

FROM RESOLUTION TO REVERSAL: SUPREME COURT SCRAPS JSW'S BPSL TAKEOVER, REASONS AND IMPACT

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ABSTRACT

The recent rejection of the resolution plan for acquiring Bhushan Power and Steel Ltd. (BPSL) by JSW Steel by the Hon'ble Supreme Court has sent shockwaves through the Indian corporate sector. Valued at ₹19,350 crore, this was one of the highest bids submitted since the introduction of the Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. This judgment is widely regarded as having significant implications for the Indian business environment. This paper critically examines the failure of CIRP in the high-profile JSW–BPSL acquisition, arising from the Supreme Court's decision rendered nearly 6.5 years after the initiation of insolvency proceedings. The ruling underscores persistent challenges in implementing the IBC and exposes systemic loopholes exploited by stakeholders. The paper further analyses the procedural lapses and statutory non-compliance by stakeholders, namely the Committee of Creditors, Resolution Professionals, and JSW, with respect to Sections 12, 29A, and 30 of the IBC. Identified lapses include inadequate due diligence, payment delays, and misrepresentation. Beyond the legal dimensions, the paper also evaluates the financial and reputational impact on JSW, potential setbacks for financial creditors, and the chilling effect on investor confidence. These lapses call for an urgent need for reform in the substantive provisions and enforcement mechanisms of the IBC to restore its credibility and achieve its envisaged objectives of timely and effective corporate rescue.

Keywords: Bhushan Power and Steel Ltd, Corporate Insolvency Resolution Process (CIRP), Insolvency and Bankruptcy Code (IBC), JSW, Resolution Plan, Resolution Professional.

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INTRODUCTION

The Insolvency and Bankruptcy Code, 2016¹ (hereinafter, 'IBC') was introduced with an intention to balance the need for corporate rescue of sick companies with a need for effective and timely recovery for the financial as well as operational creditors. To achieve this, IBC introduced the Corporate Insolvency Resolution Process (hereinafter, 'CIRP'), which sought to conclude the entire process of corporate rescue within 330 days from the commencement date of CIRP, including all the extensions. At the same time, the Act also introduced what is known as the Pre-Packaged Insolvency Resolution Process (hereinafter, 'PPIRP'), which sought to conclude the insolvency process within 90 days of commencement.² Only upon failure of CIRP owing to several reasons, such as rejection of the resolution plan by the National Company Law Tribunal (hereinafter, 'NCLT'), would the process of liquidation be required to be initiated as a matter of last resort.³ However, its effectiveness in achieving this result has been directly brought into question, especially following the Supreme Court's ruling in the matter involving the insolvency proceedings of Bhushan Power and Steel Limited. This makes us question whether, after 10 years of introducing IBC as an intended panacea for all debt recovery issues prevailing in India at that point, has it actually achieved its desired objectives? This shall be analysed in the light of the role played by the Resolution Professionals, Committee of Creditors (hereinafter 'CoC') and creditors in the process.

DECODING THE BPSL INSOLVENCY PROCEEDINGS FAILURE

BACKGROUND

Bhushan Power and Steel Limited (hereinafter, 'BPSL') was a company involved in the manufacturing and marketing of Steel products, incorporated in 1970. In July 2019, the Company was alleged to have committed certain financial frauds, as reported by the Punjab

¹ Insolvency and Bankruptcy Code 2016.

² Insolvency and Bankruptcy Board of India, 'Pre-Packaged Insolvency Resolution Process: A Primer, Gazette of India, Extraordinary' (*IBBI*, 29 April 2021)

<www.ibbi.gov.in/uploads/whatsnew/a650764a464bc60fe330bce464d5607d.pdf> accessed 17 May 2025.

³ Ritu Singh, 'NCLAT: Rejection of Resolution Plan by the NCLT due to Non-Serious, Casual and Non-Diligent Conduct of Resolution Appellant is Good in Law' (*SCC Blog*, 27 September 2022)

<www.scconline.com/blog/post/2022/09/27/nclat-rejection-of-resolution-plan-by-the-nclt-due-to-non-serious-casual-and-non-diligent-conduct-of-resolution-appellant-is-good-in-law/> accessed 18 May 2025.

