

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) No. 922 of 2026

IN THE MATTER OF:

Industrial Asset Transaction Services Pvt. Ltd. ...Appellant

Versus

Satish Kumar Gupta & Ors. ...Respondents

Present:

For Appellant : Mr. Rajeeve Mehra, Sr. Advocate with Ms. Pranati Bhatnagar, Mr. Dhairya BH. Verenkar, Mr. Yug Pratik, Mr. Vinod Kothari, Mr. Meet Sawant, Ms. Nidhi Salian and Ms. Prasansha Agarwal, Advocates.

For Respondents : Mr. Sunil Fernandes, Sr. Advocate with Mr. Raghav Chadha, Mr. Dhiraj Kumar Totala, Mr. Nishant Upadhyay, Ms. Vasudha Jain and Mr. Mayank Jain, Advocates for R-1/Liquidator.

Mr. Ritin Rai, Sr. Advocate with Ms. Petrushka Dasgupta, Mr. Mridul Yadav, Mr. Kewal Buddhev, Ms. Krishna Sarvah and Mr. Anand Singh Sengar, Advocates for R-2 & R-3.

ORDER
(Hybrid Mode)

19.05.2026: Heard learned counsel for the appellant, learned counsel appearing for the liquidator as well as learned counsel appearing for the Successful Resolution Applicant (“**SRA**”).

2. This appeal has been filed against an order dated 12.05.2026 passed by the adjudicating authority (National Company Law Tribunal, Mumbai Bench – I), by which order, I.A. No. 1879/2026 filed by the appellant has been dismissed.

3. In the liquidation proceedings of M/s. Jet Airways, the liquidator has issued sale process document with regard to sale of 2 Aircrafts. Under the sale process, the sale was “as is where is”, “as is what is”, “as is how is” and without recourse basis.

4. The appellant was one of the bidders. The appellant made a request to the liquidator for permitting inspection of the engines vide letter dated 18.03.2026. The auction was scheduled for 29.03.2026. A reminder was sent on 25.03.2026 to the liquidator seeking permission for inspection of the engines.

5. The liquidator on 25.03.2026 at 08:10 PM communicated that liquidator has to adhere to the timelines of 35 days and Airport Entry Pass for team of the appellant has been issued for visit on 26.03.2025 & 27.03.2025.

6. Subsequent to the said communication, the appellant inspected the Aircrafts but he was unable to carry out the Borescope Inspection of the Aircraft. The auction was held in which appellant gave his bid as well as the successful bidder, minimum reserve price was Rs.171 crore and bid increase was fixed at Rs.9 crore. Several rounds had taken place between the appellant and the successful bidder. The appellant bid was Rs.300 crore, whereas successful bidder increased the bid by Rs.309 crore for one Aircraft. The liquidator accepted bid of respondent. The appellant thereafter filed an I.A. No. 1879/2026 praying for setting aside the auction dated 29.03.2026. The prayers made by the appellant has been noticed by the adjudicating authority in paragraph 1, which is as follows:

“a) This Hon'ble Tribunal be pleased to quash and set aside present auction sale conducted on 29th March 2026 and further direct the Liquidator to conduct the sale after giving sufficient opportunity to the Applicant and/or any other bidder to inspect the asset proposed for auction as per industry standards; In strictly in alternate and without prejudice to prayer (a)

b) that this Hon'ble Tribunal be pleased to reject Interlocutory Application No.1707 of 2026 filed by Respondent Nos.2 and 3 seeking relief, concession and modification to the terms of sale;

c) This Hon'ble Tribunal be pleased to quash and set aside communication dated 24th April 2026 issued by Liquidator;

d) That this Hon'ble Tribunal be pleased to order and direct the Respondent No. 1 to accept the Applicant's enhanced bid for Rs. 3,34,24,90,000/- (Three hundred and thirty-four crores twenty-four lakhs and ninety thousand only) and Rs. 2,83,93,00,000/- (Two hundred and eighty-three crores ninety lakhs only) for Asset IDs 3751 and 3753 respectively, and consequently confirm the sale of the said Asset IDs in favor of the Applicant on such terms and conditions as this Hon'ble Tribunal may deem fit and proper;

e) Pending the hearing and final disposal of the present Application, this Hon'ble Tribunal be pleased to direct the Respondent No.1 to not issue any sale certificate in favor of Respondent Nos. 2 and 3 for the Assets bearing Asset ID 3751 and 3753;

f) Pending the hearing and final disposal of the present Application, this Hon'ble Tribunal be pleased to direct the Respondent No.1 to maintain status quo in respect of the Assets bearing Asset ID 3751 and 3753;

g) Pending the hearing and final disposal of the present Application this Hon'ble Tribunal be pleased to stay further hearing of Interlocutory Application No.1707 of 2026 filed by Respondent Nos.2 and 3;

h) Ad interim relief in terms of Prayer (e) to (g) above;

i) This Hon'ble Tribunal be pleased to grant such other and further reliefs as this Hon'ble Tribunal may deem fit and proper in the interest of justice and equity.”

7. Learned counsel for the appellant submitted that after the inspection, the appellant has also sent a letter to the liquidator that he is ready to pay Rs.25 crore more with respect to each Aircrafts.

8. Learned Sr. counsel Mr. Sunil Fernandes appearing for the liquidator opposing the submission of the counsel for the appellant submits that appellant was given opportunity to inspect and sale process memorandum has clearly provided that sale process is “as is where is”, “as is what is” and “as is how is”. The inspection was also permitted to the appellant for 2 days. After receipt of the letter from appellant that he is ready to pay Rs.25 crore each, the matter was placed before the Stakeholders Consultation Committee (“**SCC**”) and SCC did not permit the liquidator to proceed any further and the auction which was held on 29.03.2026 was said to be final. The adjudicating authority after hearing the parties by the impugned order has rejected the application.

