(2026) 06 NCLAT CK 0762

In the National Company Law Appellate Tribunal, CHENNAI Bench

Case No : Company Appeal (AT) (CH) (Ins) No.302/2026 (IA No.860/2026)

Devakonda Sunil Kumar — APPELLANT

Vs

M/s. Arvensis Energy Private Limited — RESPONDENT

Date of Decision : 22-06-2026

Acts Referred:

I & B Code, 2016 — Section 61, 31, Sub-section (3), sub-section (3)(i) of Section 31, 35
CIRP Regulations — Regulation 36A (6), 36A(5)
IBBI (Liquidation Process) Regulations, 2016 — Regulation 44(1), 31A (1)(h), clause (12) of Para 1 of Schedule I, 12 of Schedule 1, Section 35 (2)
2016 NCLT Rules — Rule 11

Citation : (2026) 06 NCLAT CK 0762

Hon'ble Judges : Justice Sharad Kumar Sharma, Member (Judicial);Jatindranath Swain, Member (Technical)

Bench : Division Bench

Advocate : For Appellant : Mr. SR. Ragunathan, Advocate For Mr. Rohan Rajasekaran, Advocate For Respondents : Mr. TK. Bhaskar, Ms. Niveditha Narayanan, Mr. Niranjan S Rao & Ms. S. Kushi, Advocates for R1 Mr. J. Rajesh, Advocate for R2

Final Decision : Dismissed

Judgement

(Hybrid Mode)

[Oral Judgment: Justice Sharad Kumar Sharma, Member (Judicial)]

The Appellant has extended elaborate arguments, in support of his challenge to the impugned order of 11.05.2026, that has been passed by the Learned NCLT, Hyderabad Bench in IA(IBC)/609/2026 in CP (IB)/164/7/HDB/2021, in the matters of IFCI Ltd V/s. Pioneer Gas Power Ltd. The consequential effect of the impugned order had been that, the aforesaid application filed by the Respondent No. 1, Arvensis Energy Pvt Ltd, Successful Bidder therein, has been allowed and he has been permitted to pay the remaining amount on or before 25.06.2026 along with interest for the delay in payment of the amount as stipulated in the

Letter of Intent issued to it.

2. The facts, those are undisputed, are that, as per Letter of Intent, the 1st Respondent was to pay Rs. 183.82 Crore on or before 15.04.2026, that out of the aforesaid amount, Rs.70 Crores admittedly has already been deposited by it, that consequent to the aforesaid deposit, 1stRespondent filed IA(IBC)/609/2026, seeking an extension of time praying for depositing the balance amount on or before 25.06.2026, and that the said request for grant of extension of time for depositing the remaining amount has been granted by the Learned Tribunal by the impugned order of 11.05.2026, with the following directions:

Ld. Counsel for the Respondents has no objection to extend the time period. Accordingly, this application is allowed and applicant is allowed to pay the remaining amount on or before 25.06.2026 along with interest for the delay in payment, as stipulated in the Annexure-I.

3. Thus the directions contained therein in the impugned order, have been issued on the basis that, the time was extended owing to the no objection, extended by the Respondent, i.e. the Liquidator. And besides that, what is more important to be noted, is that the extension of time upto 25.06.2026, has been granted on the condition that interest is to be paid on the balance amount, for the delayed payment.