National Bank. It was also one of the 12 major accounts identified by the Reserve Bank of India (hereinafter, 'RBI') in its circular dated July 2017 for resolution under IBC.⁴

The CIRP began against BPSL vide a petition filed by Punjab National Bank, being a financial creditor under Section 7⁵ of the IBC, before the NCLT, which was admitted in July 2017. Three resolution plans were submitted, of which JSW ranked the highest based on the evaluation matrix. The Committee of Creditors subsequently approved this resolution plan by obtaining a 2/3rd majority upon the same and was submitted to the NCLT for its approval. The NCLT approved the plan and allowed JSW to acquire BPSL for an amount of Rs 19,350 Crores.⁶ However, an appeal was made against this decision of the NCLT by JSW, which made the highest bid and had the highest-ranked resolution plan before the NCLAT. However, the NCLAT approved the judgement pronounced by the NCLT only with certain modifications.

Till this stage, the CIRP had taken place in an absolutely smooth manner. However, as recently as May 2025, the 2 Judge Supreme Court bench consisting of Justice Bela M Trivedi and Justice Satish Chandra Sharma, upon an appeal made against NCLAT's order, in the case of *Kalyani Transco v. Bhushan Power and Steel Limited*,⁷ set aside the resolution plan and ordered to proceed with the liquidation, i.e., the sale of assets of BPSL in the open market for the recovery of the requisite amount. At the same time, the Court also cited fault on the part of the CoC, financial creditors, as well as the Resolution Professionals in the effective performance of their obligations under the CIRP stipulated under the IBC, 2016, which shall be dealt with in detail in the upcoming sections.

THE SUPREME COURT'S OBSERVATIONS

The primary reasons and observations made by the Court for rejection of this resolution plan, 6 years after its approval by the NCLT and the NCLAT, were based on significant allegations being made by the financial creditors, including Punjab National Bank.

Firstly, it was held by the Supreme Court that JSW had failed to pay the creditors' amounts owed to them on time for a period of more than 2.5 years. In other words, the terms provided

⁴ Bhavini Mishra and Ishita Ayan Dutt, 'Supreme Court Scraps IBC Buyout of Bhushan Power & Steel by JSW Steel' *Business Standard* (New Delhi, 3 May 2025) <www.business-standard.com/companies/news/sc-rejects-jsw-steel-bhushan-power-resolution-plan-liquidation-125050201442_1.html> accessed 18 May 2025.

⁵ Insolvency and Bankruptcy Code 2016, s 7.

⁶ Ananthakrishnan G, 'Supreme Court Rejects JSW Steel's Resolution Plan for Bhushan Power & Steel, Orders Liquidation' *The Indian Express* (New Delhi, 3 May 2025) <www.indianexpress.com/article/india/sc-rejects-jsw-steel-bhushan-power-liquidation-9979020/> accessed 18 May 2025.

⁷ *Kalyani Transco v Bhushan Power and Steel Limited* (2025) SCC OnLine SC 1010.

for in the approved resolution plan were not complied with by JSW, thereby frustrating the very object and purpose of the IBC, 2016 and vitiating the entire process of CIRP.⁸

Secondly, they highlighted failure on the part of the Resolution Professionals in effectively discharging their statutory duties provided under the IBC and CIRP regulations. Section 25⁹ of the IBC, 2016 prescribes that a Resolution Professional needs to perform several duties such as taking control over all assets of the Corporate Debtor, maintaining a list of claims of all creditors concerned (both financial and operational), convening the meetings of CoC, representing the Corporate Debtor before third parties and taking steps for protecting their interests in judicial or quasi-judicial proceedings among several other functions.

Thirdly, the Supreme Court also pointed out procedural irregularities on the part of the financial creditors as well as the CoC in the protection of the interests of the creditors. It was specifically provided that the CoC did not apply its commercial wisdom in approving the resolution plan.¹⁰

Lastly, the Supreme Court had also held that the resolution plan, which the CoC had approved, was not in conformity with Section 30¹¹ of the IBC, 2016. In other words, conditions prescribed for the resolution plan under this section had not been fulfilled, despite which the plan had been approved. In furtherance of the same, the Supreme Court explicitly provided that the judgment regarding the approval of the resolution plan by the NCLAT was without appropriate jurisdiction and requisite authority of law and, as a result, was liable to be set aside.

Owing to the following reasons, the Supreme Court, after roughly 7.5 years of the initiation of CIRP and 6 years from the approval of the resolution plan, reversed the NCLAT's judgment.

The coming sections shall deal with the precise procedural irregularities on the part of all concerned stakeholders.

