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## **AN ANALYTICAL STUDY OF THE RIGHT TO A CLEAN ENVIRONMENT SOLID WASTE MANAGEMENT AND HUMAN RIGHTS**

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# Justice Delayed Is Justice Denied: With Reference to NCLT Matters

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## **Abstract**

*The maxim “Justice delayed is justice denied” encapsulates one of the most persistent challenges in the Indian legal system—procedural delays that undermine the very purpose of adjudication. This concern is particularly significant in the functioning of the National Company Law Tribunal (NCLT), which was established as a specialized forum to ensure expeditious resolution of corporate disputes, insolvency proceedings, and company law matters. Despite its legislative mandate for speedy justice, especially under the Insolvency and Bankruptcy Code, 2016, the NCLT has been increasingly burdened with delays, thereby raising serious concerns about efficiency, investor confidence, and economic stability.*

*This dissertation critically examines the phenomenon of judicial delay in NCLT proceedings, analyzing its causes, consequences, and legal implications. It explores structural and procedural challenges such as shortage of judicial and technical members, infrastructural limitations, frequent adjournments, increasing caseload, and complexities in insolvency resolution processes. The study also evaluates how delays affect stakeholders, including creditors, corporate debtors, investors, and employees, often resulting in erosion of asset value and reduced recovery rates.*

*Further, the research undertakes a doctrinal analysis of statutory timelines prescribed under the Insolvency and Bankruptcy Code and assesses the extent of their implementation in practice. It also examines judicial interpretations and the role of appellate bodies in either mitigating or exacerbating delays. Comparative insights from other jurisdictions are considered to identify best practices in tribunal efficiency and case management.*

*The dissertation concludes by proposing reforms aimed at strengthening institutional capacity, improving procedural efficiency, leveraging technology, and ensuring stricter adherence to statutory timelines. It emphasizes the need for a balanced approach that preserves due process while achieving timely justice, thereby reinforcing the credibility of the NCLT as an effective dispute resolution mechanism in India’s corporate legal framework.*

**Keywords:** *Justice Delayed; NCLT; Insolvency and Bankruptcy Code, 2016; Corporate Insolvency; Judicial Delay; Tribunal Efficiency; Case Backlog; Corporate Law; Economic Justice; India.*

## Introduction

The administration of justice constitutes one of the fundamental pillars of any democratic society governed by the rule of law. Justice, in its true sense, is not merely the delivery of judgments but the timely and effective resolution of disputes. The maxim “justice delayed is justice denied” encapsulates a foundational principle of jurisprudence which emphasizes that delay in the dispensation of justice defeats its very purpose. In contemporary legal systems, particularly in India, the issue of delay has assumed alarming proportions, affecting not only individual rights but also economic growth and institutional credibility.<sup>1</sup>

The Indian judiciary, despite being one of the most robust and independent systems in the world, faces serious challenges in ensuring timely justice. With millions of pending cases across various courts and tribunals, the problem of delay has become systemic. This issue is particularly significant in the context of commercial and corporate disputes, where time is directly linked to economic value. The establishment of specialized tribunals such as the National Company Law Tribunal (NCLT) was intended to ensure speedy resolution of corporate disputes. However, even these institutions are increasingly grappling with delays, raising concerns about their effectiveness.

The enactment of the Insolvency and Bankruptcy Code, 2016 (IBC) marked a paradigm shift in India’s insolvency framework by introducing strict timelines for resolution processes. The Code envisages a time-bound Corporate Insolvency Resolution Process (CIRP), typically within 180 to 330 days. Nevertheless, in practice, these timelines are frequently breached due to procedural complexities, judicial backlog and institutional constraints. Recent studies suggest that adjudicatory delays in tribunals like NCLT and its appellate body significantly undermine the objective of value maximization under the IBC, as delay directly erodes the economic worth of distressed assets.<sup>2</sup>

Thus, the issue of delay in justice delivery is no longer confined to traditional courts but extends to specialized tribunals as well. This dissertation seeks to critically examine the concept of “justice delayed is justice denied” with specific reference to NCLT matters, highlighting how procedural and structural delays impact the efficacy of corporate adjudication in India.

