IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.2 – IA1314(AHM)2025
In
C.P.(IB)/53(AHM)2023

Proceedings under Section 9 IBC

IN THE MATTER OF:

Basil Enterprise ....**Applicant**
V/s
Sebacic India Ltd ....**Respondent**

Order delivered on: 10/11/2025

C O R A M:
MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

P R E S E N T:
For the Applicant :Mr. Nipun Singhvi, Adv.
For the Respondent :

O R D E R
(Hybrid Mode)

IA/1314(AHM)/2025

1. The present Interlocutory Application IA/1314(AHM)/2025 has been filed on 05.11.2025 by the Applicant/RP of Sebacic India Limited (hereinafter "Corporate Debtor"), under Section 12(2) read with Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (IBC), and Regulation 40 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) seeking directions for extension of CIRP by 120 days beyond 02.11.2025 with the following prayers:-

   a) (a) *YOUR LORDSHIP'S MAY BE PLEASED to allow the present application and condone the delay of 3(Three) days in filing of present application;*

   b) *YOUR LORDSHIP'S MAY BE PLEASED to extend the period of the Corporate Insolvency Resolution Process of the Corporate Debtor under Section 12(2) of the Insolvency and Bankruptcy Code, 2016, beyond 360 (Three hundred and Sixty days) for a further period of 120 days from 03.11.2025 as 360 days expires on 02.11.2025;*

RK

c) *YOUR LORDSHIP'S MAY BE PLEASED to grant any other relief or relief as may deem fit in the interest of justice.*

2. The Applicant/RP has summarised facts of the Case as under:-

2.1. It is stated by the Applicant/RP that the CIRP against the Corporate Debtor was initiated by this Tribunal vide order dated 15.05.2024 in CP(IB) No. 53 of 2023, filed by Operational Creditor Basil Enterprise under Section 9 of the IBC. The Applicant was appointed as Interim Resolution Professional, later confirmed as Resolution Professional (Annexure-A).

2.2. On 18.05.2024 the Resolution Professional published public announcement inviting claims from the creditors of the Corporate Debtor. After the receipt of the claims, the Resolution Professional constituted a Committee of Creditors of the Corporate Debtor on 07.06.2024, which was reconstituted on 26.07.2025 with three members holding total admitted claims of Rs. 4,15,69,168 (Annexure-B). The voting shares are: Ramesh D. Patel 49.71%, Piyush R. Patel 37.36% and Pankaj N. Pandya 12.93%.

2.3. The initial statutory period of 180 days for completion of the CIRP, as mandated under Section 12(1) of the IBC, commenced on 15.05.2024 and expired on 11.11.2024. Exclusion of 164 days was granted on 21.02.2025 in IA No. 240 of 2025 (Annexure-D). Extension of 90 days beyond 180 days was granted on 07.05.2025 in IA No. 603 of 2025 (Annexure-E).

2.4. On 09.07.2025 order was passed in IA Nos. 1037, 1222 and 1787 of 2024 declaring certain parties as related parties and reconstituting the Committee of Creditors (Annexure-F). Form-G was published on 13.07.2024 inviting Expression of Interest (Annexure-C). Fresh Form-G was published on 31.07.2025 (Annexure-G).

2.5. Stays were imposed by the National Company Law Appellate Tribunal on 31.07.2025 in CA(AT)(Ins) Nos. 1115-1117 of 2025, 1298 of 2025 and 1308 of 2025 prohibiting voting on resolution plans (Annexure-H). Extension of 90 days beyond 270 days was granted on 19.08.2025 in IA No. 924 of 2025 (Annexure-I).

2.6. The 10th Committee of Creditors meeting was held on 06.09.2025 (Annexure-J), the 11th on 11.09.2025 (Annexure-K), the 12th on 18.09.2025 (Annexure-L) and the 13th on 03.11.2025 (Annexure-M). In the 13th meeting, the Committee of Creditors approved the extension by 100% voting share.

