NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH
NEW DELHI

COMPANY APPEAL (AT)(INS) NO.666/2026

(Arising out of judgement and order dated 06.02.2026 passed by National Company Law Tribunal, Mumbai Bench in IA(IBC)/5600/MB/2025 in CP(IB)No.37/MB/2025)

In the matter of:

Poonam Anoop Wadhera,
S/o Sh Anoop Kumar Wadhera
R/o 9/1, Sarvpriya Vihar,
New Delhi-110016 **Appellant**

Vs

Canara Bank,
Stressed Asset Management Branch
Head Office at 112, J C Road,
Banglore 560002

Branch Office:
Canara Bank Building Conmplex,
C-14, G Block, Bandra-Kurla Complex,
Bandra, Mumbai 400051. **Respondent**

For Appellant:Mr Abhinav Sharma, Ms Avsi Malik, Advocates.

For Respondent: Mr. Anup Khaitan, Mr. Harsh Gupta, Ms Akshita Rathudi, Mr Aayush Khanvitkor, Advocates. For R1.
Mr. Pramod Kumar Ladda, Ms Honey Tillani, Ms Shahnaj, Ms Aparjita Mishra, Mr Mayur Vanjare, Advocates.

ORDER

JUSTICE YOGESH KHANNA, OFFICIATING CHAIRPERSON

The instant Appeal is preferred under Section 61(1) of the Insolvency and Bankruptcy Code, 2016 (”IBC”) against an Impugned Order dated 06.02.2026

("Impugned Order") passed by the Ld. National Company Law Tribunal, Mumbai Bench ("NCLT") in Interlocutory Application No. (IBC)/*5600(MB)/2025* ("IA") filed by the Respondent in C.P. (IB) No. *37/MB/2025*, whereby the Respondent Bank under Section *95(1)* of the Insolvency and Bankruptcy Code, 2016 ("IBC") sought initiation of Insolvency Resolution Process against the Appellant, being a Personal Guarantor to the Corporate Debtor i.e. M/s Frost International Limited and the application urges the same has been erroneously admitted.

2. The Financial Creditor had sanctioned working capital facilities to the Corporate Debtor in the year *2014* under consortium arrangements. Supplemental Working Capital Consortium Agreement and the Deed of Guarantee(s) were executed on 12.05.2014 and Supplement Joint Deed of Hypothecation on 23.05.2015. The alleged renewal of the Deed of Guarantee is stated to have taken place on 26.11.2015.

3. It is argued the debt is claimed to have become due on 17.04.2018 and the account of the Corporate Debtor was classified as NPA on 17.07.2018. However, Application under Section *95* of the Code, came to be filed only on 08.11.2024, i.e., more than six years after the alleged date of default. The limitation prescribed under Article 137 of the Limitation Act, 1963 is three years.

4. It is argued the Appellant had specifically raised the objection of limitation before the Ld. Tribunal, contending the application was hopelessly time-barred and not maintainable. However, the Ld. Tribunal failed to record any categorical finding on limitation and mechanically proceeded to admit the petition under

Section *100* of the IBC, primarily relying upon the Resolution Professional's report without independently determining the jurisdictional issue of limitation.

5. It is argued the limitation goes to the root of maintainability and cannot be bypassed in insolvency proceedings and thus the Impugned Order permits revival of a time-barred claim, which is impermissible in law and the Impugned Order therefore suffers from patent illegality and non-application of mind.

6. Being aggrieved by the Impugned Order dated 06.02.2026, the Appellant has preferred the present Appeal seeking setting aside of the said Order and dismissal of the Section *95* application as barred by limitation.

7. We have heard the arguments advance by both the counsel. We have also perused the impugned order. The finding given in the impugned order are as under: -

> *29. The Financial Creditor has filed this Petition on the basis of default said to have occurred on 17.07.2018, which appears to be date of classification of account of principal borrower as NPA. The date of default qua corporate debtor is distinct than the date of default qua personal guarantor in case of on demand guarantee as the default qua personal guarantor occurs upon expiry of period stated in the notice calling upon the personal guarantor to pay in terms of the personal guarantee, which in present case is Invocation Notice dated 19.01.2019 issued under Section 13(2) of the SARFAESI Act requiring the Corporate Debtor and the Personal Guarantor(s), including the Personal Guarantor herein, to pay the outstanding dues within 60 days of receipt of said notice.*
> *30. In terms of notice dated 19.01.2019 the limitation period starts from the expiry of the 60 days period i.e., 29.03.2019. The three years limitation for filing the captioned Petition ends on 28.03.2022. The period from 15.03.2020 to 28.02.2022 is to be excluded in view of decision in the case of Suo Moto WP (Civil) No. 3 of 2020, as further explained in the decision in case of M/s Arif Azim Co. Ltd. Vs M/s Aptech Ltd. (2004) 3 S.c.R. 73: 2004 INSC155, holding at Para 84 that '"the effect of the above-referred order of this Court in the fact of the present case is that*

