IN THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH

CORAM: MS. REETA KOHLI,
HON'BLE JUDICIAL MEMBER

MS. KAVITA BHATNAGAR
HON'BLE TECHNICAL MEMBER

MA (IBC) No. 2/JPR/2026
CP (IB) No.- 45/7/JPR/2018

IN THE MATTER OF:
PUNJAB NATIONAL BANK
Registered office at Plot No. 4, Sector 10,
Dwarka, New Delhi - 110075 and
Branch Office at Raja Park,
Parnami Parisar, Parnami Mandir,
Raja Park, Jaipur (Rajasthan) - 302004
through its Chief Manager

...Financial Creditor/Applicant

VERSUS

GUMAN FURNITURE AND SERVICES PRIVATE LIMITED
Registered office at A-2, Fozi Marg,
Rana Pratap Nagar,
Near Brijbal School,
Jhotwara, Jaipur - 302012

...Corporate Debtor/Respondent

MA (IBC) No. 2/JPR/2026

MEMO OF PARTIES

BRIJ KISHORE SHARMA,
Liquidator of M/s Guman Furniture & services Pvt. Ltd
Office at: AB- 162, Vivekanand Marg, Nirman Nagar, Near DCM, Ajmer Road, Jaipur- 302019

... Applicant

For the Liquidator : Akarsh Mathur, Adv.
Tej Pratap Singh, Adv.
Tarun Goyal, Adv.

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Order Pronounced On: 04.08.2026

ORDER

Per: Ms. Reeta Kohli, Judicial Member

1. The instant Application has been filed by *Mr. Brij Kishore Sharma* ('Applicant') in the capacity of the Liquidator in the matter of *Guman Furniture and Services Private Limited* ('Corporate Debtor'/ 'CD'), under Section 60(5) of the Insolvency & Bankruptcy Code, 2016 ('IBC'/ 'Code') r/w Rule 11 of the National Company Law Tribunal Rules, 2016 seeking exclusion of 2291 for the liquidation process commencing from date of order of liquidation i.e., 01.10.2019 to 08.01.2026.

2. The submissions made by the Applicant are as follows: -

   2.1 The Applicant submits that the Corporate Debtor was admitted into liquidation by order dated 01.10.2019 passed by this Adjudicating Authority u/s 33(2) of the Code and the Applicant herein was appointed as the Liquidator.

   2.2 It is the case of the Applicant that during the pendency of liquidation proceedings, the Applicant tried to get in touch with the management and take custody/control of the assets of the Corporate Debtor by visiting the registered office multiple times but the Applicant was unable to gather any information or financial document.

   2.3 The Applicant also submitted that financial statements for the period subsequent to 31.03.2015 could not be traced and were not available.

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2.4 It is further contended that despite repeated efforts, the management of the Corporate Debtor has not extended any co-operation, and no assets of the Corporate Debtor could be traced or taken under custody or control. The financial records post 31.03.2015 are also unavailable despite several reminders and visits by the Liquidator.

2.5 Further, the Applicant submitted that vide order dated 31.10.2023, this Adjudicating Authority had initiated the CIRP in *CP No. IB 99/7/JPR/2019* filed by *Punjab National Bank* under Section 7 of the Code against the Corporate Guarantor (i.e., *M/s Tirupati Balaji Enterprises Private Limited*) of the Corporate Debtor herein for default in repayment of the Cash Credit Facility availed by the Corporate Debtor. In view of the aforementioned CIRP order, the SCC in its meeting dated 07.12.2022 discussed that no steps with regard to dissolution of the Corporate Debtor shall be taken, due to which the Applicant did not take any further steps for preferring an application for dissolution.

2.6 In Compliance with the order dated 02.02.2024, the Applicant filed a report regarding developments in liquidation for the quarter ending on 30.09.2023 and quarter ending on 31.12.2023.

2.7 The Applicant further contended by that neither any assets were under his control, nor could he realise any amount. Even the Applicant's fee

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is not yet decided by the SCC and the agenda is being deferred in earlier meetings of SCC.

