very intricate body of case law with respect to the extent of autonomy that the Committee of Creditors (CoC) possesses in the CIRP process.

One of the first rulings on the applicability of the IBC Code was *Innoventive Industries Ltd. v. ICICI Bank*, wherein the Supreme Court held that upon the determination of a default, the insolvency application shall be admitted without the exercise of discretion. This case was important as it reinforced the creditor-oriented approach of the insolvency process, limiting any scope of prevarication on the part of corporate debtors³¹. This case was a landmark in the early jurisprudence of the IBC Code, as it underlined the need to ensure the early admission of insolvency proceedings.

Another major landmark in the development of IBC case law was in *Swiss Ribbons Pvt. Ltd. v. Union of India*, wherein the Supreme Court upheld the constitutional validity of the IBC.

²⁸ *Swiss Ribbons Pvt. Ltd. v. Union of India*, (2019) 4 SCC 17.

²⁹ *Kalyani Transco v. Bhushan Power and Steel Ltd*, 2025 INSC 621; Civil Appeal No. 1808 of 2020

³⁰ *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*, (2020) 8 SCC 531.

³¹ *Innoventive Indus. Ltd. v. ICICI Bank*, (2018) 1 S.C.C. 407

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The Court made it clear that it is primarily a commercial code that aims to facilitate the revival of distressed companies rather than merely enforcing debt recovery³². At the same time, it was also made clear that judicial intervention may be warranted in situations where there is evidence of illegality, fraud, or procedural irregularity in the insolvency resolution process. Thus, it may be said that in *Swiss Ribbons*, the Supreme Court formulated the key principle that although judicial review under the IBC is limited, it is impossible to exclude it, particularly in situations involving statutory compliance.

The principle of limited intervention by the judiciary has also been explained in the landmark case of *Committee of Creditors of Essar Steel India Ltd v. Satish Kumar Gupta*. In this case, the Supreme Court has clearly established the doctrine of “commercial wisdom” of the Committee of Creditors. In this case, it has been held that the commercial decisions taken by the CoC with respect to the approval or rejection of the resolution plans do not fall within the purview of judicial review on the grounds of commercial feasibility and financial viability. The sole responsibility of the adjudicating authority is to ascertain that the decision is in accordance with the provisions of the IBC, which includes the interests of the operational creditors³³.

Another aspect of the evolution of jurisprudence under the IBC is the judicial determination of the eligibility criteria for resolution applicants under the Code. In the case of *ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta*³⁴, the Supreme Court interpreted Section 29A of the Code³⁵, which disqualifies certain persons from submitting a resolution plan under the Code. The judicial determination of the eligibility criteria for resolution applicants under the Code is significant as it has enhanced the integrity of the insolvency process under the Code by ensuring that only credible resolution applicants are involved in the process.

Despite the focus on controlling judicial involvement, the courts have accepted the fact that some degree of judicial oversight is essential to ensure transparency in the insolvency regime. The judicial authorities, such as the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT), are empowered to intervene in insolvency proceedings in the event of any evidence of procedural violations, breach of any of the provisions of the law, or any unfair treatment of parties. In such scenarios, judicial

³² *Swiss Ribbons Pvt. Ltd. v. Union of India*, (2019) 4 S.C.C. 17

³³ *Comm. of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*, (2020) 8 S.C.C. 531

³⁴ *ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta*, (2019) 2 S.C.C. 1

³⁵ Insolvency and Bankruptcy Code, 2016, § 29A

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intervention acts as a corrective measure to ensure that the insolvency resolution process is in line with the rule of law. The courts have been emphasising the fact that while the commercial wisdom of the CoC has to be appreciated, it cannot override any of the legislative requirements or allow any actions that are against the intent of the Code.

The recent developments in insolvency law also provide evidence of the dynamic nature of judicial intervention in insolvency cases under the IBC framework. For instance, in cases of corporate insolvency, such as in *Bhushan Power and Steel Limited*³⁶, The Supreme Court of India has reaffirmed that commercial considerations should not prevail over mandatory statutory requirements in insolvency cases. When there are any issues of non-compliance with rules in the resolution plans, it is also evident that judicial intervention is likely to take place to such an extent that it may result in the setting aside of approved resolution plans.

