

NATIONAL COMPANY LAW TRIBUNAL
INDORE SPECIAL BENCH
COURT NO. 1

ITEM No.301
IA/261(MP)2025
in
CP(IB)/22(MP)2023

Order under Section Sec 60(5) r.w sec 12 & Rule 11&13

IN THE MATTER OF:

Navin Kumar Khandelwal RP of Shri Ram Switchgears Ltd Applicant

Order delivered on 25/06/2025

Coram:

Shammi Khan, Hon'ble Member(J)
Sanjeev Kumar Sharma, Hon'ble Member(T)

ORDER

(Hybrid Mode)

IA/261(MP)2025 in CP(IB)/22(MP)2023

The case is fixed for pronouncement of the order. The order is pronounced in open Court *vide* separate sheet.

Sd/-

SANJEEV KUMAR SHARMA
MEMBER (TECHNICAL)

Tomar

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
INDORE SPECIAL BENCH AT INDORE**

**I.A. No.261/(MP)/2025
IN
C.P. (IB) No.22/(MP)/2023**

IN THE MATTER OF:

C.A. Navin Kumar Khandelwal ...Applicant/RP
Resolution Professional
of **Shri Ram Switchgears Ltd.**
Address: 206, Navneet Plaza,
Old Palasia, Indore (M.P.)- 452018.

AND IN THE MATTER OF:

Small Industries Development Bank of India ...Petitioner

VERSUS

Shri Ram Switchgears Ltd. ...Respondent/CD

Order pronounced on: 25.06.2025

C O R A M :

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
SH. SANJEEV KUMAR SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E :

For the Applicant/RP : Mr. Rohit Dubey, Advocate
For the Respondent :

O R D E R
(Per: BENCH)

1. This Interlocutory Application (IA No. 261 of 2025) has been filed on 23.05.2025 through e-mode by the Applicant, Mr.

Navin Kumar Khandelwal, Resolution Professional (RP) of Shri Ram Switchgears Ltd. (Corporate Debtor), U/s 60(5) r.w. Section 12 of the IB Code, 2016 (hereinafter referred to as “the Code”), along with Rule 11 and Rule 13 of the NCLT Rules, 2016 (NCLT Rules), and Regulation 40 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) with following prayers:

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- a) *To pass an order declaring extension of the CIRP period by 30 days beyond 24.05.2025, for the paramount interest of the Corporate Debtor and its revival as a going concern;*
 - b) *To grant an exclusion of 148 days from the CIRP timeline;*
 - c) *And/or, any such other and further orders, relief and directions, as this Hon'ble NCLT may deem fit and proper in the interest of justice and equity.*
- 2.** The Applicant seeks two reliefs: (a) an extension of the Corporate Insolvency Resolution Process (CIRP) period by 30 days beyond 24.05.2025, and (b) exclusion of 148 days from the CIRP timeline, from 22.07.2024 to 17.12.2024, due to delays caused by the reluctance of the erstwhile Interim Resolution Professional (IRP) and the pendency of the

application for his replacement. The application is supported by documents annexed as Annexure A-1 to A-5.

- 3.** The Corporate Debtor, Shri Ram Switchgears Ltd., was admitted into CIRP by this Tribunal vide order dated 29.02.2024 in C.P. (IB) 22 (M.P.) of 2023, initiated by the Small Industries Development Bank of India (Petitioner/Financial Creditor). The order appointed Mr. Rakesh Kumar Jindal as the IRP to conduct the CIRP as per the provisions of the Code (Annexure A-1). The CIRP commenced on 29.02.2024, with the initial statutory period of 180 days expiring on 27.08.2024. Vide order dated 17.12.2024 in IA/490(MP)/2024, the Tribunal granted a 90-day extension from 27.08.2024 to 24.11.2024. The 270-day period, including a permissible extension of 90 days under Section 12(2) of the Code, expired on 24.11.2024, and the total 330-day period expired on 22.01.2025. Vide order dated 17.12.2024 in IA/516(MP)/2024, this Tribunal granted a further extension of 180 days, effective from 25.11.2024, extending the CIRP timeline to 24.05.2025, resulting in a total CIRP period of 450 days (Annexure A-3 Colly). Thus,

450-day period comprises the initial 180 days (29.02.2024 to 27.08.2024), a 90-day extension (28.08.2024 to 24.11.2024), and a further 180-day extension (25.11.2024 to 24.05.2025).