2.8 The Applicant submitted that he preferred an application for his replacement from the position of the liquidator and that particular application was dismissed as withdrawn vide order dated 04.07.2022. The relevant part of the order dated 04.07.2022 is reproduced hereunder:-

> *"This is an application under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016 for change/ replacement of liquidator moved by liquidator himself. On the previous date of hearing, it was made clear to the Applicant that IBC does provide any provision to move an application before the NCLT bench to remove a liquidator. Mr. Brij Kishore Sharma, PCS is present in person. He seeks to withdraw this application. This application is dismissed as withdrawn. Mr. Brij Kishore Sharma, PCS is directed to take appropriate steps with regard to liquidation proceedings since liquidation proceedings are pending since 01.10.2019. IA No. 121/JPR/2021 stands disposed of accordingly"*

2.9 It was further contended that the liquidation process that commenced on 01.10.2019 was also vitiated by the emergence of the Covid-19 Pandemic and the limitation period was extended *vide* order dated 10.01.2022 wherein the Hon'ble Supreme Court held as follows: -

> *"III. In cases where the limitation would have expired during the period March 15, 2020, to February 28, 2022, notwithstanding the actual balance period of limitation remaining all persons shall have a limitation period of 90 days from 01.03.2022. in the event the actual balance period*

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of limitation period remaining, with effect from 01.03.2022 is greater than 90 days, that longer period shall apply."

2.10 The Applicant contended that in terms of the aforesaid mentioned order, the period of limitation in present proceeding which commenced from 01.10.2019 and had to be completed within one year from the date of commencement (i.e., by 01.10.2020) the period of limitation was increased till 01.03.2022 and after the period of approximately 6 months was left to complete the remaining liquidation process i.e. by 01.09.2022. Thereafter, the Corporate Guarantor of the CD was admitted to the CIRP. The same fact has been recorded by this Adjudicating Authority *vide* order dated 31.10.2023 and reiterated vide order dated 03.12.2025.

2.11 It is the case of the Applicant that in the light of the pendency of the insolvency proceedings of the Corporate Guarantor, the COVID-19 pandemic, and the order dated 03.12.2025, the period from 01.10.2019 to 08.01.2026 be excluded.

3. We have heard the Ld. Counsel on behalf of the Applicant/Liquidator and have carefully perused all the documents placed on record. The instant Application has been filed by the Liquidator seeking exclusion of 2291 days from the liquidation process of Corporate Debtor which commenced pursuant to order dated 01.10.2019.

4. Before dealing with the merits of the instant case, it is essential to discuss the statutory scheme with respect to the liquidation process under the Code.

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Once the Adjudicating Authority orders liquidation in terms of Section 33 of the Code, the liquidator so appointed is under the statutory mandate to exercise the powers and perform the duties prescribed under Sections 35 and 36, including taking control of the liquidation estate, verifying claims, and realizing assets. Thereafter, the sale proceeds are distributed according to the priority set out in Section 53, and upon completion of the process, the corporate debtor is dissolved as per the provision of Section 54 of the Code.

5. Further, the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 ('Liquidation Regulations') regulates the liquidation process and provides the powers and functions of the liquidator. The Regulation 5 of Liquidation Regulations states that the liquidator shall prepare and submit to the Adjudicating Authority, a preliminary report, an asset memorandum, progress reports, sale reports, minutes of SCC meetings and final report prior to dissolution. The Regulation 6(1) of Liquidation Regulations provides that the liquidator shall have the books of accounts of the CD completed and updated as soon as liquidation order is passed. Further, the Regulation 9 of Liquidation Regulations provides that where any person who is or has been an officer, auditor, employee, promoter or partner of the CD, the IRP, RP or previous liquidator, or any person in possession of the CD's property fails to extend the necessary cooperation or provide information required by the liquidator for conducting the liquidation process, the liquidator may, after making reasonable efforts to obtain such

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cooperation, apply to the Adjudicating Authority for appropriate directions compelling such person to cooperate. This regulation ensures that the liquidator can effectively discharge his statutory duties by obtaining timely access to the information, records, and assets necessary for the liquidation process. For ease of reference, the aforementioned Regulations are reproduced hereunder:-

"Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016

5. Reporting.

(1) The liquidator shall prepare and submit:

(a) a preliminary report;

(b) an asset memorandum;

(c) progress report(s);

(d) sale report(s);

(e) minutes of consultation with stakeholders; and

(f) the final report prior to dissolution

to the Adjudicating Authority in the manner specified under these Regulations.