Thus, it may be stated that in the evolving framework of insolvency law in India under the Insolvency and Bankruptcy Code, it may be observed that there is a fine balance between judicial intervention and creditor autonomy in insolvency cases. Even though it may be observed that judicial intervention in insolvency cases in India under the Insolvency and Bankruptcy Code is subject to the primacy of commercial wisdom of the Committee of Creditors, it may also be stated that judicial review is essential for the compliance of laws by all stakeholders in insolvency cases in India.

Challenges and Recommendations

Despite the improved corporate insolvency remedies provided under the Insolvency and Bankruptcy Code, 2016 (IBC), many challenges continue to hinder the ability of the insolvency resolution process to operate efficiently. For example, litigation and court involvement during the Corporate³⁷ Insolvency Resolution Process (CIRP) has risen significantly since the enactment of the IBC, and therefore, cases are more often than not appealed to either the National Company Law Appellate Tribunal (NCLAT) or the Supreme Court of India, resulting in delays in implementing Resolution Plans that contravene the goal of preserving value in a corporate debtor's assets and discourage would-be investors from engaging in that process.

³⁶ *Kalyani Transco v. Bhushan Power & Steel Ltd.*, Civ. App. No. 1808 of 2020

³⁷ Insolvency and Bankruptcy Code, No. 31 of 2016, §§ 61–62

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These delays detract significantly from the value of the corporate debtor's assets and discourage would-be investors from engaging in the process; this is particularly evident in light of the fact that most of the creditors represented on the Committee of Creditors (CoC) are primarily financial creditors. Consequently, operational creditors and minority stakeholders possess little to no input in the decision-making process regarding the approval of Resolution Plans; therefore, the relative status of operational creditors and minority stakeholders compared to financial creditors raises concern over fairness; this concern is exacerbated by the lack of capacity of the adjudicating authorities³⁸.

There are multiple potential reforms that could help mitigate some of the issues faced by the Indian insolvency regime. Firstly, there should be clear guidelines as to what types of decisions can be challenged through judicial review by the NCLT. This would help promote the idea of "commercial wisdom" which was expressly acknowledged in the Supreme Court's decision in the Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta³⁹. Secondly, the institutional capacity of the NCLT could be improved through an increase in the number of members and enhancement of physical infrastructure to facilitate expedited processing of matters before the NCLT. Thirdly, ways to provide more support and improved participation for operational creditors in the insolvency resolution process should be developed.

By making the above changes, it could be proposed that the efficiency, transparency, and credibility of the insolvency framework would be enhanced while staying true to the form of creditor-influenced insolvency intended under the IBC.

Conclusion

The Insolvency and Bankruptcy Code, 2016 (IBC), which came into effect recently, signifies an important landmark in the development of corporate insolvency law in India. With the IBC, the erstwhile disparate and disorganized body of Indian insolvency law has finally been consolidated into a single comprehensive and integrated code to provide a systematic and time-bound approach to corporate insolvency law. Under the creditor-centric model of corporate insolvency law proposed by the IBC, the Committee of Creditors (CoC) holds

³⁸ Insolvency and Bankruptcy Code, 2016, § 30(2)(b)

³⁹ *Comm. of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*, (2020) 8 SCC 531.

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considerable power to ensure that the future of insolvent corporate persons remains primarily in the hands of creditors and not judicial authorities.

Judicial interventions have played a crucial role in the development and application of corporate insolvency law. In the landmark judgments of *Swiss Ribbons Pvt. Ltd. v. Union of India* and *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta*, the Supreme Court of India emphasised the legislative intent to limit judicial intervention and to keep the “commercial wisdom” of the CoC outside the judicial domain.

Kalyani Transco v Bhushan Power & Steel Ltd illustrates the need for balance between judicial scrutiny of creditors' authority and independence. Judicial review is key for ensuring compliance with statutory requirements; excessive review will impede timely resolution plan implementation and harm IBC goals. On the other hand, insufficient judicial scrutiny may lead to procedural irregularities and unfair treatment of all stakeholders.

To ensure that the insolvency legal framework is effective, judges must perform limited and substantive oversight while respecting creditors' commercial decisions. Enhancements such as an improved institutional capacity, clear definitions of judicial review, and ensuring all stakeholders receive equal treatment will also enhance the strength and efficacy of the insolvency regime in India. Ultimately, the IBC will continue to function as an effective tool to promote economic stability and corporate accountability.

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