### 1.1.1 Meaning and Origin of the Principle “Justice Delayed is Justice Denied”

The phrase “justice delayed is justice denied” is a well-established legal maxim that conveys the idea that justice must be delivered within a reasonable time frame to be meaningful. If legal remedies are unduly postponed, the affected party is effectively deprived of justice, as the relief loses its relevance and utility.<sup>3</sup>

The origins of this principle can be traced back to ancient legal traditions and philosophical thought. References to the concept appear in early religious and legal texts, including the Babylonian Talmud, where it is suggested that delayed justice is equivalent to justice being nullified. Similarly, the idea is reflected in the Magna Carta, which famously declared: “To no one will we sell, to no one will we refuse or delay, right or justice.” This provision laid the foundation for the development of modern legal systems based on fairness and prompt adjudication. The phrase is often attributed to William Ewart Gladstone, who used it in a parliamentary debate in the 19th century, although similar expressions existed earlier. Over time, the maxim has evolved into a guiding principle in both common law and civil law jurisdictions, forming the basis of the right to a speedy trial and efficient judicial administration.

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<sup>1</sup> Allan, Trevor RS. *Constitutional justice: a liberal theory of the rule of law*. OUP Oxford, 2003.

<sup>2</sup> Trevor R.S. Allan, *Constitutional Justice: A Liberal Theory of the Rule of Law*, OUP Oxford, 2003.

<sup>3</sup> Tania Sourdin & Naomi Burstyner, “Justice Delayed is Justice Denied”, *Victoria University Law and Justice Journal*, Vol. 4, No. 1, 2014, pp. 46–60.

In the Indian context, this principle has been constitutionally recognized through judicial interpretation of Article 21 of the Constitution, which guarantees the right to life and personal liberty. The Supreme Court, in landmark cases such as *Hussainara Khatoon v. State of Bihar*<sup>4</sup>, expanded the scope of Article 21 to include the right to a speedy trial. The Court observed that prolonged delay in trial amounts to a violation of fundamental rights, thereby reinforcing the importance of timely justice in the Indian legal framework.

Furthermore, the principle has gained renewed significance in modern times due to increasing litigation, procedural delays and institutional inefficiencies. It is now widely accepted that justice must not only be fair and impartial but also prompt and effective. Delayed adjudication not only causes hardship to litigants but also undermines the credibility of the legal system as a whole.

### **1.1.2 Evolution of Corporate Adjudication in India**

The evolution of corporate adjudication in India reflects the broader transformation of the country's legal and economic landscape. Traditionally, corporate disputes were handled by civil courts and High Courts under various statutes, including the Companies Act, 1956. However, the multiplicity of forums and procedural delays often resulted in inefficiency and prolonged litigation.

The need for specialized adjudicatory mechanisms was recognized in order to ensure faster resolution of corporate disputes. This led to the establishment of quasi-judicial bodies such as the Company Law Board (CLB), which was tasked with handling matters related to company law. However, the CLB faced limitations in terms of jurisdiction, capacity and effectiveness.

A significant milestone in the evolution of corporate adjudication was the enactment of the Companies Act, 2013, which provided for the establishment of the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT). These tribunals were designed to consolidate the jurisdiction of various authorities and provide a unified forum for corporate disputes, including matters relating to mergers, oppression and mismanagement and winding up of companies.<sup>5</sup>

The introduction of the Insolvency and Bankruptcy Code, 2016 further strengthened the role of NCLT as the primary adjudicatory authority for insolvency proceedings. The IBC marked a shift from a debtor-in-possession model to a creditor-in-control framework, emphasizing time-bound resolution and value maximization. The NCLT was entrusted with the responsibility of overseeing the Corporate Insolvency Resolution Process (CIRP), making it a central institution in India's economic and legal framework.

