



NATIONAL COMPANY LAW TRIBUNAL
COURT ROOM NO. 1,
MUMBAI BENCH

Item No. 19

IA(I.B.C)/3493(MB)2025 IA(I.B.C)/3516(MB)2025 IN C.P. (IB)/752(MB)2023

CORAM:

SH. PRABHAT KUMAR **SH. SUSHIL MAHADEORAO KOCHEY**
HON'BLE MEMBER (TECHNICAL) **HON'BLE MEMBER (JUDICIAL)**

ORDER SHEET OF THE HEARING ON **06.08.2025**

NAME OF THE PARTIES: **IA(I.B.C)/3493(MB)2025 - Pankaj Govindlal Khadloya IA(I.B.C)/3516(MB)2025 - Pankaj Govindlal Khadloya in the matter of Mahesh Manilal Gandhi IN THE MATTER OF SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA VS MAHESH MANILAL GANDHI**

Section 95(1), 105, 112, 113 of the Insolvency and Bankruptcy Code, 2016 and
Application under any other Provisions – IBC

ORDER

IA(I.B.C)/3493(MB)2025 IN C.P. (IB)/752(MB)2023

- 1) Ms. Pinki, Ld. Counsel for the Applicant is present.
- 2) The present Interlocutory Application has been filed by the Applicant/Resolution Professional of the Corporate Debtor for placing on record the Report prepared by him under Section 106 of the Insolvency and Bankruptcy Code, 2016.
- 3) The Insolvency Resolution Process against the Personal Guarantor herein commenced *vide* an Order dt. 19.12.2024.
- 4) It is submitted that the Applicant received a claim amounting to the tune of Rs. 6,17,48,934/- (Rupees Six Crore Seventeen Lakh Forty-Eight Thousand Nine Hundred Thirty-Four only) from Small Industries Development Bank of



India (SIDBI), being a Creditor. After verification of the documents provided by SIDBI, the applicant admitted the claim amounting to Rs. 6,15,84,752/-.

- 5) It is submitted that the revised Repayment Plan submitted by the Personal Guarantor on 19.06.2025, is pending for consideration.
- 6) The Report as prepared by the Applicant herein is taken on record. Resolution Professional also seeks condonation of delay of 142 days in submission of the Report under Section 106 of the Insolvency and Bankruptcy Code, 2016, justifying as under:

15. The grounds justifying the delay in brief are as under:

- a. **Failure on part of the Personal Guarantor to submit the Repayment Plan within the statutory timeline**, despite ample opportunity and assurance given during the first meeting of creditors and subsequent meetings.
- b. **Multiple non-compliant submissions** of the Repayment Plan by the Personal Guarantor, each suffering from legal and procedural defects, requiring back-and-forth clarifications and revisions.
- c. **Requirement of procedural fairness and adherence to natural justice**, as the RP could not terminate the process without granting adequate opportunity to the Personal Guarantor to comply with the Code and without the approval of the Creditor.

- d. **Continuous engagement and good faith efforts** made by the RP to enable submission of a legally sound Repayment Plan, to ensure that the objectives of the Code are fulfilled.
- e. **No prejudice caused to the creditors**, as the process has remained transparent, participative, and open to assessment, and the delay is not attributable to any default or negligence on the part of the RP



- 7) Delay of 142 days in submission of the Report under Section 106 of the Insolvency and Bankruptcy Code, 2016 is condoned. Leave granted. Resolution Professional, henceforth, shall be vigilant and strictly adhere to the timelines as prescribed under the Code and shall file necessary Reports on time.
- 8) With the aforesaid observation and direction, the Interlocutory Application bearing IA No. 3493 of 2025, is disposed of as Allowed.

IA(L.B.C)/3516(MB)2025 IN C.P. (IB)/752(MB)2023

- 1) Ms. Pinki, Ld. Counsel for the Applicant is present.
- 2) The present Interlocutory Application has been filed by the Applicant/Resolution Professional praying for the following reliefs:
 - a. **Grant an extension of 120 days (one hundred and twenty days) from 18.04.2025 for the filing of the report under Section 112 of the Insolvency and Bankruptcy Code, 2016;**

AND/OR

 - b. Pass such other order or further directions as this Hon'ble Tribunal may deem fit and proper to meet the ends of justice in favour of the applicant and in the interest of justice.
- 3) The Applicant has filed the present Interlocutory Application under Section 179(2) r/w Section 60(1)(2) and (4) of the Insolvency and Bankruptcy Code, 2016, seeking Extension of 120 Days for filing Report under Section 112 of the Insolvency and Bankruptcy Code, 2016.



- 4) In terms of Section 112(1) read with Regulation 19, the Resolution Professional was required to file the report on the meeting of creditors on the Repayment Plan within 120 days from the date of commencement of the Insolvency Resolution Process, i.e., on or before 18.04.2025.
- 5) It is submitted that because of the repeated non-compliance and defaults by the Personal Guarantor, the Resolution Professional was prevented from finalizing the report on the meeting of creditors as required under Section 112(1) of the code read with Regulation 19 of IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019. Hence, due to the consistent delays and non-compliant submissions of the repayment plan by the Personal Guarantor, the RP could not file the said report within the prescribed time last date being 18.04.2025, i.e., 120 days from the commencement of the Resolution Process.
- 6) The extension is sought solely due to the procedural and substantive delays occasioned by the Personal Guarantor's repeated failures to submit a compliant plan and not on account of any omission by the Resolution Professional.
- 7) This Bench notices that the Code does not provide any maximum period for conclusion of the Insolvency Resolution Process in the case of the Personal Guarantor and the period of 180 days for submission of Repayment Plan has been held to be directory in nature. In the Personal Insolvency Resolution Process, this Tribunal cannot extend the moratorium period beyond 180 days,



as stipulated by Section 101(1) of the Insolvency and Bankruptcy Code, 2016. This Section explicitly states that the moratorium ceases to have effect at the end of 180 days or when the National Company Law Tribunal passes an order on the repayment plan, whichever is earlier. Further, Section 114 of the I & B Code, requires this Tribunal to pass Final Order on the basis of Report of the meeting of the Creditors submitted by the Resolution Professional under Section 112 of the Code, 2016 informing about approval or rejection of the Repayment Plan by the Creditors, which is still to be placed by the Applicant/Resolution Professional. The Code further provide that an Application for Bankruptcy can be filed only after this Tribunal pass an Order in terms of Section 115(2) of the Code. The Scheme of I&B Code in relation to PIR Process does not provide for any mandatory consequence as is contemplated in Section 33(1) of the Code, in the context of CIR Process. Hence, we are of the considered view that that the Scheme of Code does not contemplate an Order for extension of time in PIRP Period, hence, there is no need to seek further extension. Nonetheless, the Resolution Professional is obligated to complete the Process as early as possible in the line of underlying spirit of faster Resolution and we expect that the Applicant/Resolution Professional shall do so.

- 8) It is clarified that Moratorium shall come to an end at 180 days, which is held to be the Mandatory Period. In that view of the matter, the present Interlocutory Application bearing IA No. 3516 of 2025, is disposed of.



9) There will, however, be no order as to costs. File be consigned to records.

Ordered Accordingly.

Sd/-

**PRABHAT KUMAR
MEMBER (TECHNICAL)**

Sd/-

**SUSHIL MAHADEORAO KOCHEY
MEMBER (JUDICIAL)**

Vedant Kedare
(Stenographer)