



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

(Company formed by ICAI under Section 8 of the Companies Act 2013)

IBC Case Law Capsule

Number 275

(May 11, 2026)

Shankar Khandelwal vs. Omkara Asset Reconstruction Pvt. Ltd. & Anr.
Civil Appeal Nos. 13158-13159 of 2025
Date of Supreme Court's Judgement: 29th April 2026

Facts of the Case: -

The present appeals under Section 62 of the Insolvency and Bankruptcy Code, 2016 (“the Code”) challenge the NCLAT judgment dated 15.10.2025 affirming the NCLT’s order initiating CIRP against the Corporate Debtors (“CD”). The dispute centers on whether the applications filed by the Omkara Asset Reconstruction Pvt. Ltd (“Secured Financial Creditor”) are within limitation. The loans, sanctioned by DHFL in 2014, were classified as NPAs on 06.12.2016. Subsequently, DHFL itself underwent CIRP, and the subject loans were assigned to the Secured Financial Creditor. Following termination of the earlier CIRP, fresh CIRP applications were filed on 23.09.2024 which was admitted by the NCLT on 22.01.2025.

The appellant contended that the limitation period expired three days after 29.04.2024, even after excluding the COVID-19-induced extension of limitation protected under Section 60(6) of the Code. It was further argued that the admission of claims by the IRP cannot constitute an acknowledgment under Section 18 of the Limitation Act, 1963. The Respondent, however, submitted that limitation commenced after expiry of the SARFAESI notice period and further stood excluded pursuant to this Court’s COVID-19 limitation orders. It was also argued that acknowledgment of debt by the IRP during the earlier CIRP extended limitation. The NCLAT accepted the respondent’s case and held the CIRP applications to be within limitation. Challenging this order, the appellant approached the Supreme Court.

Supreme Court’s Observations: The Court framed three issues: *firstly*, whether limitation for filing the Section 7 application commenced on 06.12.2016 or 06.12.2017; *secondly*, whether the application was within limitation; and *thirdly*, whether admission of debt by the IRP amounts to acknowledgment under Section 18 of the Limitation Act, 1963. The Court held that limitation begins from the date of default, i.e., classification of the account as NPA, which in the present case was 06.12.2016. After excluding periods covered by DHFL’s CIRP, the COVID-19 limitation extensions, and the first CIRP against the CDs, only three days of limitation remained after 29.07.2024, expiring on 01.08.2024. Since the CIRP application was filed on 23.09.2024, it was held barred by limitation.

On the third issue, the Court held that acknowledgment of debt must be a conscious admission of subsisting liability by the concerned party or its authorized representative within the limitation period. It reiterated that the IRP/RP performs only administrative functions and has no adjudicatory powers. Therefore, admission of a claim by the IRP merely amounts to collation of claims and cannot constitute acknowledgment of debt.

Order/Judgement: In view of the facts and circumstances highlighted above, the impugned judgments of the NCLAT and NCLT admitting the CIRP application against the CD were quashed, and the appeals were allowed.