Despite these reforms, challenges persist in the functioning of NCLT. The increasing volume of cases, coupled with limited infrastructure and manpower, has led to significant delays in adjudication. This is particularly concerning given that the effectiveness of the IBC depends on strict adherence to timelines. Delays not only defeat the objectives of the Code but also result in loss of economic value and reduced recovery for creditors.

Recent developments indicate that adjudicatory delays in NCLT and NCLAT are emerging as a critical bottleneck in the insolvency process. The backlog of cases, frequent adjournments and procedural complexities have hindered the timely resolution of disputes, raising questions about the efficiency of the tribunal system.

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<sup>4</sup> *Hussainara Khatoon v. State of Bihar*, (1980)1 SCC 81.

<sup>5</sup> Arifa Zahra, "Delay of Corporate Justice: Need of an Hour to Review Indian Judicial System", *Indian Journal of Integrated Research in Law*, Vol. 2, 2022, p. 1.

Thus, while the establishment of specialized tribunals represents a significant step towards improving corporate adjudication, the issue of delay continues to pose a serious challenge. Addressing this problem is essential to ensure that the objectives of legal reforms, particularly under the IBC, are effectively realized.

### **1.1.3 Importance of Timely Justice in a Democratic System**

Timely justice is indispensable for the functioning of a democratic society. The rule of law, which is the cornerstone of democracy, requires that legal disputes be resolved efficiently and without undue delay. When justice is delayed, it results in denial of rights, erosion of public confidence and weakening of institutional legitimacy.

One of the most significant consequences of delayed justice is the erosion of public trust in the legal system. Courts and tribunals derive their authority from the confidence of the people. However, when cases remain pending for years, litigants often lose faith in the system's ability to deliver justice. Recent judicial observations and reports have emphasized that delay in adjudication directly impacts the credibility of the judiciary and the effectiveness of legal remedies.<sup>6</sup>

In addition to affecting individual litigants, delay in justice also has broader social and economic implications. In commercial and corporate matters, delays can lead to significant financial losses, uncertainty in business transactions and reduced investor confidence. Under the IBC framework, time is a critical factor, as the value of distressed assets diminishes rapidly with delay. The inability to adhere to prescribed timelines defeats the purpose of the legislation and adversely affects stakeholders, including creditors, employees and investors.

Moreover, timely justice is closely linked to the protection of fundamental rights. Prolonged litigation can result in undue hardship, particularly in criminal cases where undertrial prisoners may remain incarcerated for extended periods without conviction. This not only violates the principles of natural justice but also raises serious human rights concerns. From an institutional perspective, delays contribute to the accumulation of backlog, further exacerbating the problem. The Indian judicial system is burdened with a large number of pending cases and the slow pace of disposal creates a vicious cycle of inefficiency. Factors such as shortage of judges, procedural complexities and lack of infrastructure further aggravate the situation.

Timely justice also plays a crucial role in maintaining economic stability. Efficient dispute resolution mechanisms are essential for the smooth functioning of markets and commercial activities. Investors and businesses rely on the legal system to enforce contracts and resolve disputes promptly. Delays in adjudication can deter investment and hinder economic growth, particularly in sectors governed by specialized tribunals like the NCLT. Therefore, ensuring timely justice is not merely a procedural requirement but a fundamental necessity for upholding the rule of law, protecting rights and promoting economic development. It is imperative that legal institutions adopt effective measures to minimize delays and enhance efficiency in the justice delivery system.

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<sup>6</sup> Kislay Chauhan, "Human Rights Diminished with Delayed Justice", *International Journal of Law Management & Humanities*, Vol. 5, Issue 4, 2022, p. 1668.

