

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
AT CHENNAI
(APPELLATE JURISDICTION)

Company Appeal (AT) (CH) (Ins) No. 261/2026
(IA Nos. 734/2026, 735/2026 & 736/2026)

In the matter of:

Chavva Naga Sampathi Tayaru

D.No: 8-266/1, Main Road, Samisragudem Village,
Nididavole Mandal, West Godavari District,
Andhra Pradesh - 534302.

... Appellant

V

M/s. Sri Ananda Lakshmi Narasimha

Industries India Pvt Ltd.,

Rep by its Liquidator Mr. Madasa Kumar

930/3A, Velivennu Road, Samisragudem Village,
Nidadavole Mandal, West Godavari,
Andhra Pradesh - 534302.

... Respondent No. 1

Central Bank of India

Rep by its Authorised Signatory Mr. Rajesh Kumar Singh,

Chandramukhi Building, Nariman Point,
Mumbai and a branch inter alia called as
SAM-V Branch, Hyderabad, Telangana.

... Respondent No. 2

Present :

For Appellant : Mr. E. Senthil Kumar, Advocate

With

Company Appeal (AT) (CH) (Ins) No. 260/2026
(IA Nos. 730/2026 & 731/2026)

In the matter of:

Chavva Naga Sampathi Tayaru

D.No: 8-266/1, Main Road, Samisragudem Village,
Nididavole Mandal, West Godavari District,
Andhra Pradesh - 534302.

... Appellant

V

Madasa Kumar,

Bankruptcy Trustee

8-2-248/A/5/16, Plot No:717, Road No:2,
Banjara Hills, Hyderabad — 500034.

... Respondent

Present :

For Appellant : Mr. E. Senthil Kumar, Advocate

ORDER
(Hybrid Mode)

20.05.2026:

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

These are two Company Appeals. There happens to be factually marginal difference restricted to, as regards to the respective impugned orders, which are subject matter of challenge in both the Company Appeals.

2. In **Company Appeal (AT) (CH) (Ins) No. 261/2026**, the Appellant herein, who happens to be the Erstwhile Director and the Personal Guarantor of the Corporate Debtor, has presently put a challenge to the impugned order dated 20.04.2026, that was passed by the Learned NCLT, Amaravati Bench, in IA (IBC)/143/2026 in CP(IB)/82/7/AMR/2022.

3. By virtue of the impugned order, Ld. NCLT after considering the application that was preferred by the liquidator, by invoking the provisions contained under Section 60 (5) of I & B Code, 2016, to be read with Regulation 44 (2) of IBBI (Liquidation Process) Regulations, 2016, to be read with Rule 11 of the NCLT Rules, 2016, wherein the Liquidator, had prayed for extending the period of liquidation by 150 days, for the period commencing from 18.04.2026 till 14.09.2026, has extended the liquidation period, for the period of one month only, commencing from 18.04.2026 to 17.05.2026.

4. It is borne out from the records that, the extension as granted by the impugned order, for the period from 18.04.2026 to 17.05.2026, practically for all

purposes as of now, has already come to an end today (20.05.2026), when this Company Appeal is being argued before this Appellate Tribunal.

5. The Learned Counsel for the Appellant has contended that, in the context of the provisions contained under Regulation 44 (2) of IBBI (Liquidation Process) Regulations, 2016, the extension granted by the impugned order, for a period from 18.04.2026 to 17.05.2026 could not have been given because Ld. NCLT does not have the power of extending time period for completion of the liquidation process for the second time. He has further contended while putting a challenge to the impugned order of 20.04.2026 that, "during the course of liquidation, the Liquidator, has already attained the age of 70 years" and as such, for all practical purposes, the Liquidator renders himself to be non- suited to be continued in office any further, in order to complete the liquidation process, and hence the said extension of time period for completion of liquidation ought not to have been granted to be utilised by the Liquidator.