6. Registers and books of account.

(1) Where the books of account of the corporate debtor are incomplete on the liquidation commencement date, the liquidator shall have them completed and brought up-to-date, with all convenient speed, as soon as the order for liquidation is passed.

(2) The liquidator shall maintain the following registers and books, as may be applicable, in relation to the liquidation of the corporate debtor, and shall preserve them for a period of eight years after the dissolution of the corporate debtor-

(a) Cash Book;

(b) Ledger;

(c) Bank Ledger;

(d) Register of Fixed Assets and Inventories;

(e) Securities and Investment Register;

(f) Register of Book Debts and Outstanding Debts;

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(g) Tenants Ledger;
(h) Suits Register;
(i) Decree Register;
(j) Register of Claims and Dividends;
(k) Contributories Ledger;
(l) Distributions Register;
(m) Fee Register;
(n) Suspense Register;
(o) Documents Register;
(p) Books Register;
(q) Register of unclaimed dividends and undistributed proceeds; and
(r) such other books or registers as may be necessary to account for transactions entered into by him in relation to the corporate debtor.

9. Personnel to extend cooperation to liquidator.

(1) The liquidator may make an application to the Adjudicating Authority for a direction that a person who-

(a) is or has been an officer, auditor, employee, promoter or partner of the corporate debtor;

(b) was the interim resolution professional, resolution professional or the previous liquidator of the corporate debtor; or

(c) has possession of any of the properties of the corporate debtor;

shall cooperate with him in the collection of information necessary for the conduct of the liquidation.

(2) An application may be made under this Regulation only after the liquidator has made reasonable efforts to obtain the information from such person and failed to obtain it."

6. In terms of the Regulation 44 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 ('Liquidation Regulations'), the liquidator is under a statutory mandate to complete the liquidation process within one year from the liquidation commencement date, subject to such extensions as may be permitted

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in accordance with law. For ease of reference, Regulation 44 is reproduced hereunder:-

*"**44. Completion of liquidation.***

(1) The liquidator shall liquidate the corporate debtor within a period of one year from the liquidation commencement date, notwithstanding pendency of any application for avoidance of transactions under Chapter III of Part II of the Code, before the Adjudicating Authority or any action thereof:

*(2) If the liquidator fails to liquidate the corporate debtor within **one year**, he shall make an application to the Adjudicating Authority to continue such liquidation, along with a report explaining why the liquidation has not been completed and specifying the additional time that shall be required for liquidation.*

Provided that where the sale is attempted under sub-regulation (1) of regulation 32A, the liquidation process may take an additional period up to ninety days."

7. At this juncture, it is pertinent to note that the timeline prescribed for the completion of the liquidation process has undergone successive amendments, reflecting the legislative intent to ensure expeditious conclusion of liquidation proceedings. Initially, Regulation 44 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 prescribed a period of two years for the completion of the liquidation process. Subsequently, vide Notification No. IBBI/2019-20/GN/REG047 dated 25.07.2019 (effective from 25.07.2019), the prescribed timeline was reduced to one year. Thereafter, vide Notification

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No. IBBI/2026-27/GN/REG151 dated 01.06.2026 (effective from 02.06.2026), the timeline has been further curtailed to 180 days.

8. The successive reduction in the statutory timeline unmistakably demonstrates the legislative intent to ensure that liquidation proceedings are concluded within increasingly stringent timeframes. It underscores the growing emphasis under the Insolvency and Bankruptcy Code, 2016 on expeditious liquidation, with the objective of maximizing value, reducing delays, and promoting certainty and efficiency in the insolvency resolution framework.