## **Philosophical Foundations: Natural Justice and Rule of Law**

The concept of timely justice is deeply embedded in the philosophical foundations of legal jurisprudence, particularly in the doctrines of natural justice and the rule of law. These principles not only define the nature of justice but also emphasize that justice must be administered fairly, reasonably and without undue delay. The maxim “justice delayed is justice denied” finds its strongest justification within these foundational doctrines, as delay in adjudication often results in a denial of fairness and equality before the law.<sup>7</sup>

### **Natural Justice and Timely Adjudication**

Natural justice represents a set of unwritten principles that ensure fairness in legal and administrative processes. It is not codified but is universally recognized as an essential component of justice. The two primary rules of natural justice are:

- *Audi alteram partem* (the right to be heard).
- *Nemo iudex in causa sua* (no one should be a judge in their own cause).

While these principles primarily focus on fairness and impartiality, they also implicitly require that justice be delivered within a reasonable time. A delayed hearing or judgment can effectively negate the right to be heard, as the relief sought may become irrelevant or ineffective due to the passage of time. Thus, timely adjudication is an integral part of ensuring procedural fairness.

In the Indian legal system, the principles of natural justice have been recognized as part of constitutional jurisprudence, particularly under Article 14 and Article 21. The Supreme Court has consistently held that any procedure that is arbitrary, unreasonable, or excessively delayed would violate the principles of natural justice. In *Maneka Gandhi v. Union of India*, the Court emphasized that the procedure established by law must be “just, fair and reasonable.” This interpretation extends the scope of natural justice to include timeliness as a critical element of fairness.<sup>8</sup>

Moreover, natural justice is not limited to judicial proceedings but also applies to quasi-judicial bodies and tribunals. In the context of corporate adjudication, bodies like the National Company Law Tribunal (NCLT) are expected to adhere to these principles. Delays in such tribunals not only affect procedural fairness but also undermine the confidence of stakeholders in the justice delivery system.

### **Rule of Law and the Necessity of Timely Justice**

The doctrine of the rule of law is another fundamental pillar of legal jurisprudence that underscores the importance of timely justice. The concept, famously propounded by A.V. Dicey, rests on three key principles: supremacy of law, equality before the law and the predominance of legal spirit. These principles collectively ensure that the law governs all actions and that justice is administered impartially and efficiently.

Timely justice is essential to the effective functioning of the rule of law. If legal disputes are not resolved within a reasonable time, the authority of law is weakened and individuals may lose faith in the legal system. Delay in adjudication creates uncertainty and may even encourage unlawful behavior, as individuals may perceive the legal system as ineffective or inaccessible. In India, the rule of law is recognized as a basic feature of the Constitution. The judiciary plays a crucial role in upholding this principle by ensuring that laws are applied fairly and consistently. However, the effectiveness of the rule of law depends not only on the existence of legal norms but also on their timely enforcement. Prolonged delays in courts and tribunals

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<sup>7</sup> Robert P. George, “Reason, Freedom, and the Rule of Law: Their Significance in the Natural Law Tradition”, *American Journal of Jurisprudence*, Vol. 46, 2001, p. 249.

<sup>8</sup> Trevor R.S. Allan, *Constitutional Justice: A Liberal Theory of the Rule of Law*, OUP Oxford, 2003.

can result in selective or unequal access to justice, thereby violating the principle of equality before the law.

The Supreme Court has repeatedly emphasized the importance of speedy justice as an essential component of the rule of law. In *Hussainara Khatoon v. State of Bihar*, the Court held that the right to a speedy trial is a fundamental right under Article 21. This judgment highlighted that delay in justice is not merely a procedural issue but a violation of constitutional rights. The Court recognized that justice must be both accessible and timely to maintain the integrity of the legal system.<sup>9</sup>

### **Constitutional Backing under Article 21: Right to Speedy Trial**

The principle “justice delayed is justice denied” finds its strongest legal and constitutional recognition in India under Article 21 of the Constitution, which guarantees the right to life and personal liberty. Over time, judicial interpretation has significantly expanded the scope of Article 21 beyond mere physical liberty to include a wide range of rights essential for living with dignity. One of the most important rights recognized under this provision is the right to a speedy trial, which ensures that justice is delivered within a reasonable time. This constitutional backing transforms the philosophical principle of timely justice into an enforceable fundamental right.<sup>10</sup>

