

**NATIONAL COMPANY LAW TRIBUNAL
CUTTACK BENCH
IA(IB) No.378/CB/2025**

**In
TP No. 17 of 2021
[earlier CP(IB) No. 1696/MB/2017]**

(An application under Section 60(5) of The Insolvency & Bankruptcy Code, 2016 read with Rule 11 of NCLT Rules, 2016 and Regulation 44(2) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)

In the matter of:

IDFC BANK LIMITED

..... FINANCIAL CREDITOR

Vs.

MONNET POWER COMPANY LIMITED

..... CORPORATE DEBTOR

AND

In the matter of:

NAVNEET KUMAR GUPTA

(Liquidator for Monnet Power Company Ltd.)

D1/02, DDA, Golf Link, Sector 23B,

Dwarka, New Delhi-110077

Email- navneet@minervaresolutions.com

..... APPLICANT/LIQUIDATOR

ORDER PRONOUNCED ON: 10.03.2026

**CORAM: DEEP CHANDRA JOSHI, HON'BLE ACTING PRESIDENT
BANWARI LAL MEENA, HON'BLE MEMBER (TECHNICAL)**

APPEARANCE:

FOR APPLICANT: GAURAV SINGH, ADVOCATE

ORDER

PER: BANWARI LAL MEENA, MEMBER (TECHNICAL)

1. The present application was filed on 04.12.2025 under Section 60(5) of the Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as "**Code**") read with Rule 11 of the NCLT Rules, 2016 and Regulation 44(2) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (hereinafter referred to as "**Liquidation Regulations**") seeking the following reliefs:

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- a. *To exclude the time period of the Liquidation Process of the Corporate Debtor from **11.06.2025** until the approval of this application;*
 - b. *In case the prayer at (a) above is allowed, the actions taken by the Liquidator after **01.12.2025** and up to the date of grant of exclusion be considered as actions of the Liquidator as part of the Liquidation process; and/or*
 - c. *Pass such other orders as this Hon'ble Tribunal deems fit and proper in the facts and circumstances of the case.*
2. The National Company Law Tribunal, Mumbai Bench vide its Order dated 23.02.2018 directed the commencement of Corporate Insolvency Resolution Process (“**CIRP**”) against the Corporate Debtor and accordingly Mr. Navneet Kumar Gupta was appointed as Resolution Professional to carry out CIRP of the Corporate Debtor.

SUMMARY OF PLEADINGS

3. The applicant in its application has made inter alia the following averments:
- a. As no successful resolution plan was achieved during the CIRP, the Committee of Creditors (CoC) decided to seek liquidation of the Corporate Debtor. Subsequently, the NCLT, Mumbai Bench, vide its order dated 23.10.2019, admitted the liquidation application, directed the commencement of the liquidation process of the Corporate Debtor, and appointed the Mr. Navneet Kumar Gupta as the Liquidator.
 - b. The Applicant previously filed an application vide I.A. (IB) No. 165/CB/2022 seeking the exclusion of **778 days** from the liquidation timeline. This Adjudicating Authority, vide order dated 17.10.2022, allowed the said exclusion based on several factors beyond the Liquidator's control:

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- I. A period of **35 days** (23.10.2019 to 26.11.2019) due to the late communication and uploading of the initial liquidation order.
 - II. A period of **267 days** (15.03.2020 to 06.12.2020) owing to national and state lockdowns resulting from the **COVID-19 pandemic**.
 - III. A period of **424 days** (07.12.2020 to 03.02.2022) due to protracted litigation with **Bharat Heavy Electricals Limited (BHEL)** and a resulting stay on the e-auction process.
 - IV. A period of **52 days** (30.03.2022 to 20.05.2022) on account of a status quo order directed by the **Hon'ble NCLAT**.
- c. An Interlocutory Application vide I.A. (IB) No. 1438/MB/2020 was filed by Bharat Heavy Electricals Limited ("**BHEL**") before the Hon'ble NCLT, Mumbai Bench under Section 42 of the Code. The said application was filed on the ground that the Liquidator had wrongly rejected a part of the claims filed by BHEL and on the further contention that BHEL was a secured creditor of the Corporate Debtor. Consequently, the Adjudicating Authority stayed the e-auction in a hearing held on 07.12.2020, and this stay remained in effect for a total of 424 days until the application was finally dismissed on 03.02.2022.
- d. Aggrieved by the dismissal of the aforementioned application on 03.02.2022, BHEL preferred an appeal bearing no. Company Appeal (AT) (Insolvency) No. 316 of 2022, before the Hon'ble NCLAT, New Delhi. The Hon'ble NCLAT, vide its order dated 30.03.2022, directed that the existing status quo regarding the plant and machinery of the Corporate Debtor be maintained. This status quo order remained in force through successive extensions until the appeal was finally dismissed by the Hon'ble NCLAT on 15.09.2022. Furthermore, the Hon'ble NCLAT allowed the status

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quo to continue for an additional two weeks post-dismissal to enable BHEL to approach the Hon'ble Supreme Court, thereby effectively extending the halt on the e-auction process until 29.09.2022.