9. In the present case, the liquidation was commenced vide order dated 01.10.2019. Accordingly, the applicable set of timelines for the instant case is the one with effect from 25.07.2019. Hence, in view of the facts of the instant case, the Applicant was under statutory mandate to complete the liquidation of the Corporate Debtor within one year. The model timeline for liquidation process prior to the Notification No. IBBI/2026-27/GN/REG151 dated 01.06.2026 (effective from 02.06.2026) is reproduced hereunder:-

Model Timeline for Liquidation Process

S. No.	**Section / Regulation**	**Description of Task**	**Norm**	**Latest Timeline (Days)**
(1)	(2)	(3)	(4)	(5)
1	Sec. 33 and 34	Commencement of liquidation and appointment of liquidator	LCD	0 = T

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2	Sec. 33(1)(b)(ii) / Reg. 12 (1, 2, 3)	Public announcement in Form B	Within 5 days of appointment of liquidator.	T + 5
3	Reg. 35(2)	Appointment of registered valuers	Within 7 days of LCD	T + 7
4	Sec. 38(1) and (5), Reg. 17, 18 and 21A	Submission of claims; Intimation of decision on relinquishment of security interest	Within 30 days of LCD	T + 30
5	Sec. 38(5)	Withdrawal/ modification of claim	Within 14 days of submission of claim	T + 44
6	Reg. 30	Verification of claims received under regulation 12(2)(b)	Within 30 days from the last date for receipt of claims	T + 60
7	Reg. 31A	Constitution of SCC	Within 60 days of LCD	T + 60
8	Section 40(2)	Intimation about decision of acceptance/ rejection of claim	Within 7 days of admission or rejection of claim	T + 67
9	Reg. 31(2)	Filing the list of stakeholders and announcement to public	Within 45 days from the last date of receipt of claims	T + 75
10	Sec. 42	Appeal by a creditor against the decision of the liquidator	Within 14 days of receipt of such decision	T + 81
11	Reg. 13	Preliminary report to the AA	Within 75 days of LCD	T + 75
12	Reg. 34	Asset memorandum	Within 75 days of LCD	T + 75
13	Reg. 15 (1), (2), (3), (4)	Submission of progress reports to	1st Progress Report	Q1 + 15

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	and (5), and 36	AA; Asset Sale report to be enclosed with every Progress Report, if sales are made	Q-2	Q2 + 15
			Q-3	Q3 + 15
			Q-4	Q4 + 15
			FY: 1 Audited accounts of liquidator's receipt & payments for the financial year	15th April
14	Proviso to Reg. 15 (1)	Progress report in case of cessation of liquidator	Within 15 days of cessation as liquidator	Date of cessation +15
15	Reg. 37 (2, 3)	Information to secured creditors	Within 21 days of receipt of intimation from secured creditor	Date of intimation +21
16	Reg. 42 (2)	Distribution of the proceeds to the stakeholders	Within 3 months from the receipt of amount	Date of Realisation +90
17	Reg.10 (1)	Application to AA for Disclaimer of onerous property	Within 6 months from the LCD	T+6 months
18	Reg.10 (3)	Notice to persons interested in the onerous property or contract	At least 7 days before making an application to AA for disclosure.	
19	Reg. 44	Liquidation of corporate debtor.	Within one year	T+ 365
20	Reg. 46	Apply to AA for order on unclaimed proceeds of liquidation or undistributed assets.	Before dissolution order	

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21	Sch-1 Sl. No 12	Time period to H1 bidder to provide balance sale consideration	Within 90 days of the date of invitation to provide the balance amount.	

AA: Adjudicating Authority, LCD: Liquidation Commencement Date, SCC: Stakeholders' Consultation Committee

10. Before discussing the merits of the case, it is essential to refer to the judgment of the Hon'ble Apex Court in *Suo Moto* Writ Petition (C) No. 3 of 2020 in *In Re: Cognizance for Extension of Limitation* dated 10.01.2022. The Hon'ble Supreme Court extended the legal limitation periods nationwide during the COVID-19 pandemic, crucial timelines, key exclusions, and final termination rules. Moreover, the Regulation 47A of the IBBI (Liquidation Process) Regulations, 2016 also provides for exclusion of the period of lockdown. Effectively, the one-year time for the completion of liquidation process in the instant case also stood altered. For the liquidation commenced on 01.10.2019, one year time period would have lapsed on 01.10.2020. However, in the view of Hon'ble Supreme Court's decision, the period from 15.03.2020 to 28.02.2022 stood excluded for the purposes of limitation, and the balance period of remaining limitation was directed to be computed with effect from 01.03.2022. As on **15.03.2020**, **166 days** of the prescribed period had elapsed, leaving a balance period of **200 days**. Consequently, the balance period re-commenced from **01.03.2022** and expired on **17.09.2022**. Thus, upon exclusion of the aforesaid period, the timeline for completion of the liquidation process stood extended until **17.09.2022**.