### **Evolution of Article 21 and Expansive Interpretation**

Initially, Article 21 was interpreted narrowly in *A.K. Gopalan v. State of Madras*<sup>11</sup>, where the Supreme Court held that “procedure established by law” could be any procedure prescribed by legislation, regardless of its fairness. However, this rigid interpretation was later overruled in *Maneka Gandhi v. Union of India*<sup>12</sup>, which marked a turning point in Indian constitutional jurisprudence.

In *Maneka Gandhi*, the Court held that the procedure established by law must be “just, fair and reasonable” and not arbitrary or oppressive. This interpretation significantly broadened the scope of Article 21 and laid the foundation for incorporating various rights, including the right to a speedy trial, within its ambit. The judgment emphasized that delay in legal proceedings would render the procedure unfair and unconstitutional.

### **Recognition of the Right to Speedy Trial**

The right to a speedy trial was explicitly recognized as a fundamental right in the landmark case of *Hussainara Khatoon v. State of Bihar*<sup>13</sup>. This case highlighted the plight of undertrial prisoners who had been detained for years without trial. The Supreme Court held that the right to a speedy trial is an essential part of Article 21 and that prolonged detention without trial is a violation of fundamental rights.

The Court observed that justice must be both accessible and timely and that delay in trial defeats the purpose of the legal system. This judgment not only recognized the right to a speedy trial but also imposed a constitutional obligation on the State to ensure prompt administration of justice.

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<sup>9</sup> Steven Kautz, “Liberty, Justice, and the Rule of Law”, *Yale Journal of Law & the Humanities*, Vol. 11, 1999, p. 435.

<sup>10</sup> Sachin Indiar & Balasaheb Garje, “Justice Delayed Is Justice Denied: Analysing Speedy Trial Jurisprudence, Judicial Delays, and Reforms with a Focus on Jharkhand”.

<sup>11</sup> *A.K. Gopalan v. State of Madras*, AIR 1950 SC 27.

<sup>12</sup> *Maneka Gandhi v. Union of India*, (1978) 1 SCC 248.

<sup>13</sup> *Hussainara Khatoon v. State of Bihar*, (1980) 1 SCC 81.

Subsequent cases have reaffirmed this principle. In *Kadra Pahadiya v. State of Bihar*<sup>14</sup>, the Court reiterated that the State cannot deny speedy justice due to lack of resources or administrative inefficiency. Similarly, in *Sheela Barse v. Union of India*<sup>15</sup>, the Court emphasized the need for expeditious trial, particularly in cases involving vulnerable groups such as children and women.

### **Scope and Dimensions of the Right**

The right to a speedy trial is not limited to criminal proceedings but extends to all stages of the legal process, including investigation, inquiry, trial, appeal and retrial. The Supreme Court clarified this in *A.R. Antulay v. R.S. Nayak*<sup>16</sup>, where it held that the right to a speedy trial applies to every stage of the proceedings and that delay must be assessed on a case-by-case basis.<sup>17</sup>

### **The Court in *Antulay* laid down certain factors to determine whether the right has been violated, including:**

- Length of delay
- Reasons for delay
- Conduct of the parties
- Prejudice caused to the accused

This balanced approach ensures that the right to a speedy trial is not applied mechanically but in a manner that considers the complexities of each case.

### **Hussainara Khatoon v. State of Bihar**

The case of *Hussainara Khatoon v. State of Bihar*<sup>18</sup> is widely regarded as a landmark judgment that brought national attention to the issue of delay in the criminal justice system. The case originated from a series of public interest petitions filed before the Supreme Court highlighting the plight of undertrial prisoners in Bihar who had been detained in jail for prolonged periods without trial often for durations longer than the maximum sentence prescribed for the alleged offences.