PROCEDURAL FAILURES BY RESOLUTION PROFESSIONALS

- a) Given the overall scale/complexity of the transaction and its likely impact on the business ecosystem, Resolution Professionals directly failed to assess JSW's ability to fulfil its obligations and thereby implement the plan in a timely and effective manner.

⁸ 'What Went Wrong: A Relook at Bhushan Power and Steel Limited Insolvency Process' (*Insolvency Tracker*, 4 May 2025) <www.insolvencytracker.in/2025/05/04/what-went-wrong-a-relook-at-bhushan-power-and-steel-limited-insolvency-process/> accessed 18 May 2025.

⁹ Insolvency and Bankruptcy Code 2016, s 25.

¹⁰ 'What Went Wrong: A Relook at Bhushan Power and Steel Limited Insolvency Process' (*Insolvency Tracker*, 4 May 2025) <www.insolvencytracker.in/2025/05/04/what-went-wrong-a-relook-at-bhushan-power-and-steel-limited-insolvency-process/> accessed 18 May 2025.

¹¹ Insolvency and Bankruptcy Code 2016, s 30.

- b) Resolution Professional in the present case also failed to file the Compliance Certificate prescribed under Form-H to the NCLT, which was required to be mandatorily filed along with the application required to be filed before the NCLT to seek approval of the resolution plan under Sections 30(6)¹² and 31(1)¹³ of the IBC, 2016.¹⁴
- c) As per Section 12¹⁵ of the IBC, on receipt of an application to extend the period of the CIRP by the Resolution Professional, the NCLT may extend the period by a further 90 days from the initial 180 days. However, in the present case, the CIRP was initiated on 26.07.2017, and the application for extension was made on 14.02.2019 by the Resolution Professional. This was well beyond the prescribed period of 180 days and even the extended time period of 270 days. Hence, this was a clear breach of Section 12 of the IBC, and the fault was explicitly on the part of the Resolution Professional.¹⁶
- d) At the same time, there was no verification conducted by the Resolution Professional to examine whether JSW or any of its connected persons/entities, being Resolution Applicants, i.e., an entity whose resolution plan was accepted, were ineligible to submit their resolution plans under Section 29A¹⁷ of the IBC. Section 29A broadly provides that no person submitting a resolution plan shall be connected with or be subjected to the control of the Corporate Debtor.
- e) The Resolution Professional as per his obligations under Sections 43-51 of IBC¹⁸ had not initiated any action for undervalued, fraudulent and preferential transactions. At the same time, the Resolution Professional effectively failed to discharge his statutory duty cast upon him to file applications for avoidance of transactions in accordance with Chapter III of the IBC. Owing to all these irregularities in the actions of the Resolution Professional, the Supreme Court rejected the resolution plan of JSW.¹⁹

¹² Insolvency and Bankruptcy Code 2016, s 30(6).

¹³ Insolvency and Bankruptcy Code 2016, s 31(1).

¹⁴ PTI, 'SC rejects JSW Steel's resolution plan for Bhushan Steel and Power, orders liquidation' (*ET LegalWorld*, 2 May 2025) <www.legal.economictimes.indiatimes.com/news/litigation/sc-rejects-jsw-steels-resolution-plan-for-bhushan-steel-and-power-orders-liquidation/120824726> accessed 18 May 2025.

¹⁵ Insolvency and Bankruptcy Code 2016, s 12.

¹⁶ 'What Procedural Failures in Bhushan Power and Steel Ltd. (BPSL) Insolvency led the Supreme Court to Reject JSW's Resolution Plan and Order Liquidation?' (*IBC Laws*, 3 May 2025) <www.ibclaw.in/what-procedural-failures-in-bhushan-power-and-steel-ltd-bpsl-insolvency-led-the-supreme-court-to-reject-jsws-resolution-plan-and-order-liquidation/> accessed 18 May 2025.

¹⁷ Insolvency and Bankruptcy Code 2016, s 29A.

¹⁸ Insolvency and Bankruptcy Code 2016, ch III.

¹⁹ D K Prahlada Rao, 'Role & Responsibility of Insolvency Professionals under the Code- An Analysis' (*ICSIIIP*, March

2017)<[www.icsiip.in/panel/assets/images/research_articles/16331692499424Articles%20\(Sep,%202016\).pdf](http://www.icsiip.in/panel/assets/images/research_articles/16331692499424Articles%20(Sep,%202016).pdf)> accessed 18 May 2024.