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11. At this juncture, it is essential to revisit the timeline followed by the Applicant in the instant case.

Date	Particulars/Events
01.10.2019	Liquidation Commencement date
07.10.2019	Public Announcement of Liquidation Process
17.09.2022	**Statutory timeline for completion of Liquidation of CD expired**
07.12.2022	1st SCC meeting
18.01.2023	2nd SCC meeting
31.10.2023	Adjudicating Authority directed that no steps shall be taken with regard to dissolution of the CD in light of the SCC meeting dated 07.12.2022
05.08.2025	Instant matter was listed *sou moto* by this Adjudicating Authority in the view of long pendency of the matter. The Applicant herein was directed to file the status report along with the extensions sought.
10.09.2025	The Adjudicating Authority vide order dated 10.09.2025 in IA No. 373/JPR/2025 directed the Applicant herein to place on record the complete timeline, Information Memorandum and the Asset Memorandum along with the brief of CoC and SCC proceedings within 10 days.
07.10.2025	In view of the non-filing of the complete timeline, Information Memorandum and the Asset Memorandum along with the brief of CoC and SCC proceedings, the Adjudicating Authority vide order dated 07.10.2025 referred the matter to the IBBI for initiating appropriate actions against the Applicant herein.
08.01.2026	Instant Application bearing MA (IBC) No. 2/JPR/2026 was filed by the Applicant seeking exclusion of 2291 days for the liquidation process.

12. At the outset, it is of utmost importance to note the fact that the instant Application seeking exclusion of time for the liquidation process initiated in 2019 has been filed by the Liquidator in the year 2026, only in compliance

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with the directions of the order of this Adjudicating Authority dated 10.09.2025 for the submission of the complete timeline, Information Memorandum, Asset Memorandum, brief CoC and SCC proceedings, and the status report. Moreover, the matter was listed *sou moto* by the Adjudicating Authority on 05.08.2025 in the view of inordinate pendency. This fact clearly demonstrates that the Applicant never adhered to the timelines as provided under the Code and the Liquidation Regulations, 2016.

13. In view of the fact that the Applicant/Liquidator never sought any extension and more than 6 years have lapsed since the initiation of Liquidation process, it is pertinent to mention that the Applicant herein was duty bound to inform this Adjudicating Authority regarding the lapse of statutory period of 1 year for completion of liquidation. The relevant clause of Code of Conduct for the Insolvency Professional as provided under IBBI (Insolvency Professionals) Regulations, 2016 are reproduced hereunder: -

"*IBBI (Insolvency Professionals) Regulations, 2016*
First Schedule
[Under Regulation 7(2)(h)]

Code of Conduct for Insolvency Professionals

Professional competence.

10. An insolvency professional must maintain and upgrade his professional knowledge and skills to render competent professional service.

Timeliness.

13. An insolvency professional must adhere to the time limits prescribed in the Code and the rules, regulations and guidelines thereunder for insolvency resolution, liquidation or bankruptcy process, as the case may be, and must carefully plan [its] actions,

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and promptly communicate with all stakeholders involved for the timely discharge of [its] duties.
14. An insolvency professional must not act with mala fide *or be negligent while performing [its] functions and duties under the Code."*

On perusal of the Code of Conduct, it becomes clear that the Insolvency Professional is duty bound to adhere to the timelines prescribed under the Code and the Regulations made thereunder. Thus, the Insolvency Professional is duty-bound to ensure compliance with the provisions of the Code and Regulations made thereunder, and any continuation of the liquidation process beyond the prescribed period without following due process amounts to a serious lapse in the professional conduct.