4. The Appellant before us, questions the extension granted for depositing of the remaining amount on the grounds that, had the extension not been granted by the impugned order, it would have ultimately led to a cancellation of the auction settled in favour of the successful bidder and in that eventuality, fresh e-auction would have been conducted, in which the Appellant could have participated, and that extension of time for making the payment foreclosed this option and closed the opportunity for him against which he is aggrieved. However it is to be noted that the Appellant is not having any legal right, as of now to be enforced under law, because the fact remains and admitted too that, during the CIRP of the Corporate Debtor, the Appellant had on 21.04.2025, submitted a resolution plan, with an addendum dated 08.06.2025, for an amount of Rs.265 Crores, which was rejected by the CoC and that the CoC, instead resolved to proceed with the liquidation of the Corporate Debtor, and that the Appellant has not challenged the order or the decision taken by the CoC of not approving his plan, and also the decision of CoC, to proceed with the liquidation of the Corporate Debtor. Further, based on the resolution of CoC and application moved by Resolution Professional, liquidation was ordered by the Learned Adjudicating Authority, of M/s. Pioneer Gas Power Ltd., the Corporate Debtor, by an order dated 11.11.2025, appointing Respondent No. 2 as its liquidator and the liquidator had initiated liquidation process and had issued a process memorandum of e-auction of the assets of the Corporate Debtor, which contained the terms and conditions of the auction including the condition requiring the successful bidder to deposit the balance sale consideration in 90 days from the date of issuance of Letter of Intent, failing

which, the sale was to be cancelled and EMD of Rs.20.20 Crores was to be forfeited. The Appellant has not challenged the order of liquidation by Learned NCLT and also has not challenged the process memorandum based on which bids have been invited. Further, the Appellant has not participated in the auction process, held in pursuance to the issuance of process memorandum by the liquidator on 12.12.2025.

5. The e-auction was conducted on 08.01.2026 for the sale of assets of the Corporate Debtor. Upon the culmination of the e-auction process, a letter of intent was issued to the sole bidder, i.e. M/s. Arvensis Energy Pvt Ltd. on 15.01.2026, for a total sale consideration of Rs.204.02 Crores, with the condition that the balance amount of Rs.183.82 Crores (after adjusting the EMD amount) was to be remitted on or before 15.04.2026, i.e. 90 days from the date of issuance of the letter of intent. Subsequently the application IA(IBC)/609/2026, was filed by the Successful Bidder seeking extension of time to deposit remaining amount, based on a decision taken by the stakeholders, who had extended their consent for the extension of time to deposit the balance amount of Rs.183.82 Crores and Learned Tribunal by the impugned order allowed the said application, extending the time period to deposit the balance amount till 25.06.2026.

6. The Appellant has claimed that, had he been aware that, there could be a possible extension of the time period of 90 days for the payment of the sale consideration, under the conditions contained under the auction notice, he could too have participated and bid a higher amount of Rs. 225 Crores, which he did not, because he expected the condition of payment of sale consideration within 90 days to be strictly enforced and therefore extension of time to the successful bidder to make the payment by relaxing tender conditions affects his rights and hence it should be struck down.

7. There had been multifaceted arguments extended by the Learned Counsel for the Appellant qua the propriety of the extension granted, but the first and foremost question that arise for consideration is that, as to whether at all the Appellant has got any locus as such to put a challenge to the impugned order, granting an extension of time to the Respondent No. 1, to deposit the amount in pursuance to the bid that, has already been finalised and which has been partially acted upon by depositing of Rs.70 Crores, till the date of passing of the impugned order. Admittedly, the Appellant in the proceedings has described his status to be that of "**former eligible Resolution Applicant**". Being a former eligible Resolution Applicant in itself will not bestow any status or right in favour of the Appellant to derive a cause of action for filing of a instant Company Appeal on the pretext that he happens to be an "aggrieved person". He would not be an aggrieved person for that purpose, for the reason being that, as already detailed above, he didn't challenge rejection of his resolution plan, he did not challenge the liquidation order, he did not challenge the process memorandum of the auction and especially the mandatory 90 day payment period against which he expresses his reservations, he did not participate in the subsequent auction

process and its conclusion with declaration of the successful bidder and has instead decided to challenge the extension of time granted to the successful bidder to make the payment. Therefore, he cannot be said to be at all to be falling in any of the class of aggrieved stakeholders, to be an aggrieved person to enable him to file an Appeal against the order of extension of time to deposit the balance amount. One of the factors that, would also play a pivotal role is that, the Appellant, when his plan was rejected by the CoC, has not challenged the same and rather he has acceeded to its rejection.