#### **• Facts and Background**

The petitions revealed shocking conditions where thousands of undertrial prisoners, many of them poor and illiterate, were languishing in jails due to systemic inefficiencies, lack of legal representation and delays in judicial proceedings. These prisoners were unable to secure bail or expedite their trials, resulting in a gross violation of their fundamental rights.

#### **• Judgment and Legal Principles**

The Supreme Court, under the leadership of Justice P.N. Bhagwati, took a progressive and humanitarian approach in addressing the issue. The Court held that the right to a speedy trial is an essential and integral part of the right to life and personal liberty under Article 21. It emphasized that no procedure which keeps a person incarcerated for an unreasonable period can be considered “just, fair and reasonable.”

The Court observed that delay in trial amounts to a denial of justice, particularly for those who are unable to afford legal assistance. It directed the State to take immediate steps to release undertrial prisoners who had been detained for periods exceeding the maximum punishment for their alleged offences.

#### **• Significance of the Judgment**

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<sup>14</sup> *Kadra Pahadiya v. State of Bihar*, (1981) 3 SCC 671.

<sup>15</sup> *Sheela Barse v. Union of India*, (1986) 3 SCC 596.

<sup>16</sup> *A.R. Antulay v. R.S. Nayak*, (1992) 1 SCC 225.

<sup>17</sup> Anthony G. Amsterdam, “Speedy Criminal Trial: Rights and Remedies,” (1974) 27 *Stanford Law Review* 525.

<sup>18</sup> *Hussainara Khatoon v. State of Bihar*, (1980) 1 SCC 81.

This judgment marked a turning point in Indian constitutional law by explicitly recognizing the right to a speedy trial as a fundamental right. It also highlighted the role of the judiciary in addressing systemic injustices and protecting the rights of marginalized sections of society. The case led to several important reforms, including the introduction of legal aid programs and greater emphasis on expeditious disposal of cases. It also laid the foundation for subsequent judgments that further expanded the scope of Article 21.

- **Impact on Justice Delivery System**

The *Hussainara Khatoon* case underscored the need for institutional reforms to address delays in the justice system. It brought attention to issues such as overcrowded prisons, lack of legal representation and administrative inefficiencies. The principles laid down in this case continue to influence judicial thinking and policy decisions aimed at improving the efficiency of the legal system.

### **Causes and Challenges of Delay in NCLT Proceedings**

The functioning of the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016 (IBC) represents a major reform in India's corporate adjudication system. However, despite a well-structured legal framework emphasizing time-bound resolution, delays in NCLT proceedings continue to persist. These delays are not attributable to a single factor but arise from a combination of procedural, institutional and systemic challenges. Understanding these causes is essential to evaluate the gap between legislative intent and practical implementation.

### **Procedural Delays and Adjournments**

One of the most significant causes of delay in NCLT proceedings is the prevalence of procedural delays and frequent adjournments. Although the IBC prescribes strict timelines for insolvency resolution, the actual conduct of proceedings often deviates from these timelines due to procedural inefficiencies.

Adjournments are frequently sought by parties on various grounds such as the need for additional time to file documents, absence of legal representatives, or ongoing settlement negotiations. While adjournments are sometimes necessary to ensure fairness, their excessive use leads to prolonged litigation. In many cases, repeated adjournments disrupt the continuity of hearings, delaying key stages such as admission of applications, verification of claims and approval of resolution plans.

Another procedural issue arises from the time taken in admitting insolvency applications. Although the IBC mandates that applications be admitted or rejected within a specified period, delays often occur due to incomplete documentation, objections raised by the corporate debtor, or judicial scrutiny. This initial delay sets the tone for the entire process, pushing back subsequent stages.