14. The record further reveals that the liquidation process has remained substantially dormant for an inordinate period. The Applicant has sought exclusion of as many as 2,291 days from the liquidation timeline without demonstrating any legally sustainable justification for such extraordinary indulgence. The mere pendency of the CIRP of the Corporate Guarantor, by itself, cannot constitute a sufficient ground to exclude the entire period from computation of the statutory timeline, especially when the Applicant at no stage during the liquidation proceedings approached the Adjudicating Authority seeking exclusion or extension of time on account of any alleged impediment. Having allowed the statutory timeline to lapse without seeking appropriate directions from the Adjudicating Authority, the Applicant cannot

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now, by way of a belated application, seek to retrospectively validate years of inaction.

15. Since the commencement of the liquidation proceedings, the conduct of the Applicant has been marked by persistent and repeated non-compliance with the provisions of the Code, 2016, the IBBI (Liquidation Process) Regulations, 2016, the IBBI (Insolvency Professionals) Regulations, 2016, and the specific directions issued by this Adjudicating Authority. The material instances of such non-compliance are set out hereunder:

I. <u>Non-compliance with the statutory duties prescribed under the Code</u>: The Applicant has failed to discharge the obligations cast upon the Liquidator under the following Sections of the Insolvency and Bankruptcy Code, 2016:-

a. <u>Section 35- Powers and duties of liquidator</u>: This Section states that the liquidator is responsible for taking control of, protecting, valuing, and managing the corporate debtor's assets, including continuing business operations where necessary for beneficial liquidation.

b. <u>Section 36- Liquidation Estate</u>: The liquidator must create a liquidation estate comprising all assets of the corporate debtor and hold it in a fiduciary capacity for the benefit of all creditors.

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c. Section 38- Consolidation of Claims: The liquidator must receive and consolidate all creditor claims within **30 days** from the commencement of the liquidation process.

II. Non-compliance with the mandatory provisions of the IBBI (Liquidation Process) Regulations, 2016: The Applicant has failed to comply with several mandatory provisions of the IBBI (Liquidation Process) Regulations, 2016, including:

a. Regulation 5-Reporting: The liquidator must prepare and submit key reports to the Adjudicating Authority throughout the liquidation process in the prescribed manner. These reports include the preliminary report, asset memorandum, progress reports, sale reports, minutes of stakeholder consultations, and the final report before the corporate debtor is dissolved.

b. Regulation 6- Registers and Books of Account: As per this Regulation, if the corporate debtor's books of account are incomplete on the liquidation commencement date, the liquidator must complete and update them as quickly as possible after the liquidation order is passed. Further, the liquidator must maintain all relevant registers and books relating to the liquidation, including Cash Book, Ledger, Bank Ledger, Registers for fixed assets, inventories, securities, investments, debts, claims, dividends, distributions, fees, documents, books, and unclaimed dividends/undistributed proceeds. The

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liquidator must also maintain the records of tenants, suits, decrees, contributories, suspense accounts, and any other necessary transactions.

c. Regulation 9- Personnel to Extend Cooperation: If necessary, the liquidator may apply to the Adjudicating Authority to direct officers, employees, promoters, former insolvency professionals, or anyone holding the corporate debtor's property to cooperate by providing information required for the liquidation, after reasonable efforts to obtain such information have failed.

d. Regulation 13-Preliminary Report: Within 75 days of the liquidation commencement date, the liquidator must submit a preliminary report to the Adjudicating Authority detailing the corporate debtor's capital structure, estimated assets and liabilities, proposed investigations (if any), and the liquidation plan, including timelines and estimated costs.

e. Regulation 34-Asset Memorandum: Within 75 days of the liquidation commencement date, the liquidator must prepare and file an asset memorandum with the preliminary report, detailing the valuation, proposed method and mode of realization or sale, expected proceeds, and other relevant information for the liquidation estate's assets.

f. It is an admitted position that the Asset Memorandum was never submitted. In view of the said lapse, this Adjudicating Authority, by