- 4.** On 02.07.2024, during the 5th meeting of the Committee of Creditors (CoC), the CoC resolved with a 67.20% voting share to replace the IRP, Mr. Rakesh Kumar Jindal, due to dissatisfaction with his performance. An application bearing IA/349(MP)/2024 was filed on 22.07.2024 under Section 22(3)(b) of the Code for the appointment of a new RP (Annexure A-2). The Applicant submits that from 22.07.2024 to 17.12.2024, the erstwhile IRP deliberately delayed judicial proceedings and refrained from performing substantive work towards the CIRP, causing a loss of 148 days in the process (Annexure A-3 Colly and Annexure A-4).
- 5.** The Hon'ble Tribunal, vide order dated 17.12.2024, allowed IA/349(MP)/2024, replacing Mr. Rakesh Kumar Jindal with Mr. Navin Kumar Khandelwal as the RP, with instructions to complete the CIRP as per the Code (Annexure A-3 Colly). The order dated 17.12.2024 in IA/516(MP)/2024 extended the CIRP period by 180 days from 25.11.2024 to 24.05.2025 but

did not exclude the period from 22.07.2024 to 17.12.2024 from the CIRP timeline (Annexure A-3 Colly). The Applicant submits that despite this extension, the CoC is yet to vote on the resolution plans submitted by Prospective Resolution Applicants (PRAs) due to ongoing evaluations of their feasibility and viability.

- 6.** The Applicant highlights that the CIRP is at an advanced stage, with fifteen CoC meetings held to date, demonstrating the CoC's commitment to effectively carry out the resolution process (Annexure A-5). In the 15th CoC meeting held on 09.05.2025, 13.05.2025, and 14.05.2025, the CoC resolved with a 96.94% voting share to seek an extension of 30 days beyond 24.05.2025 and an exclusion of 148 days from the CIRP timeline due to the delays caused by the IRP's replacement process (Annexure A-5). The CoC further authorized the RP to file the necessary application before this Tribunal for approval of these reliefs.
- 7.** The Applicant submits that during the 15th CoC meeting, the PRAs presented revised resolution plans with increased amounts, but additional time was required for submission of

signed copies and pending compliances. The CoC decided to adjourn the meeting to allow for internal review and legal consultation, with further discussions held on 14.05.2025. The CoC members sought clarifications on aspects such as the release of personal guarantees and properties proposed in the plans, and one PRA clarified that their offered amount was final, reflecting the fair value of the Corporate Debtor's assets (Annexure A-5). The CoC is currently evaluating the commercial feasibility and viability of these plans and requires an additional 30 days to finalize its decision on approving a resolution plan or proceeding with liquidation.

- 8.** The Applicant contends that the delay from 22.07.2024 to 17.12.2024, totalling 148 days, was beyond the control of the RP and the CoC, as it stemmed from the erstwhile IRP's inaction and the pendency of IA/349(MP)/2024. The Applicant argues that this period should be excluded from the CIRP timeline, as it constitutes an exceptional circumstance under the Code, supported by judicial precedents and the Adjudicating Authority's discretion under Section 60(5) of the Code. The Applicant relies on Regulation

40C of the CIRP Regulations to support the exclusion of the 148-day period, contending that the delays caused by the IRP's inaction and judicial pendency are analogous to unforeseen circumstances contemplated under the regulation.

9. The Applicant/RP has also filed written submissions on 24.06.2025 in support of his submissions.

10. We have heard the counsel for the Applicant/RP, perused and considered the material placed before us. This IA was filed on 23.05.2025 through e-mode, but was initially defective as per the Registry. The defects were rectified by the Applicant/RP only on 19.06.2025, and the matter was listed for hearing on 20.06.2025. Through this IA, apart from the exclusion of the period of 148 days w.e.f. from 22.07.2024 to 17.12.2024, another extension of 30 days has been sought by the Applicant/RP.

11. Section 12: Time-limit for completion of insolvency resolution process.

“12. (1) Subject to sub-section (2), the corporate insolvency resolution process shall be completed within a period of one hundred and eighty days from the date of admission of the application to initiate such process.

(2) 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 ¹[sixty-six] per cent. of the voting shares.

(3) On receipt of an application under sub-section (2), if the Adjudicating Authority is satisfied that the subject matter of the case is such that corporate insolvency resolution process cannot be completed within one hundred and eighty days, it may by order extend the duration of such process beyond one hundred and eighty days by such further period as it thinks fit, but not exceeding ninety days¹¹:

Provided that any extension of the period of the corporate insolvency resolution process under this section shall not be granted more than once.