8. The Appellant cannot claim to be a "stakeholder" or "an aggrieved person", to maintain a Company Appeal, on basis of a non-existence cause of action which could have arisen in the event of cancellation of the auction, had the extension not been granted, when he himself has not challenged the auction process memorandum, conduct of the auction and its conclusion. In that eventuality, when the Appellant under law cannot be classified to be brought within an ambit of, being an aggrieved person or a stakeholder, he cannot be classified as to be an aggrieved person, as per the ratio that has been propounded in catena of judgments, the reference of one of which has been made by the Learned Counsel for the Respondent is that, as reported in **2025, 260 Comp Cas 1 (SC) Kalyani Transco Vs. Bhushan Power and Steel Ltd & Ors. wherein**, the Hon'ble Apex Court in Para 59 has extracted as under:

59. *It was submitted by the SRA-JSW as well as the CoC that after the CIRP is triggered, the erstwhile promoters' relationship with the corporate debtor-BPSL ceases to exist and they cannot be included in the definition of "person aggrieved". It was also submitted that the conduct of the appellants-erstwhile promoters in the CoC meetings, before the NCLT, NCLAT and this court would reveal that these appeals are an attempt to interfere with the task of reviving the corporate debtor undertaken by the SRA-JSW.*

9. Almost a similar view has been taken by the Principal Bench, in **Company Appeal (AT) (Ins) No. 1079/2020**, in the matters of, **Interups Inc. Vs. Kuldeep Kumar Bassi (RP) and Ors.**, wherein Para 7 and 8 the Principal Bench has almost re-iterated the same principles, observing thereof that, in view of the implications flowing from Regulation 36A (6), it clearly stipulates that, any receipt of the expression of interest after the stipulated time deserves rejection and therefore when there is a non-participation, within the prescribed time frame and where no Expression of Interest was submitted or challenge was given to said process within the stipulated time, the person who had not participated in the proceedings cannot said to be an "aggrieved person" so to sustain an Appeal. The relevant Para 8 is extracted here under:

8. *The learned counsel for the Respondent No.2 (CoC) has submitted that the Appellant never participated in CIRP nor submitted any Resolution Plan. No EOI was submitted by the appellant within the stipulated timelines, nor does the appellant form part of any prospective resolution applicant list. Regulation 36A(5) of the CIRP Regulations requires that a prospective resolution applicant*

who meets the requirements under the invitation for EOI may submit its EOI within the time specified in the invite. Further, ***Regulation 36A (6) clearly provides that an EOI received after such time (as stated above) shall be rejected****. [Amit Gupta vs. Yogesh Gupta and Ors. In Company Appeal (AT) (Ins) No. 903 of 2019; para 16; Appeal against this judgment (CA No.1435 of 2020) dismissed by Hon'ble Supreme Court vide order dated 20.02.2020) A person who does not participate in the CIRP cannot claim to be aggrieved of the order passed by Adjudicating Authority approving the resolution plan, presented by a duly qualified Resolution Applicant.*

The appellant is a rank outsider standing on the sidelines who has attempted to intervene in the Plan Approval proceedings at a much belated stage, by filing an applicant on 09.07.2020, and that too, for directions to the RP and CoC to consider its proposal, albeit without any proposal at all, for RP to provide access to data room and other information, to enable it to ***present a plan at such belated stage. Such intervention cannot be permitted at the instance of a busybody, as it has a cascading effect on the resolution of Corporate Debtor, and the very sanctity of the CIRP.***

10. As regards to the aspect, as to how would the term aggrieved person for the purposes of Section 61 could be interpreted, was an issue dealt with by in **Company Appeal (AT) (CH) (Ins) No. 206/2024**, in the matters of, **Meir Commodities India Pvt Ltd. Vs. Narayanam Nageswara Rao and Ors.**, wherein, we had an occasion to deal with the issue and we had decided on the controversy. Para 27, 28 & 29 of the said judgment which is extracted here under:

27. *Applicability of Law, always depends upon the facts and circumstances of the case, and it is always the facts and circumstances, which ought to be circumscribed first to be considered as to whether, they could be brought to be applied for an extension of Statutory Rights, as contemplated under the Law.*

28. *The Constitution Bench of the Hon'ble Apex Court as reported in* ***[2002] Vol. III SCC 533 Padma Sundara Rao v. State of T.N. & Ors.****, in fact, it has considered the said impact, and has held that one cannot place a fact under the given set of Law, but, rather, it will be just a vice-a-versa, that it would always be a similar set of facts which has to be tested first by the Courts, as to whether, a particular set of Law, on which a reliance is placed, would at all fit into under the facts or not, because different facts and circumstances of the case and a unified principle of judicial precedence will not be applicable, as it has been sought to be applied by the Learned Senior Counsel for the Appellant on the basis of two Judgments, that he had relied upon to substantiate his argument, pertaining to the Locus of the present Appellant to challenge the Impugned Order of 08.05.2024, as rendered in IA (IBC)/897/2024.*

29. *In view of what has been referred to above, this Tribunal is of the view that as far as the present Appellant is concerned, whose status is not in dispute as to*

be that of a PRA, there is no material right which is prejudiced by passing of the Impugned Order by the learned Adjudicating Authority, which could give him a cause to challenge the same by invoking Section 61 of the I & B Code, 2016, and that too, in the status of being a Prospective Resolution Applicant, where he has only expressed his interest to submit the Resolution Proposal and has not even reached the stage of submitting Resolution Proposal.

In the aforesaid paragraphs, we have held that, a Prospective Resolution Applicant has got no material right, based on which he could be said to be prejudiced to be categorized as an aggrieved person, which could enable him to invoke Section 61 of the Code for preferring of an Appeal.

11. Admittedly, and as per records too, after the rejection of the resolution plan of the Appellant by the CoC, he did not put a challenge to it, nor when the subsequent auction process was notified to be resorted to, he had not challenged the process memorandum nor he had participated in the auction. Hence, the challenge being attempted now, to the subsequent extension of time is not sustainable in the eyes of law, in relation to the sale, which has been carried on the basis of an auction proceeding, in which the Appellant has not participated. The Appellant who has not participated in the auction cannot challenge the same now. The said principle has been laid down in Para 8 of the **Company Appeal (AT) (Ins) No. 2130/2024, JSK Estate Pvt Ltd. Vs. Sundresh Bhat and Anr.,**and according to which the Appellant herein will not be a stakeholder or an aggrieved person or bidder, who can maintain the Appeal against the impugned order. Para 8 is extracted here under:

8. *The Appellant neither sent any communication nor any bid to the Liquidator during the process and after more than one year, filed the application for recall of order dated 09.09.2022, by which auction was confirmed. The Respondent was declared as successful bidder in the auction process held by the Liquidator after due publication of notice. There has to be very strong reason to set aside the public auction on an application filed by a party who was not a stakeholder or bidder. The auction was confirmed by the Adjudicating Authority and more than one year thereafter application has been filed by the Appellant offering a higher amount. It is well settled that after completion of the auction it is not open for a third party to offer higher amount by challenging the auction. The Adjudicating Authority considered all aspects of the matter and rightly not entertained the application filed by the Appellant. We find no error in the order of the Adjudicating Authority rejecting application filed by the Appellant. Appeal is dismissed.*

12. Almost similar view had been taken in the matters of **Company Appeal (AT) (Ins) No. 732/2019, Manjit Commercial LLP Vs. SPM Auto Pvt Ltd & Anr.**, where particularly the expression drawn in Para 11 are relevant for the instant case, Para 11 is extracted here under:

11. *However, the Appellant did not participate in the e-auction and now making*

vague allegations without any substantial grounds cannot be accepted. As per Regulation 44(1) of the Liquidation Process Regulations, 2016, the Liquidator shall liquidate the 'Corporate Debtor' within a period of two years. We are of the view that there should not be any unnecessary delay and protract the liquidation process for undue advantage of some of individuals or group, which would adversely affect the liquidation process.