- f) Lastly, while submitting the affidavit to the NCLT, they essentially misled the tribunal regarding the fact that the resolution plan complied with the requirements provided under Section 30 of the IBC without any factual verification.²⁰ For example, prior to the amendment brought about to the IBC in November 2019, the requirement was to discharge the debts of operational creditors first before all the financial creditors under a resolution plan. However, this mandatory requirement was not complied with, and the financial creditors' debts were prioritised by the resolution professional over those of the operational creditors.

PROCEDURAL FAILURES BY THE COMMITTEE OF CREDITORS

- a) There had been a clear default on the part of the CoC in ensuring compliance with the resolution plan under Section 29A and in carrying out the feasibility studies.
- b) The CoC also didn't verify the compliance with Regulation 38 of the CIRP Regulations²¹ with respect to the viability and feasibility of the resolution plan, the effectiveness of the plan and the capability of the Resolution Applicant to execute the resolution plan. As a result, the Committee directly allowed the Resolution Applicant to submit the updated resolution plan with an addendum letter, which otherwise had several defects and improprieties.²²
- c) Though the CoC in its 18th and 19th meetings pointed out several violations under Regulation 38 of the CIRP Regulations, the same were not considered by them while approving the resolution plan, which was passed without any kind of deliberations.
- d) In the current proceedings being conducted before the Supreme Court, the CoC was in complete support of JSW despite the improprieties on their part. The CoC, as a result, directly accepted the amount of Rs 19,350 crores from JSW even after two years from the acceptance of the plan, that too without raising any kind of objections which they had initially raised.²³ The Supreme Court, as a result, also pointed out the inherent ignorance as

²⁰ 'What went wrong: A relook at Bhushan Power and Steel Limited insolvency process' (*Insolvency Tracker*, 4 May 2025) <www.insolvencytracker.in/2025/05/04/what-went-wrong-a-relook-at-bhushan-power-and-steel-limited-insolvency-process/> accessed 18 May 2024.

²¹ Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016, reg 38.

²² 'IBC gets a wake-up call: SC reaffirms law over commercial expediency' (*ET LegalWorld*, 12 May 2025) <www.legal.economictimes.indiatimes.com/news/corporate-business/ibc-gets-a-wake-up-call-sc-reaffirms-law-over-commercial-expediency/121032187> accessed 18 May 2024.

²³ 'What Procedural Failures in Bhushan Power and Steel Ltd. (BPSL) Insolvency led the Supreme Court to Reject JSW's Resolution Plan and Order Liquidation?' (*IBC Laws*, 3 May 2025) <www.ibclaw.in/what-procedural-failures-in-bhushan-power-and-steel-ltd-bpsl-insolvency-led-the-supreme-court-to-reject-jsw-resolution-plan-and-order-liquidation/> accessed 18 May 2024.

well as unlawful acts committed by the Committee of Creditors, which was one of the major reasons for the rejection of the resolution plan.

PROCEDURAL LAPSES BY JSW

- a) Firstly, there were significant delays in making payments on the part of JSW. The resolution plan prescribed that the payments be made to all concerned creditors within 30 days. However, in the present scenario, financial creditors received payments only after 540 days, whereas the operational creditors received the same after 900 days.
- b) JSW willfully did not implement the resolution plan approved by the NCLT and filed an appeal before the NCLAT against the NCLT's order.²⁴ As a result, all the payments remained pending during the pendency of the appeal before the NCLAT and even before the Supreme Court in the present scenario. As a result, even the direct/upfront payments that were to be made under the Resolution plan remained unpaid and pending till 2022.
- c) JSW made several false claims in the Resolution plan and created an ideal resolution plan, eventually creating its highest ranking per the evaluation matrix among all the resolution plans. As a result, they were directly involved in committing the offence of misrepresentation before the CoC, including the major financial creditors such as the Punjab National Bank.
- d) Lastly, JSW had made false statements before the Court and also sought to mislead the Court with respect to the implementation of the resolution plan. This even strengthened the conviction of the Court to reject the resolution plan and condemn the actions of JSW in their totality.²⁵

Owing to all such reasons, the Supreme Court, even after roughly 6.5 years of approval of the resolution plan by the NCLT in May 2025, rejected the resolution plan and reversed the order given by the NCLT, which was also subsequently upheld by the NCLAT. However, this decision of the Supreme Court has raised eyebrows regarding the effectiveness of the IBC in the legal and business fraternity with respect to its potential impact on the investors, financial creditors, and the business ecosystem in general.