9. Learned counsel for the appellant submitted that in spite of he having given request on 18.03.2026 to permit inspection, the due inspection was not permitted so as to enable the appellant to carry out the Borescope Inspection, due to which appellant could not know the exact condition of engine and they could not bid any higher amount. It is submitted that appellant to show his *bona fide* has already informed that he is ready to increase his bid by Rs.25 crore each for each Aircrafts. The last Borescope Inspection was held in the year 2022.

10. Learned counsel for the appellant has lastly contended that SRA has filed an application I.A. 1707/2026 seeking reliefs contrary to process documents which could not have been allowed. The prayer of the appellant was to set aside the auction held on 29.03.2026 after the successful bidder being declared successful auction purchaser, any application filed by the SRA which was required to be considered by the adjudicating authority does not give any right to the appellant to question the process. We thus do not find any substance in the above submission of the appellant.

11. Learned counsel for the liquidator has submitted that the entire amount has already been filed.

12. The asset sale process memorandum clearly provided the sale of the Aircraft “as is where is”, “as is what is” and “as is how is basis”. Request for appellant to grant inspection was also allowed for 26.03.2025 & 27.03.2025. Auction being fixed for 29.03.2026, no further time could have been allowed to the appellant as prayed. The appellant participated in the bid and gave his bid in several rounds in the *inter see* bid between the appellant and the respondent, the respondent’s bid was accepted which was higher. After the close of the auction, the letter sent by the appellant that he is ready to give Rs.25 crore more for each Aircrafts was rightly placed before the liquidator before SCC. SCC having not permitted liquidator to take any further steps for re-auction and SCC took the view that auction should be given finality, we do not find any error in the action of the liquidator in not accepting the prayer by which he has requested to permit him to deposit Rs.25 crore for each Aircrafts. The adjudicating authority has considered all aspect of the matter
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and all submission of the appellant. Adjudicating authority has noticed the communication between the parties as well as the relevant regulations and relevant asset sale process memorandum and has rejected the application by the impugned order. The observations in paragraphs 42 to 46 are to the following effect:

“42. The Learned counsel for financial lenders also confirmed the above fact and submitted that there was no bias in the process, and the auction process remained transparent. It was further submitted by the Counsel for Liquidator as well as Counsel for the financial lenders that all material information were disclosed.

43. Further, Clause 11 of Schedule 1 to Liquidation Process Regulations, 2016 vests a discretion in the liquidator to conduct multiple rounds of auctions, and the word ‘may’ used therein can not be read to mean that the liquidator is obligated to conduct multiple rounds of auctions, in contemplation of improved bids. In the present case, it is noted that the Liquidator has decided in consultation with SCC, consisting majorly of financial lenders, not to engaged in further rounds of auction after the auction held pursuant to Public Announcement came to be concluded on 29.3.2026. It is also pertinent to note that, each day of delay is causing additional costs to the process in terms of Airport operator’s charges. Even if it is assumed that such charges may not be required to be paid in priority, but, the parking of Aircrafts is resulting into avoidable blockage of infrastructure resources, even if owned by a third person. Accordingly, we are of considered view that the ‘value maximixation’ can not be read to make a process endless.

44. In case of Valji Khimji (Supra), it is held that :

“34. In the present case we are satisfied that there is no fraud in the auction sale. It may be mentioned that auctions are of two types - (1) where the auction is not subject to subsequent confirmation and (2) where the auction is subject to subsequent confirmation by some authority after the auction is held.

35. *In the first case mentioned above, i.e. where the auction is not subject to confirmation by any authority, the auction is complete on the fall of the hammer, and certain rights accrue in favour of the auction purchaser. However, where the auction is subject to subsequent confirmation by some authority (under a statute or terms of the auction) the auction is not complete and no rights accrue until the sale is confirmed by the said authority. Once, however, the sale is confirmed by that authority, certain rights accrue in favour of the auction purchaser, and these rights cannot be extinguished except in exceptional cases such as fraud.”*

45. *In the present case, the sale of Aircrafts to Respondent No. 2 & 3 was subject to declaration of highest bidder by the Liquidator after consultation with SCC in terms of Clause 12C of Schedule 1 to Liquidation Process Regulations, 2016, and which was done vide letter dated 8.4.2026, thereby certain rights in favor of Respondent No. 2 & 3 stood accrued. Further, we have not found any fraud in the present case, hence, the sale in favour of Respondent No. 2 & 3 can not be extinguished by us following the decision in case of Valji Khimji (Supra).*

46. *In view of the aforesaid discussion, we do find any merit in the allegation of lack of transparency and non-disclosure of material particulars having material bearing on the bids to be offered as made by the applicant. Further, there is no merit in other contention of the applicant in relation to Respondent No. 2 & 3's IA 1707 of 2026 and liquidator's obligation to consider their revised bid submitted on 11.4.2026, after issuance of letter of demand on 8.4.2026.”*

13. We fully concur with the view taken by the adjudicating authority in rejecting the application. The appellant's bid was lower to successful auction purchaser, the appellant was also given opportunity to inspect the Aircraft. No error can be found in the process adopted by liquidation in carrying the auction. No grounds have been made out to interfere with order impugned in this appeal.

The appeal is dismissed.

**[Justice Ashok Bhushan]
Chairperson**

**[Barun Mitra]
Member (Technical)**

himanshu/md