Provided further that the corporate insolvency resolution process shall mandatorily be completed within a period of three hundred and thirty days from the insolvency commencement date, including any extension of the period of corporate insolvency resolution process granted under this section and the time taken in legal proceedings in relation to such resolution process of the corporate debtor:

Provided also that where the insolvency resolution process of a corporate debtor is pending and has not been completed within the period referred to in the second proviso, such resolution process shall be completed within a period of ninety days from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2019”.

12. Regulation 40C: Special provision relating to time-line.

“40C. Notwithstanding the time-lines contained in these regulations, but subject to the provisions in the Code, the period of lockdown imposed by the Central Government in the wake of COVID19 outbreak shall not be counted for the purposes of the time-line for any activity that could not be completed due to such lockdown, in relation to a corporate insolvency resolution process.”

13. It is observed that CIRP was commenced on 29.02.2024 which expired being 180 days on 27.08.2024. Thereafter, IA 349 of 2024 was filed on 22.07.2024 under Section 22(3)(b) of the Code for replacement of IRP with new RP which was allowed simpliciter vide order dated 17.12.2024 replacing Mr. Rakesh Kumar Jindal with Mr. Navin Kumar Khandelwal as

the RP, with instructions to complete the CIRP as per the Code.

- 14.** It is relevant to note that vide order dated 17.12.2024 in IA/490(MP)/2024, the Tribunal granted an extension for a further period of 90 days after expiry of 180 days for completing the CIRP proceedings of the Corporate Debtor w.e.f. 27.08.2024 till 24.11.2024.

- 15.** It is also relevant to note that, additionally, vide order dated 17.12.2024 in IA/516(MP)/2024, the Tribunal further granted an extension of 180 days for completing the CIRP, effective from 25.11.2024, extending the timeline to 24.05.2025. However, the period from 22.07.2024 to 17.12.2024 was neither excluded from the CIRP period in the order dated 17.12.2024. Therefore, the period from 22.07.2024 to 17.12.2024 is not excluded from the CIRP timeline, as the 180-day extension granted vide order dated 17.12.2024 in IA/516(MP)/2024 provided sufficient time to address such delays, which are subsumed under the order.

- 16.** It is observed that the original CIRP period of 180 days expired on 27.08.2024, the 270-day period expired on

24.11.2024, and the total 330-day period expired on 22.01.2025. However, the consolidated period of 180 days was extended in IA no. IA/516(MP)/2024 vide order dated 17.12.2024. Thus, the total period of 450 days has already expired on 24.05.2025. The Tabular Chart of CIRP Time Lines is given as under: -

Period Description	Start Date	End Date	Duration
Initial CIRP Period	29.02.2024	27.08.2024	180 Days
First Extn (90 days)	28.08.2024	24.11.2024	90 Days
Second Extn (180 days)	25.11.2024	24.05.2025	180 Days
Total CIRP Period	29.02.2024	24.05.2025	450 Days

17. The Applicant/RP, as well as CoC has relied upon Regulation 40C of the CIRP Regulations in support of the delays (148 days from 22.07.2024 to 17.12.2024) that were caused by the erstwhile IRP's inaction. However, the Tribunal finds that Regulation 40C of the CIRP Regulations is not applicable in the present case, as it pertains specifically to exclusions due to COVID-19 lockdowns.

18. The Tribunal also considered whether the delay of 148 days could be excluded under Section 60(5) of the IBC, which

empowers the Adjudicating Authority to address matters arising during CIRP, or under precedents such as **Quinn Logistics India Pvt. Ltd. v. Mack Soft Tech Pvt. Ltd. [CA(AT)(Insolvency) No. 185 of 2018]**, which permit exclusions for delays caused by judicial proceedings or RP inaction. Nevertheless, given the 180-day extension already granted vide IA/516(MP)/2024, such exclusion is unnecessary, as sufficient time was provided to mitigate these delays.

- 19.** The Tribunal also considered the Hon'ble Supreme Court's decision in **Essar Steel India Ltd. v. Satish Kumar Gupta & Ors. [(2019) ibclaw.in 07 SC]**, where the Court struck down the word "mandatorily" from the 330-day limit under Section 12 of the Code, declaring it arbitrary under Article 14 and an unreasonable restriction under Article 19(1)(g) of the Constitution. The Supreme Court held that extensions beyond 330 days are permissible in exceptional cases where:
- (a) **only a short period is left for completion beyond 330 days**, (b) it is in the interest of all stakeholders to revive the Corporate Debtor rather than liquidate it, and (c) the delay is

largely attributable to the Adjudicating Authority or Appellate Tribunal, not the litigants (para 55).