²⁴ 'What went wrong: A relook at Bhushan Power and Steel Limited insolvency process' (*Insolvency Tracker*, 4 May 2025) <www.insolvencytracker.in/2025/05/04/what-went-wrong-a-relook-at-bhushan-power-and-steel-limited-insolvency-process/> accessed 18 May 2024.

²⁵ 'What Procedural Failures in Bhushan Power and Steel Ltd. (BPSL) Insolvency led the Supreme Court to Reject JSW's Resolution Plan and Order Liquidation?' (*IBC Laws*, 3 May 2025) <www.ibclaw.in/what-procedural-failures-in-bhushan-power-and-steel-ltd-bpsl-insolvency-led-the-supreme-court-to-reject-jsws-resolution-plan-and-order-liquidation/> accessed 18 May 2025.

IMPACT OF THE JUDGMENT ON STAKEHOLDERS

This Supreme Court's judgment not only had a significant impact on JSW but at the same time, the overall business ecosystem in the country.²⁶ JSW had already made certain part payments to the financial creditors as a part of the resolution plan, even though there had been delays in the payments. However, since the Supreme Court has now rejected the resolution plan, this entire sum of money paid shall be required to be taken back from these financial creditors. The question here is whether these creditors will be willing to return this sum, especially when they were entitled to receive this from the beginning of the CIRP in 2017.²⁷ As a result, even though recovery of the sums paid to the creditors as part of the resolution plan is mandatory owing to the Supreme Court's order, convincing creditors to repay under such circumstances will be extremely difficult from an enforcement perspective. In furtherance of the same, JSW, after the approval, invested an additional 3500 to 4000 crore rupees for the expansion and diversification of the operations of BPSL. This shall further be considered as financial loss for JSW, as now they will not be able to reap profits out of such investment, as the entity no longer falls under its acquisition.²⁸

In other words, JSW will suffer roughly 15% loss in its overall revenue and earnings because of the rejection of the resolution plan. This judgment also arrives at a point where BPSL had become a significant profit-reaping vehicle for JSW. As per statistics as recent as December 2024, roughly 10% of the steel output and profits were being directly derived from BPSL. Even after leaving out all financial losses suffered, this rejection and the underlying observations of the Court will tarnish the image of JSW significantly in the eyes of the general public.²⁹ Immediately after the judgment surfaced publicly, there was a reduction in the stock price of JSW despite the steel industry in general being at 1% high on the Nifty50 Index. As a result, this ruling has disrupted JSW's financials and monetary planning carried out upon developing BPSL.

²⁶ 'What the SC's Bhushan Power ruling means for JSW Steel' (*Upstox*, 5 May 2025) <www.upstox.com/news/upstox-originals/latest-updates/what-the-sc-s-bhushan-power-ruling-means-for-jsw-steel/article-165384/> accessed 18 May 2025.

²⁷ Karishma Dodeja, Tine Abraham and Deepali Verma, 'Supreme Court: Liquidation of Bhushan Power and Steel Limited – A cautionary tale' (*Trilegal*, 9 May 2025) <www.trilegal.com/knowledge_repository/trilegal-update-supreme-court-liquidation-of-bhushan-power-and-steel-limited-a-cautionary-tale/> accessed 18 May 2025.

²⁸ Mihika Barve, 'JSW Steel's FY26 Ebitda Could See 10% Impact — Here's Why' (*NDTV Profit*, 5 May 2025) <www.ndtvprofit.com/business/jsw-steels-fy26-ebitda-could-see-10-impact-heres-why> accessed 18 May 2025.

²⁹ 'What the SC's Bhushan Power ruling means for JSW Steel' (*Upstox*, 5 May 2025) <www.upstox.com/news/upstox-originals/latest-updates/what-the-sc-s-bhushan-power-ruling-means-for-jsw-steel/article-165384/> accessed 18 May 2025.

This was with respect to the impact on JSW. Now, coming onto the financial creditors, since the assets of BPSL will now be sold through liquidation, which is essentially the last resort under IBC, the recovery of the entire sum of 19,350 crores will not be possible. Generally, in the process of liquidation, the assets are bought at a bare minimum price, which cannot equalise the price provided in the resolution plan, and, as a result, recovery of the entire amount will be extremely difficult from the perspective of creditors.

This judgment will, in turn, shake the overall confidence of the concerned investors. From now on, there will be hesitation in indulging in the overall CIRP or even considering making an investment in a sick company that is sought to be revived in accordance with CIRP.