- e. The Applicant has stated that the period of status quo post 20.05.2022, being the date up to which the exclusion was granted by this Adjudicating Authority in I.A. (IB) No. 165/CB/2022, had crystalized. Accordingly, the Applicant filed another application vide I.A. (IB) No. 339/CB/2022 seeking exclusion of the period from 21.05.2022 till 29.09.2022. This period constituted 132 days during which there was a stay on the e-auction of the assets of the Corporate Debtor, and the said application was allowed by this Adjudicating Authority vide its order dated 16.01.2023.
- f. The Liquidator initiated the 9th round of e-auction for the sale of the assets of the Corporate Debtor on a slump sale basis with a reserve price of Rs. 400 Crores. Public announcements for the same were issued in the Financial Express and Odisha Bhaskar on 01.10.2022, and the Asset Sale Process Memorandum ("**ASPM**") was simultaneously uploaded on the website of the Corporate Debtor. In response to this invitation, Expressions of Interest ("**EOI**") were received from four bidders, namely Jindal Steel and Power Limited, Adani Power Limited, J Kumar Infra Projects Limited, and Chinar Steel Segment Centre Private Limited. Following a due diligence period conducted from 15.10.2022 to 28.10.2022, the Liquidator received bid forms and Earnest Money Deposits ("**EMD**") from three qualified bidders who were subsequently permitted to participate in the e-auction scheduled for 02.11.2022.
- g. The 9th round of e-auction was successfully concluded on 02.11.2022, with **Jindal Steel and Power Limited** emerging as the Successful Bidder with the highest bid of **Rs. 410 Crores**.

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Following the declaration of the Successful Bidder, the Liquidator issued the Letter of Demand on 07.11.2022, and the Successful Bidder subsequently deposited a balance Performance Bank Guarantee (“**PBG**”) of Rs. 15.5 Crores on 15.11.2022. The total amount received by the Liquidator from the Successful Bidder as on date amounts to Rs. 410 Crores, which includes Rs. 20.50 Crores towards the PBG. This total consideration was realized through the deposit of Rs. 385.40 Crores on 07.12.2022 and a final balance of Rs. 4.10 Crores on 18.01.2023.

- h.** The Applicant has stated that following the realization of the sale consideration, the Liquidator distributed an amount of Rs. 3,38,62,98,362/- among the stakeholders in accordance with the waterfall mechanism provided in Section 53 of the Code. Additionally, a sum of Rs. 20,07,90,763/- was remitted to the financial creditors toward the Corporate Insolvency Resolution Process and liquidation costs contributed by them.
- i.** Subsequently, the Applicant filed an application vide I.A. (IB) No. 69/CB/2023 on the ground of a lack of clarity regarding the distribution of the remaining sale proceeds between secured financial creditors holding a first pari passu charge and those holding a second pari passu charge over the entire assets of the Corporate Debtor. This Adjudicating Authority, vide order dated 02.05.2025, disposed of the said application by directing the Liquidator to distribute the balance amount of Rs. 30,26,42,850/- among the secured creditors on a pro-rata basis without priority to first charge holders, and further directed the completion of the distribution within sixty days from the date of this order.
- j.** The Applicant has further stated that an application was filed before this Adjudicating Authority vide I.A. (IB) No. 185/CB/2024, which remains pending, on the ground that the claim of the Employee Provident Fund Organization was rejected by the

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Liquidator on account of extraordinary delay in filing. Furthermore, an Interlocutory Application vide I.A. (IB) No. 24 of 2025 has been filed by Bharat Heavy Electricals Limited against the Liquidator and the successful bidder, M/s. Jindal Steel and Power Limited, which is also currently pending before this Hon'ble Tribunal.

- k.** The Applicant has stated that a Company Appeal, docketed as Company Appeal (AT) (Ins) No. 857 of 2025, was preferred by Edelweiss Asset Reconstruction Company Ltd. & Ors. before the Hon'ble NCLAT against the order dated 02.05.2025 passed by this Adjudicating Authority in I.A. (IB) No. 69/CB/2023. The Hon'ble NCLAT, vide its order dated 11.06.2025, directed that the distribution of funds in terms of the said order be postponed until 01.07.2025. Subsequently, the interim stay was continued until the final pronouncement of the order in the said appeal. During the hearing held on 17.10.2025, the Hon'ble NCLAT directed the parties to complete their pleadings and ordered that the interim stay on the distribution proceedings shall continue.
- l.** The Applicant has detailed the progress of the liquidation process, noting that several key milestones have been achieved, including the completion of the 9th round of e-auction on 01.10.2022. The due diligence process for interested bidders was conducted from 15.10.2022 to 28.10.2022. Following this, **Jindal Steel and Power Limited** was declared the successful bidder on 02.11.2022. After the issuance of the letter of demand on 07.11.2022, the sale certificate was issued and the assets were formally handed over to the successful bidder on 10.02.2023.
- m.** However, the Applicant has submitted that certain tasks remain pending, specifically the adjudication of I.A. (IB) No. 185/CB/2024 and I.A. (IB) No. 24 of 2025, both of which were listed for hearing on 22.07.2025. Additionally, the final distribution of the balance

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sale consideration remains pending as it is currently stayed by the Hon'ble NCLAT vide its order dated 11.06.2025 in Company Appeal (AT) (Ins) No. 857 of 2025. It is further stated that this Adjudicating Authority, vide its order dated 09.09.2025 in I.A. (IB) No. 225/CB/2025, had extended the liquidation period from 01.06.2025 to 01.12.2025 to allow for the conclusion of these proceedings.