2.7. The Applicant/RP has submitted that the CIRP period of 360 days expires on 02.11.2025 after accounting for prior exclusions and extensions. No resolution plans have been approved due to ongoing appeals before the National Company Law Appellate Tribunal listed for hearing on 13.11.2025. Prospective resolution applicants have sought time for submission till 05.11.2025 due to holidays. The CIRP process has exceeded 360 days due to prolonged litigation arising from related party disputes, stays and appeals, necessitating extension by 120 days to maximize value for creditors. The Corporate Debtor's assets include operational units with significant potential, and extension aligns with CoC's commercial wisdom to avoid liquidation.

2.8. The Ld. Counsel for the Applicant/RP emphasized that extension is warranted for litigation delays beyond control, beyond 360 days in exceptional circumstances, and to complete evaluation and approval of resolution plans, serving the interests of creditors and stakeholders.

3. We have heard the Ld. Counsel for the applicant/RP and have perused the material available on record.

4. Observation and Directions of the Adjudicating Authority are as under:-

4.1. Section 12 of the IBC, 2016, governs the timeline for the CIRP.

Sub-section (1) mandates that: -

"Subject to sub-section (2), the corporate insolvency resolution process shall be completed within a period of one hundred and eighty days from the insolvency commencement date, including any extension of the period granted under this section."

Sub-section (2) provides that: -

"The resolution professional shall file an application to the Adjudicating Authority to extend the period of the corporate insolvency resolution process beyond one hundred and eighty days, if instructed to do so by a resolution passed at a meeting of the committee of creditors by a vote of sixty-six per cent of the voting shares."

Sub-section (3) provides that: -

"The corporate insolvency resolution process shall be completed within a period of three hundred and thirty days from the insolvency commencement date, including any extension of the period granted under subsection (2)."

4.2. Section 60(5) of the IBC empowers the Adjudicating Authority to pass any order necessary for implementation of the provisions of the Code, including exclusion of time due to delays.

4.3. Regulation 40 of the CIRP Regulations complements Section 12(2) by stating: -

> "(1) The committee may instruct the resolution professional to make an application to the Adjudicating Authority under section 12 to extend the insolvency resolution process period.
>
> (2) The resolution professional shall, on receiving an instruction from the committee under this Regulation, make an application to the Adjudicating Authority for such extension.
>
> Clarification: It is clarified that the resolution professional shall continue to discharge his responsibilities under the corporate insolvency resolution process, till the application for extension is decided by the Adjudicating Authority."

4.4. Rule 11 of the NCLT Rules, 2016 deals with Inherent Powers. -

> "Nothing in these rules shall be deemed to limit or otherwise affect the inherent powers of the Tribunal to make such orders as may be necessary for meeting the ends of justice or to prevent abuse of the process of the Tribunal."

4.5. Rule 15 of the NCLT Rules, 2016 deals with Power to extend time: -

> "The Tribunal may extend the time appointed by these rules or fixed by any order, for doing any act or taking any proceeding, upon such terms, if any, as the justice of the case may require, and any enlargement may be ordered, although the application therefore is not made until after the expiration of the time appointed or allowed."

4.6 The IBC aims to balance the timely resolution of stressed assets with the maximization of value for stakeholders, allow extensions in exceptional cases, as underscored by the Hon'ble Supreme Court in ***Committee of Creditors of Essar Steel India Ltd. Vs. Satish Kumar Gupta (2019) ibclaw.in 07 SC***.

7.7. The NCLAT's ruling in ***Kiran Martin Gulla RP of Varadharaja Foods Pvt. Ltd. (2024) ibclaw.in 97 NCLAT*** further clarifies that extensions must be practical and prospective to achieve these objectives, avoiding procedural prejudice to the stakeholders.