ISSUES WITH IBC IN PRACTICE

The current case directly reflects the systemic decay in the processes prescribed under the IBC, 2016. The Code was envisaged as a time-bound mechanism to ensure the swift resolution and revival of financially distressed companies, with strict timelines — 180 days, extendable by 90 days — set for the CIRP.³⁰ However, in practice, these timelines are rarely adhered to, and the frequent judicial interventions and procedural delays are steadily eroding the very objective of the IBC. The intended rescue mechanism is turning into an extended legal battle, causing value erosion and uncertainty for all stakeholders involved.

Before the introduction of the IBC, liquidation was often the only recourse available in major cases of corporate distress. CIRP was introduced to change this trajectory by enabling revival within a fixed timeframe. Yet, the outcomes have not met expectations. Since its inception, approximately 4,300 CIRPs have been initiated, of which only around 2,653 have been resolved through either approval of resolution plans or withdrawal.³¹ The rest have ended in liquidation — a clear signal that revival is still not the norm. This trend not only reflects inefficiency in resolution but also significantly delays the recovery for creditors and fails to revive the corporate debtor in a meaningful way.

One of the critical challenges lies in the frequent extensions granted by the Adjudicating Authorities, effectively diluting the sanctity of statutory timelines. In some cases, CIRPs have

³⁰ 'Insolvency and Bankruptcy Code: A Miscellany of Perspectives' (*Insolvency & Bankruptcy Board of India*, 11 October 2019) <www.ibbi.gov.in/uploads/whatsnew/2019-10-11-191223-exc18-2456194a119394217a926e595b537437.pdf> accessed 18 May 2025.

³¹ 'The Experts Corner – Dr M S Sahoo, Chairperson, the IBBI' (*Insolvency & Bankruptcy Board of India*, 12 July 2021) <www.ibbi.gov.in/uploads/resources/2021-07-13-110646-nqxug-7e3f660480ab1640de8024c200b5a4d3.pdf> accessed 18 May 2025.

stretched over several years, as seen in the present case, where the process dragged on for nearly 7 years, which defies the fundamental purpose of a time-bound resolution mechanism. Delays also arise from prolonged litigation at multiple forums (NCLT, NCLAT, and Supreme Court), lack of capacity within the adjudicating bodies, and delays in appointment or replacement of Resolution Professionals (RPs).³² Another layer of complexity comes from the inconsistent performance of Resolution Professionals and the indecisiveness or conflicting interests of the CoC. The success of CIRP heavily depends on the proactive conduct of both these players. Instances of manipulation in valuation, suppression of information, and conflicts of interest among stakeholders have also affected the transparency and efficiency of the process.³³

Moreover, several sectors, such as real estate and infrastructure, are facing additional sector-specific challenges that the one-size-fits-all structure of IBC does not currently address adequately. This has led to calls for sector-specific regulations or frameworks to handle such insolvencies more effectively. As a result, ensuring strict adherence to timelines, making the Resolution Professionals accountable, making the overall NCLT system more effective in handling the resolution plan, and proactive monitoring by the Insolvency and Bankruptcy Board of India (IBBI) are crucial reforms needed to revitalise confidence in the IBC. Unless these core issues are resolved, the IBC risks turning into a prolonged judicial process rather than the efficient, time-bound revival mechanism it was intended to be.

CONCLUSION

The BPSL case is a poor commentary on the structural and framework-based issues in IBC, 2016, which adversely affect its application. Despite being seen as a timely and effective solution for the recovery of sick companies, the current case has reflected inherent shortcomings in its overall implementation, such as prolonged litigations, delay in making payments, non-compliance, and eventual liquidation. At the same time, this Supreme Court's ruling led to huge losses for JSW and pointed out failure on their part in observing their duties properly. Furthermore, it invalidated years of effort and investments made, and the trust developed among the concerned stakeholders. As a result, the judgment ultimately calls into

³² 'The Journey of Insolvency & Bankruptcy Code' (*Chambers and Partners*, 8 October 2018) <www.chambers.com/articles/the-journey-of-insolvency-bankruptcy-code> accessed 18 May 2025.

³³ 'Insolvency and Bankruptcy Board of India: Annual Publication' (Insolvency & Bankruptcy Board of India 2020) <www.ibbi.gov.in/uploads/publication/e42fddce80e99d28b683a7e21c81110e.pdf> accessed 18 May 2025.

question the robustness and credibility of the CIRP framework under the IBC. It highlights the urgent need for systemic reforms, better enforcement, and accountability within the insolvency resolution ecosystem.