13. It has ruled, that as per the Regulation 44 (1) of the Liquidation Process Regulations, 2016, liquidation of a Corporate Debtor has to be proceeded in accordance with law within the prescribed period and non-participation in the e-auction, and raising of vague allegation pertaining to the auction process or of any subsequent events will be of no avail. As the Appellant herein cannot be determined to be an aggrieved person or a stakeholder, who could be adversely effected, by grant of extension of time for depositing the remaining amount, his Appeal will not be maintainable. Similar is the view, which has been re-iterated in catena of judgments that an unsuccessful Resolution Applicant, or a person who has not participated in the auction cannot put a challenge to the resolution plan / the auction proceedings as the case may be. Under the said circumstances, the challenge is not permissible and that is what has been postulated in the judgment of **Company Appeal (AT) (Ins) No. 143/2020 PNC Infratech Ltd. Vs. Deepak Maini & Ors.** Para 39 of the said judgment is extracted here under:

39. *Further, there is no such mechanism under the Code that gives the right to the Unsuccessful Resolution Applicant to challenge the score granted as per the evaluation matrix prepared by the CoC and the Resolution Professional as per the provisions of CIRP Regulations. Though, Section 61 of the Code provides Appeals against the orders of the Adjudicating Authority and Sub-section (3) thereof provides an Appeal against an order approving a Resolution Plan under Section 31 which may be filed on the following grounds namely:*

(i) *The approval resolution plan is in contravention of the provisions of any law for the time being enforce.*

(ii) *There has been material irregularity in exercise of the powers by the Resolution Professional during the Corporate Insolvency Resolution Period.*

(iii)……

(iv) *……*

It is unequivocal, in preferring the Appeal by the aggrieved person under the above provision more particularly sub-section (3)(i) of Section 31 thereof which specifically provides that the approved Resolution Plan can be questioned / challenged on the ground that the plan is in contravention of the provisions. This Tribunal in clear terms observes and holds that there is no contravention in approving the Resolution Plan either by the CoC or by the Adjudicating Authority. The plan approved is in accordance with law and there is no material irregularity and cannot go into the technical issues with regard to evaluation and score *matrix which is in the exclusive domain of the CoC.*

14. The Successful Bidder, M/s. Arvensis Energy Private Limited, had filed an application on 09.04.2026, requesting extension of time for paying the balance amount, as a consequence to the Letter of Intent dated 15.01.2026. In response to the aforesaid request made by the successful bidder, a response was submitted by the Liquidator observing thereof that, he is conscious of the circumstances, under which the extension for depositing the balance amount, was being sought, but the prescribed time period of 90 days for deposit of sale consideration, in accordance with the Insolvency & Bankruptcy Code cannot be extended by the liquidator or the Stakeholders Consultation Committee, without an approval or a direction by the Learned NCLT. Based on the same, the Liquidator has argued that, it is not that the statute creates an absolute bar that extension of time period for depositing of the sale consideration under the auction processes cannot be extended, and that extension of time could be given subject to the approval granted by the Learned Adjudicating Authority. For the aforesaid purpose, he had referred to Regulation 31A (1)(h), which is extracted hereunder:

31A. (1) The liquidator shall constitute a consultation committee, comprising of all creditors of the corporate debtor, within sixty days from the liquidation commencement date, based on the list of stakeholders prepared under regulation 31, to advise him on matters relating to-….