7.8. Supreme Court in ***Swiss Ribbons Pvt. Ltd. Vs. Union of India, (2019) ibclaw.in 03 SC***, holding that the Code prioritises reorganisation and revival, with liquidation as a last resort.

RK

7.9. The Hon'ble NCLAT in ***Jalesh Kumar Grover v. Committee of Creditors of Akme Projects Ltd.,*** *(2021) ibclaw.in 73 NCLAT* decided on 16.02.2021 excluded the period spent in pending appeal before the Supreme Court from the CIRP timeline of 330 days.

7.10. The Hon'ble NCLAT in ***Whispering Tower Flat Owner Welfare Association v. Abhay Narayan Manudhane RP and Ors.,*** *(2022) ibclaw.in 05 NCLAT,* decided on 04.01.2022, allowing extension beyond 330 days for re-run to invite project-wise resolution plans.

7.11. The Hon'ble NCLAT in ***CMA Vijender Sharma v. CoC of Shree Maheshwar Hydel Power Corporation Ltd. and Ors***., *(2025) ibclaw.in 788 NCLAT* decided on 19.09.2025, granted an extension of 90 days beyond 330 days.

4.12. We have perused the application, the supporting affidavit, and the annexed documents, including Annexure A to M. The submissions of Ld. Counsel have also been carefully considered.

4.13. The initiation of the CIRP on 15.05.2024, exclusions on 21.02.2025 and 07.05.2025, extensions on 07.05.2025 and 19.08.2025, reconstitution on 26.07.2025, stays on 31.07.2025 and CoC approvals on 03.11.2025 are undisputed. The period beyond 360 days has been consumed in litigation beyond RP/CoC control, justifying extension under Section 12 read with precedents in Arshiya Bunkering and Jalesh Kumar Grover.

4.14. The resolution passed in the 13th CoC meeting on 03.11.2025, with 100% voting in favour, exceeds the statutory threshold of 66% under Section 12(2) of the IBC. The voting results corroborate this mandate.

4.15. The prolonged delays have stalled the process at advanced stage, with no plan approved post-stays. Extension by 120 days under Regulation 40 is essential for evaluation of plans, as permitted in Whispering Tower, to maximize value and avoid liquidation, consistent with IBC objectives in Swiss Ribbons.

4.16. Extension from date of order is warranted in exceptional circumstances of litigation delays, exceeding 360 days post-exclusion, aligning with Essar Steel and Kiran Martin Gulla for prospective commencement.

4.17. The Applicant/RP has approached this Tribunal immediately after the 13th CoC resolution on 03.11.2025 by filing on 05.11.2025, satisfying procedural timelines.

5. In light of the foregoing analysis, this Tribunal finds that the application merits approval. The CoC's resolution, supported by 100% majority, fulfils the requirements of Section 12(2) of the IBC and Regulation 40 of the CIRP Regulations. The litigation-induced delays justify extension, and the stalled process necessitates further time to maximise value and avoid liquidation, serving the interests of all stakeholders.

6. The precedents cited above in Jalesh Kumar Grover, Whispering Tower Flat Owner Welfare Ass. and Kiran Martin Gulla mandate prospective extension from the date of the order. Accordingly, the prayers sought by the applicant are granted as follows:-

   A. The Corporate Insolvency Resolution Process of the Corporate Debtor - Sebacic India Limited is extended by a period of 120 days, commencing from 03.11.2025 till 01.03.2026, pursuant to Section 12(2) of the IBC, 2016, and Regulation 40 of the CIRP Regulations, 2016.

   B. The RP is directed to expedite the process on vacation of stay, including resolution plan evaluation, and adhere to IBC and CIRP Regulations within the extended period.

   C. The RP shall file a status report with this Tribunal within 60 days from the date of this order, detailing the progress of the CIRP, including the evaluation and approval status of resolution plans.

7. Accordingly, **IA No. 1314 of 2025** in CP(IB) No. 53 of 2023 stands allowed and disposed of.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)

RK