Further, litigation within litigation such as disputes over eligibility of resolution applicants, classification of creditors, or valuation of assets adds to procedural complexity. Each dispute may require separate hearings and judicial determination, thereby extending the overall timeline. The lack of strict enforcement of procedural discipline and limited consequences for delay tactics further exacerbate the problem.<sup>19</sup>

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<sup>19</sup> Chintan Munvar, Desalegn Girma Mengistu & Gangadhar Mahesh, "Concurrent Delay Analysis: Methods, Case Law, and Expert Perception," (2020) 12(1) *Journal of Legal Affairs and Dispute Resolution in Engineering and Construction* 04519035.

### **Shortage of Members and Infrastructure**

A critical institutional challenge contributing to delays is the shortage of judicial and technical members in the NCLT. The increasing number of cases has not been matched by a proportional increase in tribunal capacity, leading to an excessive burden on existing benches.

Vacancies in key positions often remain unfilled for extended periods, affecting the tribunal's ability to function efficiently. Even where benches exist, they may operate with limited staff or reduced strength, resulting in fewer hearings and slower case disposal. This shortage not only delays ongoing proceedings but also affects the admission of new cases.

In addition to human resource constraints, infrastructural limitations further hinder the functioning of the NCLT. Many benches face issues such as inadequate courtroom space, insufficient administrative support and lack of modern technological facilities. These constraints impact case management, scheduling and record-keeping, contributing to inefficiency.

The uneven distribution of benches across the country also creates accessibility issues. Litigants in certain regions must approach distant benches, leading to logistical delays and increased costs. This imbalance in infrastructure highlights the need for a more decentralized and well-equipped tribunal system.

### **Increasing Caseload under the Insolvency and Bankruptcy Code, 2016**

The success and widespread use of the IBC have led to a significant increase in the number of cases filed before the NCLT. While this reflects the effectiveness of the Code as a legal remedy, it has also placed immense pressure on the tribunal's capacity.

Since its implementation, the IBC has become the primary mechanism for resolving corporate insolvency, resulting in a steady rise in applications from financial creditors, operational creditors and corporate applicants. The volume of cases has further increased due to economic challenges, including financial stress in various sectors.

The high caseload leads to congestion in the tribunal system, causing delays in listing and hearing cases. Matters are often scheduled weeks or months apart, reducing the pace of proceedings. The backlog of cases also affects the quality of adjudication, as members are required to handle multiple complex cases simultaneously.

Moreover, the introduction of new categories of cases, such as pre-packaged insolvency for MSMEs and cross-border insolvency discussions, adds to the workload. Without corresponding expansion in institutional capacity, the increasing caseload remains a major obstacle to timely justice.

### **Complexity of Corporate Litigation**

Corporate insolvency cases are inherently complex, involving multiple stakeholders, intricate financial arrangements and legal intricacies. This complexity significantly contributes to delays in NCLT proceedings.

In insolvency cases, disputes may arise over:

- Classification and verification of creditor claims
- Eligibility of resolution applicants
- Valuation of assets and determination of liquidation value
- Approval and implementation of resolution plans

Each of these issues requires detailed examination and often leads to litigation. The involvement of multiple parties such as financial institutions, operational creditors, employees and regulatory authorities further complicates proceedings.

Additionally, corporate litigation often involves cross-border elements, especially in cases involving multinational companies. Issues related to foreign assets, international creditors and recognition of foreign proceedings add another layer of complexity.

The need to balance competing interests also slows down decision-making. For instance, while creditors seek maximum recovery, employees and minority shareholders may prioritize job security and fairness. The tribunal must carefully consider these interests, which requires time and judicial scrutiny.

