

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL,
PRINCIPAL BENCH, NEW DELHI**

**Company Appeal (AT) (Insolvency) No. 555 of 2025
& I.A. No. 2112 of 2025**

In the matter of:

Hiren Anand Agarwal & Ors.

....Appellants

Vs.

National Company Law Tribunal & Ors.

...Respondents

For Appellants

**Mr. Mayank Bagla, Mr. Madhur Chitnis and Ms.
Ankeeta Appanna, Advocates.**

For Respondents

ORDER

(Hybrid Mode)

03.04.2025: This Appeal has been filed against the order dated 13.02.2025 transferring C.P.No.(IB)/760(MB)2021 to Court No.1. The Appellant who is member of the suspended board of director has filed this Appeal challenging the order dated 13.02.2025.

2. Counsel for the Appellant submits that there has to be circumstances for passing an order under Rule 16(d) of the NCLT Rules, 2016 and the parties are entitled to know the said reason. He has relied on the judgment of the Hon'ble Supreme Court in ***"Kranti Associates Pvt. Ltd. and Anr. vs. Masood Ahmed Khan and Ors.- (2010) 9 SCC 496"***.

3. We have heard Counsel for the Appellant and perused the record.

4. Rule 16 of the NCLT Rules 2016 deals with 'functions of the President' which is as follows:-

“16. Functions of the President.- *In addition to the general powers provided in the Act and in these rules the President shall exercise the following powers, namely:-*

(a) preside over the consideration of cases by the Tribunal;

(b) direct the Registry in the performance of its functions;

(c) prepare an annual report on the activities of the Tribunal;

(d) transfer any case from one Bench to other Bench when the circumstances so warrant;

(e) to withdraw the work or case from the court of a member.

(f) perform the functions entrusted to the President under these rules and such other powers as may be relevant to carry out his duties as head of the Tribunal while exercising the general superintendence and control over the administrative functions of the Members, Registrar, Secretary and other staff of the Tribunal.”

5. Rule 16(d) provides that President in exercise of his power transfer any case from one Bench to other Bench when the circumstances so warrant. There is no dispute that exercising the said power President has passed an order which is communicated by the Registrar by letter dated 13.02.2025. Appellant’s case is that the matter was in Court IV where substantial hearing took place and hence, not required to be transferred in another court and

earlier the application for transfer was rejected by order dated 02.02.2024. The power vested under Rule 16(1)(d) is exercised by the President from time to time. The President is a master of roaster and he can assign the case from one Bench to another Bench when the circumstances so warrant. There is no dispute that power has been exercised which has been communicated. The submission of the Appellant that the Appellant is entitled to know the circumstances under which the order has been passed does not appeal to us. Exercise of administrative power insofar as transfer of cases is concerned by the President arises in different circumstances including the constitution of Benches, transfer of the Members, re-constitution of the Benches. When President has passed an order for transferring one matter to another Court, we are of the view that the said order does not warrant any interference in exercise of the Appellate Jurisdiction.

6. Coming to the judgment relied by the Counsel for the Appellant in **“Kranti Associates Pvt. Ltd.”** (supra), Counsel for the Appellant has relied on paragraph 47(a) & (d) which is as follows:-

“47. Summarizing the above discussion, this Court holds:

a. In India the judicial trend has always been to record reasons, even in administrative decisions, if such decisions affect anyone prejudicially.

d. Recording of reasons also operates as a valid restraint on any possible arbitrary exercise of judicial and quasi-judicial or even administrative power.”

7. The above was a case where Hon'ble Supreme Court has taken the view that principle is recognized that with regard to administrative decision also reasons are to be assigned. The administrative reasons which have civil consequences definitely require reasons to be recorded. In paragraph 47 while recording the conclusion, the Hon'ble Supreme Court has said that "*even in administrative decisions, if such decisions affect anyone prejudicially*" the reasons are required. The present is not a case where it can be held that the transfer of the case from one Bench to another Bench prejudicially effects the right of the Appellant who is suspended director of the corporate debtor. We, thus, are of the view that the judgment relied by the Appellant does not support the submission advanced by the Appellant.

8. We, thus, do not find any good ground to interfere with the order. Appeal is dismissed.

**[Justice Ashok Bhushan]
Chairperson**

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

**[Arun Baroka]
Member (Technical)**

Anjali/nn