- n.** The Applicant has stated that the Liquidator convened the 21st meeting of the Stakeholders Consultation Committee ("**SCC**") on 06.11.2025. During this meeting, the Liquidator proposed the agenda for the exclusion of the period from the liquidation process starting from 11.06.2025 until the approval of the present application or the vacation of the stay granted by the Hon'ble NCLAT. The members of the SCC discussed the proposal, and the agenda for filing the exclusion application was subsequently put to a vote and carried by the requisite majority.
- o.** The Applicant has submitted that the stay granted by the Hon'ble NCLAT in Company Appeal (AT) (Ins) No. 857 of 2025 has rendered the Liquidator unable to distribute the balance sale consideration or conclude the liquidation process within the previously extended timeline. Accordingly, the present application has been filed seeking the exclusion of the period from 11.06.2025 until the date of approval of this application to ensure the completion of the liquidation process in accordance with the Code and relevant regulations.

ANALYSIS AND FINDINGS

4. We have heard the Ld. Counsel for the Applicant, perused the averments made in the present application, and examined the documents brought on record. The primary issue for consideration is whether the period of delay in the liquidation process, occasioned by

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the interim stay granted by the Hon'ble NCLAT, warrants an exclusion from the total liquidation timeline of the Corporate Debtor.

5. Upon perusal of the records, it is observed that this Adjudicating Authority, vide order dated **02.05.2025** in I.A. (IB) No. 69/CB/2023, directed the Liquidator to distribute the balance sale proceeds among the Secured Creditors on a pro-rata basis and further extended the liquidation period by sixty days. However, the said distribution was subsequently stayed by the Hon'ble NCLAT vide its order dated **11.06.2025** in **Company Appeal (AT) (Ins) No. 857 of 2025**. It is further noted that the Hon'ble NCLAT, vide its subsequent order dated **17.10.2025**, directed the interim stay to continue until the completion of pleadings in the said appeal.

6. It is pertinent to note that under **Regulation 44(2)** of the **Liquidation Regulations**, the Adjudicating Authority is empowered to extend the liquidation period if the process cannot be completed within the prescribed timeline for reasons beyond the Liquidator's control. In the present case, the pendency of litigation before the Hon'ble NCLAT and the resulting judicial stay on the distribution of assets clearly constitute circumstances that have rendered the Liquidator legally incapable of concluding the liquidation proceedings within the previously granted extension.

7. This Tribunal notes that the delay in finalizing the liquidation process is directly attributable to the subsistence of the judicial stay. It is a well-settled principle that time lost due to bona fide litigation, particularly where a higher judicial forum has restrained the Liquidator from performing statutory duties such as the distribution of proceeds, should be excluded from the prescribed timelines. Given that the distribution of assets is the final milestone for the conclusion of the liquidation process, and considering the pendency of Company Appeal (AT) (Ins) No. 857 of 2025, this Authority finds sufficient cause to allow the exclusion of time to prevent the liquidation process from becoming

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an endless exercise while ensuring the "clean slate" principle is maintained.

8. In view of the decision of the SCC in its 21st meeting held on 06.11.2025, the continuing stay by the Hon'ble NCLAT affecting the distribution timeline, and in exercise of the powers conferred under Rule 11 of the NCLT Rules, 2016, this Tribunal is satisfied that the exclusion of the period from 11.06.2025 until the date of this order deserves to be allowed.

9. Accordingly, this Tribunal passes the following directions:

- a. The period from **11.06.2025** until the date of pronouncement of this order shall be excluded from the liquidation period of the Corporate Debtor, **Monnet Power Company Limited**.
- b. All actions taken by the Liquidator in the course of the liquidation after **01.12.2025** and up to the date of this order shall be deemed to have been undertaken during the liquidation process and shall be treated as valid.
- c. The Liquidator shall take all necessary steps to ensure the completion of the process within the timeline available after the exclusion granted hereinabove.
- d. The Liquidator shall file a status report before this Tribunal upon the expiry of the exclusion period or as required under the law.

10. Accordingly, **IA(IB) No. 378/CB/2025** is **ALLOWED** and **DISPOSED OF**.

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BANWARI LAL MEENA
MEMBER (TECHNICAL)

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DEEP CHANDRA JOSHI
ACTING PRESIDENT