20. The Tribunal notes that the period of 330 days, as well as an additional period of 180 days beyond 330 days, totalling 450 days, was already granted vide order dated 17.12.2024 in IA/516(MP)/2024, extending the CIRP timeline to 24.05.2025 (Annexure A-3 Colly). This extension provided more than sufficient time for the completion of the CIRP, satisfying the conditions laid down in **Essar Steel** for exceptional extensions beyond 330 days. However, no resolution plan has been approved by the CoC as of the filing of this IA, despite the extended timeline of 450 days.

21. The Applicant's request for an exclusion of 148 days from 22.07.2024 to 17.12.2024 and a further extension of 30 days beyond 24.05.2025 is not sustainable. As Section 12(3) of the IBC mandates that the CIRP be completed within 330 days, subject to extensions in exceptional cases, as clarified in Committee of Creditors of **Essar Steel India Ltd. v. Satish Kumar Gupta [(2019) ibclaw.in 07 SC]**. The 450-day period

already granted exceeds this threshold, rendering further extensions or exclusions unjustified.

22. The Tribunal finds that the 180-day extension granted vide order dated 17.12.2024 in IA/516(MP)/2024 already accounted for a substantial period beyond the 330-day limit, and the CoC has had ample opportunity to evaluate resolution plans and complete the CIRP. The delay of 148 days, while attributable to judicial pendency and the erstwhile IRP's inaction, does not justify further exclusion, as the extended timeline of 450 days was sufficient to address such delays. Similarly, the additional 30-day extension sought beyond 24.05.2025 exceeds the scope of exceptional circumstances contemplated in *Essar Steel*, as the CoC has already utilized a significantly extended period.

23. The Code's objective is of timely resolution, as emphasized in *Essar Steel*, which requires adherence to a disciplined timeline. The Corporate Debtor's operations as a going concern and the submission of revised resolution plans indicate potential for revival, but the CoC's inability and

failure to finalize within 450 days suggests that liquidation may be inevitable absent exceptional circumstances.

24. The Tribunal also considered the Applicant's reliance on the decisions of the Hon'ble National Company Law Appellate Tribunal (NCLAT) in **Quinn Logistics India Pvt. Ltd. v. Mack Soft Tech Pvt. Ltd. and Ors. [CA(AT) (Insolvency) No. 185 of 2018, dated 08.05.2018]** and **Kiran Martin Gulla, RP of Varadharaja Foods Private Limited [Company Appeal (AT)(CH)(INS) No. 450/2023]**. These precedents allow for exclusions due to judicial delays or non-functioning of an RP, but they do not override the Supreme Court's guidance in *Essar Steel* that extensions beyond 330 days must be limited to exceptional cases with minimal additional time required. The 180-day extension already granted satisfies this threshold, and further reliefs would undermine the Code's intent of expeditious resolution.

25. In light of the above considerations, this Tribunal finds that the Applicant's request for exclusion of 148 days and an extension of 30 days beyond 24.05.2025 is not warranted.

The 450-day period, including the 180-day extension granted

vide order dated 17.12.2024 in IA/516(MP)/2024, provided sufficient time for the CoC to mitigate such delays and to complete the CIRP. The Supreme Court's decision in *Essar Steel* does not support further extensions or exclusions in this case, as the extended period has already been availed and utilized.

26. The Tribunal has considered the interests of all stakeholders, including creditors and employees, but finds that further extensions would undermine the IBC's objective of timely resolution. Accordingly, in view of the above discussion, the following order is given: -

- a. The request for exclusion of 148 days from 22.07.2024 to 17.12.2024 from the CIRP timeline is not allowed, as the 180-day extension granted vide order dated 17.12.2024 in IA/516(MP)/2024 provided sufficient time to address such delays.
- b. The request for an extension of the CIRP period by 30 days beyond 24.05.2025, is not allowed, as the 450-day period already granted was adequate for completing the resolution process.
- c. The Applicant/Resolution Professional is directed to proceed with the CIRP in accordance with the Code and

file necessary applications or reports with this Tribunal, including an application for liquidation in terms of section 33 of the IB Code, 2016, given the expiry of the CIRP period on 24.05.2025.

- d. The Applicant is directed to serve a copy of this order to all members of the Committee of Creditors and other relevant stakeholders within seven days from the date of this order.

27. In view of the above findings, **I.A. No.261/(MP)/2025** is **dismissed**. No order as to costs.

Sd/-

SANJEEV KUMAR SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)