6. In accordance with the pleading raised by the Appellant in the memorandum of appeal, he has factually submitted that M/s. Ananda Lakshmi Narasimha Industries India Pvt. Ltd., a company which was registered as such under the Companies Act, 1956, was granted credit facilities by the Financial Creditor, i.e., Central Bank of India, from time to time to the tune of Rs. 33,18,09,761/- and the Appellant thereto in the capacity of being the Director, was also the Personal Guarantor in respect of the credit facilities. Since the Corporate Debtor defaulted in loan repayment, the Financial Creditor (Central Bank of

India) initiated the Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor (CD) by filing of an application before the NCLT on 29.06.2022, which was numbered as CP(IB)/82/7/AMR/2022, and CIRP was directed to be commenced against the CD by an order dated 20.03.2023. Simultaneously, proceedings under Section 95 of the I & B Code, 2016, in shape of CP(IB) No. 99/95/AMR/2022, was initiated against the Appellant, the Personal Guarantor and he was admitted to CIRP by an order passed on 25.01.2023.

7. Owing to the fact that, no credible resolution plan, was received during the CIRP period, the liquidation of the CD was ordered by the Learned Tribunal, on 19.12.2024. Initially, the liquidation process was directed to be completed within a period of one year that is, by 19.12.2025 as contemplated under Regulation 44 of the IBBI (Liquidation Process) Regulation, 2016, but that could not be completed and hence, an extension of time period of 4 months for completion of liquidation process was sought for by the Liquidator, w.e.f. 19.12.2025 to 17.04.2026, and the same stood granted by an order passed by the Learned Tribunal on 05.01.2026 in IA(IBC)/436/2025, as preferred in the CP(IB)/82/7/AMR/2022. After the expiry of the aforesaid extended period of 4 months granted to complete the liquidation process, the Liquidator preferred another application IA/143/2026, seeking an additional extension for a period of 150 days, i.e., from 18.04.2026 to 14.09.2026, but the Learned Tribunal granted extension only for a period of one month.

8. The Learned Counsel for the Appellant has submitted that, in accordance with the Regulation 44 of IBBI (Liquidation Process) Regulations, 2016, the said extension could not have been granted, because it runs contrary to the very spirit of Regulation 44 (2) and thus the impugned order happens to be bad in the eyes of law. The second limb of the argument of the Ld. Counsel for the Appellant has been that in light of the provisions of Regulation 7A of IBBI (Insolvency Professionals) Regulations, 2016, AFA, i.e., "Authorisation of Assignment", of an Insolvency Professional becomes invalid, when he/she attains 70 years of age. However, Learned Tribunal while passing the impugned order had observed that, as per the regulations contemplated under 32B of IBBI (Liquidation Process) Regulations, 2016, the provisions of Regulations 18 to 26 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, would apply mutatis and mutandis to the meetings of SCC in liquidation proceedings, that the resolution to extend the liquidation period was passed in 8th meeting of SCC where the attending members represented 35.57 % of the voting rights, that it was more than the prescribed quorum of at least 33 % of voting rights as per the mandate of Regulation 22(1) of IBBI (IRP of Corporate Persons) Regulations, 2016, and hence, the meeting of SCC was valid, which had resolved for the extension of time. Relevant Regulation 22(1) is extracted here under:

"22. (1) A meeting of the committee shall be quorate if members of the committee representing at least thirty three percent of the voting rights are present either in person or by video conferencing or other audio and visual means:

Provided that the committee may modify the percentage of voting rights required for quorum in respect of any future meetings of the committee."

9. The Learned Tribunal came to a conclusion that, considering the decision taken by SCC in the 8th SCC meeting which is valid in the eyes of law, the extension of one month period can be granted for completion of Liquidation process in the wider interest to meet the objective of the Code of maximising the value of the CD. The Ld. Tribunal while concluding the order, observed that since the SCC unanimously resolved to extend the liquidation period for completing the liquidation process, the same was granted, in consonance with the spirit of the provisions contained under Regulation 44 (2) of the IBBI (Liquidation Process) Regulations, 2016. Even otherwise also, if we look into the period for which the extension was granted, i.e., w.e.f. from 18.04.2026 to 17.05.2026, in fact, for all practical purposes, the said period has already expired, and the liquidator has already availed the benefit of the extension granted by virtue of the impugned order. Hence, any interference in the impugned order by putting the clock back on the issue of the extension granted by exercising the powers under Regulation 44 is not warranted, at this juncture when the purpose of the order has already stood frustrated by exhaustion of a period of extension granted by the Ld. Adjudicating Authority. Therefore, we do not see any reason to interfere with the impugned order.