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order dated 07.10.2025, referred the matter to the Insolvency and Bankruptcy Board of India for initiating appropriate action against the Applicant. The relevant extract of the said order dated 07.10.2025 is reproduced below:

> *"...Vide order dated 05.08.2025, the Liquidator was directed to file the status report and the extensions if any sought. The Liquidator till date has failed to give the timelines in the present case. We are, therefore, left with no other option but to refer the matter to the IBBI for initiating appropriate action against the Liquidator..."*

III. Failure to adhere to the prescribed timelines: The Applicant has demonstrated complete disregard for the timelines governing the liquidation process, in contravention of the following IBBI (Liquidation Process) Regulations, 2016:

a. Regulation 44- Completion of Liquidation: The liquidator must complete the liquidation process within one year from the liquidation commencement date, even if avoidance proceedings are pending. An additional 90 days may be allowed in certain sale attempts. If liquidation is not completed within the prescribed period, the liquidator must seek approval from the Adjudicating Authority by providing reasons and the required extension period.

b. Regulation 47 which provides the Model Timeline for completion of the liquidation process; and

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c. Clause 13 of the First Schedule to the IBBI (Insolvency Professionals) Regulations, 2016, framed under Regulation 7(2)(h), which mandates that an insolvency professional must adhere to statutory timelines and perform all functions in a timely manner.

d. Moreover, the matter was listed *sou moto* by the Adjudicating Authority on 05.08.2025 in the view of inordinate delay in completion of liquidation proceeding.

16. The aforesaid instances, individually and collectively, demonstrate a continuous pattern of disregard for the statutory framework governing the liquidation process and the directions issued by this Adjudicating Authority, thereby constituting serious dereliction of the duties expected of a Liquidator.

17. The conduct of the Applicant also falls short of the standards expected under the Code and the Code of Conduct prescribed for Insolvency Professionals. A Liquidator is under a statutory obligation to conduct the liquidation process with due diligence, independence, and expedition, while adhering to the timelines contemplated under the Code and the Liquidation Regulations. The prolonged inactivity in the present case, coupled with the absence of any application seeking exclusion or extension of time, demonstrates a failure to discharge these statutory obligations.

18. Hence, permitting exclusion of 2,291 days in such circumstances would not only defeat the legislative objective of ensuring time-bound liquidation but would also dilute the discipline embedded in the insolvency framework. Such

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an approach would be contrary to the settled principle that statutory timelines under the Code cannot be rendered otiose by unexplained or avoidable delays attributable to the conduct of the Liquidator.

19. Keeping in view the foregoing discussion, this Adjudicating Authority is left with no other option but to decline the instant Application seeking exclusion of 2291 days for the liquidation process.

20. Having regard to the peculiar facts and circumstances of the present case, this Adjudicating Authority is of the considered view that the liquidation proceedings initiated under the Code cannot be permitted to remain inconclusive any further and must now be brought to their logical conclusion.

21. It is pertinent to note that, on 11.05.2026, in *I.A. No. 373/JPR/2026*, the Applicant had apprised this Adjudicating Authority that the SCC meeting was in the process of being convened for taking an appropriate decision regarding the dissolution of the Corporate Debtor. For ease of reference, the Order dated 11.05.2026 is reproduced hereunder:-

> *" IA No. 373/JPR/2025*
> *The present application has been filed by the Liquidator Mr. Brij Kumar Sharma seeking extension for a period of three months. The application was filed on 22.08.2025, the period of three months has already expired. Ld. Counsel appearing for the Liquidator states that he is in the process of scheduling SCC meeting for taking a decision on dissolution of the Corporate Debtor. In view of the same, IA is allowed and disposed off."*

22. In view of the said submission, the Applicant is directed to place on record the current status of the deliberations and the decision taken by the SCC with

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respect to the dissolution of the Corporate Debtor, along with all relevant supporting documents, within a period of 10 days from the date of this Order.

23. Accordingly, the instant Application bearing *MA (IBC) No. 2/JPR/2026* is dismissed and the Registry is directed to list this Application for compliance after 10 days.

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REETA KOHLI
JUDICIAL MEMBER

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KAVITA BHATNAGAR
TECHNICAL MEMBER