**Admission of a claim by the IRP/RP is only an administrative or clerical act and is akin to a mere recital or reference to debt, which does not amount to acknowledgment under Section 18 of the Limitation Act, 1963**

The **Supreme Court** in the case of **Shankar Khandelwal vs Omkara Asset Reconstruction [Civil Appeal No (S). 13158-13159 of 2025] dated April 29, 2026**, has held that an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 is governed by Article 137 of the Limitation Act, 1963, and limitation commences from the date of default, i.e., the date of NPA classification. Exclusion of time under Section 60(6) of the Code and under the Covid-19 extension orders must be strictly computed, and if the petition is filed after the expiry of the remaining limitation period, it is barred.

The Court further held that admission of a claim by an IRP/RP during CIRP does not amount to an acknowledgment of liability under Section 18 of the Limitation Act, 1963, because such admission is only an administrative act of collation of claims and does not reflect a conscious and unequivocal admission of subsisting liability by the corporate debtor or its duly authorized representative. Such admission cannot extend limitation for filing a Section 7 petition.

The Court observed that limitation for filing an application under Section 7 of the Code is governed by Article 137 of the Limitation Act, 1963, and begins to run from the date of default, namely the date on which the account is classified as NPA, and not from any subsequent recovery proceeding. Since the accounts were declared NPA on December 06, 2016, the right to file the Section 7 petition accrued on that date itself.

On the issue of acknowledgment, the Court held that for Section 18 of the Limitation Act, 1963 to apply, the acknowledgment must be made by the party against whom the right is claimed, or by a person duly authorized on its behalf, before expiry of limitation, and it must indicate a conscious and unequivocal intention to admit a subsisting jural relationship and existing liability.

The Court observed that the RP/IRP has no adjudicatory power and merely performs an administrative function of collation and admission of claims under Section 18 of the Code. Therefore, admission of a claim by the IRP/RP is only an administrative or clerical act and is akin to a mere recital or reference to debt, which does not amount to acknowledgment under Section 18 of the Limitation Act, 1963.