10. So far as the implications of Regulation 7A of the IBBI (Insolvency Professionals) Regulations, 2016, on the extension of time granted as argued by the Learned Counsel for the Appellant are concerned, we would be dealing with this aspect in the connected Company Appeal CA (AT) (CH) (Ins) No. 260/2026, which has been preferred by the Appellant, as against the order of 25.03.2026 that has been passed on IA(IBC)72/2026 that was preferred in CP/IB/123/AMR/2023.

11. The **Company Appeal AT CH Ins No. 260/2026**, seeks to challenge to the impugned order dated 25.03.2023, as it was rendered by the Ld. NCLT, Amaravati Bench, in the proceedings held under Section 123 of the I & B Code, 2016, to be read with Section 60 (5) of the I & B Code, 2016, which was to be read with Rule 11 of the NCLT Rules, wherein the Application preferred by the Appellant had prayed for removal of the Bankruptcy Trustee, on account of the fact that during the course of proceedings, he has attained the age of 70 years and hence he has rendered himself to be incapacitated as such to continue any further in the status of being the Bankruptcy Trustee. The Learned Tribunal while dealing with the said plea taken by the Appellant in IA(IBC) 72/2026, and while passing the impugned order, has considered the decision, that was taken by the IBBI, which stood communicated vide its email communication as extracted in the order. In the said communications, it was observed that, in accordance with the Authorisation of Assignment (AFA), as it was granted to the Bankruptcy Trustee, he has to continue with the process, in accordance with the proviso of Regulations

7A as contained under the IBBI (Insolvency Professionals) Regulations, 2016.

For the purposes of brevity, Regulation 7A is extracted hereunder,

"7A. An insolvency professional shall not accept or undertake an assignment after 31st December, 2019 unless 31[it] holds a valid authorisation for assignment on the date of such acceptance or commencement of such assignment, as the case may be:

Provided that provisions of this regulation shall not apply to an assignment which an insolvency professional is undertaking as on-

(a) 31st December, 2019; or

(b) the date of expiry of his authorisation for assignment."

12. Bar of acceptance of assignment after expiry of AFA is intended by Regulation 7A. However, the proviso to the said Regulations carves out an exception to the general rule, as provided under proviso (b). The Learned Tribunal has rightly taken into consideration the implications as it is contained under clause (b) to the proviso of Regulation 7A of Regulations, 2016, and has observed that, according to the proviso to the Regulation 7A, expiry of AFA on attainment of the age of 70 years by the Insolvency Professional (IP) will not create any bar in relation to those assignments, which have already been granted and were being undertaken by him on the date of the expiry of the authorisation for assignment. The implication of the proviso to Regulation 7A of IBBI (Insolvency Professionals) Regulations, 2016, is very clear; it specifically carves

out an exception that under those circumstances where the authorisation of assignment, (AFA) expires during the pendency of the assignments already granted to the Insolvency Professionals, such assignments shall not cease and continuing in the same vein, if AFA expires in an event of the Insolvency Resolution Professional attaining the age of 70 years, which is the upper age limit for an Insolvency Professional, he will still be permitted to continue and complete those assignments. In fact, the interpretation, which has been given by the Ld. Tribunal vide its order of 25.03.2026, to the implications of the proviso to Regulation 7A of the Regulations, 2016, is that there cannot be an abrupt closure to the assignments already assigned to an Insolvency Professional i.e., the Bankruptcy Trustee herein, even if he attains 70 years of age and he has to continue with the assignments. Therefore, the passing of the impugned order on the basis of the aforesaid interpretation to the proviso to Regulation 7A(b) of the Regulations, 2016, doesn't suffer from any apparent legal or factual error, which could call for any interference.

Thus, both the Company Appeals lack merit, and the same is accordingly dismissed. All pending Interlocutory Applications would stand closed.

[Justice Sharad Kumar Sharma]
Member (Judicial)

[Jatindranath Swain]
Member (Technical)

DD/MS/AK