### **Suggestions**

The effectiveness of India's corporate insolvency framework depends not only on the robustness of its legal provisions but also on the efficiency of its implementation. While the Insolvency and Bankruptcy Code, 2016 (IBC) and the National Company Law Tribunal (NCLT) have significantly transformed corporate dispute resolution, persistent delays and systemic inefficiencies necessitate comprehensive reforms. The following measures are essential to strengthen the insolvency ecosystem and ensure that the objective of timely justice is achieved.<sup>20</sup>

1. Increasing Number of Benches and Members
2. Strengthening Digital Infrastructure
3. Limiting Adjournments
4. Strict Adherence to Timelines under IBC
5. Use of AI and Case Management Systems

### **Policy Recommendations**

1. Expand NCLT Capacity: Increase the number of benches and ensure timely appointment of judicial and technical members in the National Company Law Tribunal to reduce backlog and expedite case disposal.
2. Strengthen Digital Ecosystem: Develop a unified, nationwide e-governance platform for filings, hearings and case tracking to improve transparency and efficiency under the Insolvency and Bankruptcy Code, 2016.
3. Enforce Strict Timelines: Ensure rigorous adherence to statutory timelines (180–330 days) for CIRP, with limited extensions only in exceptional cases to prevent value erosion.
4. Regulate Adjournments: Introduce stricter norms and impose costs for unnecessary adjournments to discourage delay tactics by parties.
5. Enhance Role of Insolvency Professionals: Strengthen training, certification and accountability mechanisms for Resolution Professionals under the supervision of the Insolvency and Bankruptcy Board of India (IBBI).

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<sup>20</sup> Umakanth Varottil, "The Scheme of Arrangement as a Debt Restructuring Tool in India: Problems and Prospects," (2018) 15(3) *European Company and Financial Law Review* 585–615.

## **Conclusion**

The present study on the theme “*Justice Delayed is Justice Denied: Reference to NCLT Matters*” highlights the critical relationship between timely justice and effective corporate adjudication in India. The establishment of the National Company Law Tribunal (NCLT) and the enactment of the Insolvency and Bankruptcy Code, 2016 (IBC) represent landmark reforms aimed at transforming the insolvency and corporate dispute resolution framework. These developments were introduced with the clear objective of ensuring speedy, efficient and value-maximizing resolution of corporate distress, thereby strengthening the legal and economic ecosystem of the country.

The study demonstrates that India has made substantial progress in aligning its insolvency framework with global standards. The IBC has introduced a creditor-driven model, strict timelines and a structured process for resolving insolvency. The NCLT, as the adjudicating authority, plays a central role in overseeing these proceedings and ensuring compliance with legal provisions. However, despite these advancements, the practical functioning of the system reveals significant challenges that hinder the realization of its objectives.

One of the most prominent issues identified throughout the study is the persistent delay in NCLT proceedings. Although the IBC prescribes time-bound resolution, delays arising from procedural adjournments, excessive litigation, shortage of members and infrastructural limitations continue to undermine the efficiency of the system. These delays not only defeat the purpose of the legislation but also lead to serious economic consequences, such as erosion of asset value, reduced recovery for creditors and uncertainty in the corporate sector.

The analysis further reveals that the problem of delay is not merely procedural but structural and systemic in nature. Factors such as limited institutional capacity, lack of technological integration and the increasing complexity of corporate disputes contribute to the inefficiency of the adjudication process. Additionally, the frequent involvement of appellate forums prolongs the resolution process, thereby affecting the overall effectiveness of the insolvency framework.

At the same time, the study emphasizes the importance of maintaining a balance between efficiency and procedural fairness. While the need for speedy resolution is undeniable, it cannot come at the cost of fairness, transparency and due process. The judiciary has consistently attempted to strike this balance, recognizing that justice must be both swift and equitable. However, achieving this balance in practice remains a challenge, particularly in complex insolvency cases involving multiple stakeholders.

While the establishment of the National Company Law Tribunal and the implementation of the Insolvency and Bankruptcy Code, 2016 have significantly reformed India’s corporate insolvency framework, the issue of delay continues to pose a serious challenge. Addressing this issue requires a holistic approach involving legal reforms, institutional strengthening, technological advancement and effective policy implementation. Only then can the objectives of the IBC be fully realized, ensuring that justice is delivered in a timely, fair and effective manner, in true accordance with the principle that justice delayed is justice denied.

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