(h) ***extension of payment of balance sale consideration as provided in clause (12) of Para 1 of Schedule I, beyond ninety days, to be disclosed in the auction notice.]***

15. It prescribes that, the extension for the payment of the balance sale consideration, as contemplated under Clause 12 of Schedule 1 could be considered for a period beyond 90 days, for the reasons to be disclosed in the auction notice, which could thereafter be further extended in consultation of the Stakeholders Consultation Committee, and after obtaining the order of the Learned Adjudicating Authority. In context thereto, under the provisions contained under Section 35 along with Rule 11, the Learned Adjudicating Authority does have a power vested in it to extend the time for depositing the balance sale consideration, which is to be read in consonance to Regulation 31A (1) (h) and reference had been made by the Counsel for the liquidator, to the provisions contained under Section 35 (2) of the Regulations.

16. The Learned Counsel for the Appellant, in support of his contention, had relied upon a judgment reported in **2025 Vol (1) SCC Page 559 in the matters of V.S. Palanivel Vs. Sri Lakshmi Hotels Pvt Ltd., P. Sriram, CS, Liquidator and Ors.** and particularly he has made reference to the Para 82 of the judgment, wherein the principle enunciated therein was in relation to Schedule 1 of the 2016 Regulations, which had prescribed that the Clause 12 is mandatory in nature. But, then we cannot ignore the observations made in Para

74 of the said judgment, which is extracted here under, which itself postulates that, the Adjudicating Authority can exercise the powers under Section 35 of I&B Code for extending time to deposit. Para 74 of the said judgment is extracted here under:

74. *In the facts of the present case, the adjudicating authority exercised statutory powers under Section 35 IBC read with its inherent powers under Rule 11 of the 2016 NCLT Rules for extending the time to deposit the balance sale consideration on sufficient cause being shown i.e. in view of the countrywide lockdown due to the COVID-19 Pandemic. This latitude that was given in the aforesaid extraordinary circumstances to meet the ends of justice, cannot be faulted.*

17. Thus the aforesaid ratio lays down that Learned NCLT can, under Section 35 of the Code by exercising its inherent powers under Rule 11 can extend the time to deposit the remaining amount. However, the Learned Counsel for the Appellant continues to harp upon that Clause 12 of Schedule 1 of IBBI (Liquidation Process) Regulations, 2016, is mandatory, in nature and cannot be overriden. Clause 12 of Schedule 1 of IBBI (Liquidation Process) Regulations, 2016 is to be extracted here under:

[(12) On the close of the auction, the highest bidder shall be invited to provide balance sale consideration within ninety days or such period as mentioned in the auction notice under clause 3, of the date of such demand:

PROVIDED that payments made after thirty days shall attract interest at the rate of twelve per cent.:

PROVIDED FURTHER that the sale shall be cancelled if the payment is not received within the period provided under this clause.]

18. Much stress, has been placed by the Counsel for the Appellant on the expression "provided further that sale shall be cancelled, if the payment has not been received within the period provided under this clause." The said concept under given circumstance may not be attracted, because the proviso itself does not have any independent existence, until and unless it is read with the principal provisions contained under Clause 12 of Schedule 1, which contemplates that after the close of auction, the highest bidder is invited to deposit the balance sale consideration within 90 days within such period as mentioned in the auction notice. But, then Clause 12, which has been argued to be mandatory, does not create absolute bar in exercising the powers under Section 35 to be read with Rule 11 of the NCLT Rules, for extension of time, as dealt with in Para 74 of the said judgment.

19. Accordingly, owing to the fact that, the Appellant is neither a Stakeholder nor an aggrieved person, for the reason that, he has not challenged the rejection of his plan by the CoC, further that, he has not challenged the order of liquidation, he has not challenged the e-auction process memorandum and, he has not

participated in the e-auction, he cannot now be classified to be a Stakeholder or a person aggrieved, to sustain an Appeal under Section 61, merely on basis of an anticipation, that he would be able to participate in future auctions in case the auction is cancelled, cannot be a reason to interfere with the impugned order granting extension of time to deposit the amount, which has been passed by the Learned NCLT by exercise of its powers under Section 35 to be read with Rule 11 of NCLT Rules. Hence, the Company Appeal lacks merit and the same is accordingly dismissed. All Interlocutory Applications would stand closed.

