

IN THE NATIONAL COMPANY LAW TRIBUNAL: NEW DELHI
PRINCIPAL BENCH

ITEM No. 21
(IB)-128(PB)/2024

IN THE MATTER OF:

Bhushan Power & Steel Limited

.... Petitioner

v.

Atma Ram House Investment Private
Limited

.... Respondent

Order U/s. 7 of (IBC)

Order delivered on 08.04.2024

CORAM:

JUSTICE RAMALINGAM SUDHAKAR
HON'BLE PRESIDENT

SH. AVINASH K. SRIVASTAVA
HON'BLE MEMBER (TECHNICAL)

(HEARING THROUGH PHYSICAL MODE & VC)

PRESENT:

For the Petitioner : Mr. Ritin Rai, Ld. Sr. Counsel
For the Respondent :

ORDER

1. This is a petition filed under Section 7 of the Insolvency & Bankruptcy Code 2016.
2. Mr. Ritin Rai, Ld. Sr. Counsel appeared on behalf of the petitioner and stated that advance notice prior to the filing of this petition in terms of Rule 4 of Insolvency & Bankruptcy (Adjudicating Authority) Rules, 2016 has already been served upon the Corporate Debtor.
3. He states that information of default has also been filed with NeSL and undertakes to upload a copy of the same on the DMS/e-portal, which has not yet been uploaded.
4. In view of the Judgment passed by the Hon'ble Supreme Court in the case of *Swiss Ribbons Pvt. Ltd. & Anr. Vs Union of India & Ors.*, reported in (2019) 4 SCC 17, the Paragraph 58 reads as follows:

"...A conjoint reading of all these Rules makes it clear that at the stage of the Adjudicating Authority's satisfaction under Section 7(5) of the Code, the corporate debtor is served with a copy of the application filed with the Adjudicating Authority and has the

opportunity to file a reply before the said authority and be heard by the said authority before an order is made admitting the said application.”

- 5.** And in the matter of *M/s Surendra Trading Company Vs. M/s Juggilala Kamalapat Jutemills Company and Ors.* Reported in 2017 SCC online SC143, the Paragraph 24 reads as follows:

“Further, we are of the view that the judgments cited by the NCLAT and the principle contained therein applied while deciding that period of fourteen days within which the adjudicating authority has to pass the order is not mandatory but directory in nature would equally apply while interpreting proviso to sub-section (5) of Section 7, Section 9 or sub-section (4) of Section 10 as well. After all, the applicant does not gain anything by not removing the objections inasmuch as till the objections are removed, such an application would not be entertained. Therefore, it is in the interest of the applicant to remove the defects as early as possible.”

- 6.** And in the Judgment passed by the Hon'ble NCLAT in the matter of *Innovative Industries Vs ICICI Bank* reported in 20181 SCC 407, Paragraph 64 reads as follows:

“The different decisions of the Hon'ble Supreme Court, as referred to above and exception of principles of natural justice as noticed and summarised in the preceding paragraphs is not applicable to the insolvency resolution process as it is not a case of emergency declared or prejudicial to public interest or that there is a statutory exclusion of rules of natural justice or it is impracticable to hold hearing. It is not the case that no right of any person has been affected, as immediately on appointment of an Interim Resolution Professional, the Board of directors stand superseded. There are other persons who are also affected due to order of moratorium. Therefore, the ‘adjudicating authority’ is duty bound to give a notice to the corporate debtor before admission of a petition under Section 7 or Section 9.”

- 7.** Accordingly, the Petitioner is directed to serve notice on the Respondent/Corporate Debtor; indicating that the reply should be filed within a stipulated time of 7 days and no further time would be granted for filing the reply.

- 8.** This Notice to be sent by the Petitioner/Financial Creditor under NCLT Rules, Form-5.
- i. By way of an email to the registered email of the Corporate Debtor available with the petitioner.
 - ii. By way of an email to the CD email address registered with the MCA.
 - iii. Service by way of Dasti within three days from today.
 - iv. Proof of Service in any one of the above forms filed by way of an affidavit before the next date of hearing.
- 9.** On receipt of this notice, the Corporate Debtor is directed to file the reply within 7 days. On the next date of hearing the Corporate Debtor should appear either himself or through Counsel / Authorised Representative with proper Vakalatnma / letter of authorisation along with the reply, failing which it will be deemed that the Corporate Debtor does not wish to file the reply to the Section 7 Petition and the matter will be heard and decided on merits.
- 10.** Await appearance of Respondent(s), list the matter on **16.04.2024**.

-Sd/-
(RAMALINGAM SUDHAKAR)
PRESIDENT

-Sd/-
(AVINASH K. SRIVASTAVA)
MEMBER (TECHNICAL)

08.04.2024
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