the balance limitation left on 15.03.2020 would become available w.e.f. 01.03.2022. The balance period of limitation remaining on 15.03.2020 can be calculated by computing the number of days between 15.03.2020 and 27.03.2021, which is the day when the limitation period would have come to an end under ordinary circumstances. The balance period thus comes to 1 year to 13 days. This period of 1 year 13 days become available to the Petitioner from 01.03.2022, thereby meaning that the limitation period available to the petitioner for invoking arbitration proceedings would have come to an end on 13.03.2023". In other words, the limitation period would stop to run from 15.3.2020 and shall again start running from 1.3.2022. Accordingly, the balance period of 23 months 13 days available on 15.3.2020 shall start from 1.3.2022, which takes the limitation to 12.03.2024. This Petition has been filed on 8.11.2024. 31. Hon'ble NCLAT in Shankar Khandelwal Vs. Omkara Asset Reconstruction Pvt. Ltd and Another Company Appeal (AT) (Ins) No. 293 of 2025 dated 15.10.2025 has held that "In the end, the first impression which the appellant's counsel could make, on a deeper scrutiny turns out to be unsustainable. This tribunal holds that that the admission of the Claim by the RP in the first CIRP against the CD on 22.05.2022 constituted a valid acknowledgement and its subsequent updating on 21.02.2024 constituted the second acknowledgement, and if terminus a quo is reckoned from any of these dates, then both the petitions laid by the respondent are validly instituted as the debts are not time barred on the respective dates when they were so instituted.

32. In the present case, the CIRP in case of Corporate Debtor commenced on 9.2.2023 pursuant to an application filed by Bank of India. Further, we note that the claim of the financial creditor herein was verified by the Resolution Professional in CIRP of Corporate Debtor and was admitted. Accordingly, the liability due to the financial creditor has been verified by the RP of the Corporate Debtor in its CIRP as within limitation in itself constitutes acknowledgement by the Corporate Debtor and binds the Guarantor as well thereby further extending the period of limitation in view of aforesaid judicial precedent. Accordingly, we are of considered view that the present petition is within limitation period and is maintainable.

33. The Financial Creditor issued a Demand notice dated 01.12.2023 under Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process of Personal Guarantors to Corporate Debtors) Rules, 2019 calling upon the Personal Guarantor(s) to pay the unpaid debt in default.

> *34. Upon perusal of the documents on record, it is clearly established that the Corporate Debtor has committed default in repayment of loan amount granted by the Financial Creditor. Personal Guarantor(s) of Frost International Limited has also committed default in repayment of the loan demanded by the Financial Creditor after invocation of Personal Guarantee. The Petition filed by the Financial Creditor satisfies the requirement asset out in Section 95 of the Code.*

8. On perusal of the impugned order we find the Ld. NCLT has held the admission of the claim of a creditor by the Resolution Professional would amount to an acknowledgment of debt and would increase the limitation for filing the petition. The Ld. NCLT has heavily relief upon Shankar Khandelwal Vs Omkara Asset Reconstruction Pvt. Ltd. and Another, Company Appeal (AT) (Ins) No.*293/2025* decided on 15.10.2025 by this Tribunal to come to such conclusion.

9. However, the Ld. NCLT has failed to take note of the fact the said judgement has been set aside by the Hon'ble Supreme Court in Civil Appeal Nos. *13158-13159* of *2025* decided on *29.04.2026* wherein the Hon'ble Supreme Court has held as under:-

> *16. The third issue pertains to legal character of the admission of a claim by the IRP/RP and whether such admission can be construed as admission of liability so as to extend the period of limitation under Section 18 of the 1963 Act. At the outset, it must be noted that scope and ambit of Section 18 of the 1963 Act are well-settled. For a writing to constitute a valid acknowledgment, it must be made by the party against whom the right is claimed, or by a person duly authorized on its behalf; it must be made before the expiration of the prescribed period of limitation; and, most importantly, it must evince a conscious and unequivocal intention to admit a subsisting jural relationship and an existing liability. A mere reference to a past transaction or a bald recital of a debt, without an intention to admit liability, would not suffice. The said principle has been*

> *authoritatively enunciated by this Court6. The provisions of the Code and the Regulations were considered by this Court7 and it has been held that RP has no adjudicatory powers and his role involves collation of claims. RP performs its administrative duties under Section 18 of the Code. The admission of a claim by RP is merely an administrative/clerical task performed as part of its statutory duties under Section 18 of the Code8 and, therefore, admission of claim by RP only means induction/entry of a claim. An admission of a claim by RP is akin to mere recital/reference of debt, which does not amount to an acknowledgment under Section 18 of the 1963 Act9. Therefore, IRP's admission of secured financial creditors debt in first CIRP was not an acknowledgement under Section 18 of 1963 Act. Accordingly, third issue is answered.*
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> *17. It is a well-settled legal proposition that an acknowledgment under Section 18 of the 1963 Act can only extend/renew a limitation period which has not already expired. Therefore, a limitation period can be extended only by an acknowledgment which is made within the period of limitation.* In any case, the admission of claim of secured creditor by IRP on 02.05.2022 does not enure to the benefit of the secured financial creditor as the same was not made within the period of limitation.

10. Per the law laid down by the Hon'ble Supreme Court while setting aside the judgement in Shankar Khandelwal (supra) and also considering the facts on records, we are satisfied the Company Petition was well beyond the period of limitation as is also stated in the impugned order itself in its para *30* above, where it says the limitation actually expired on *12.03.2024* and the petition was filed much beyond that i.e. *08.11.2025*. Thus we admit the appeal and set aside the impugned order by saying the petition filed was much beyond the period of limitation and the admission of a claim by the Resolution Professional shall not amount to an acknowledgement of debt *per* Section *18* of the Limitation Act. The Company Petition i.e. C.P. (IB) No. *37/MB/2025* is thus dismissed.

11. With the above observations, the appeal stands disposed of.

12. Pending applications are also disposed of.

(Justice Yogesh Khanna)
Officiating Chairperson

(Mr. Barun Mitra)
Member (Technical)

Dated:27.10.2026

Bm