NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Ins) No. 1812 of 2025

IN THE MATTER OF:

Devi Singh, **...Appellants**
Suspended Director Atma Ram House
Investment Pvt. Ltd.

Versus

Bhushan Power and Steel Ltd. & Ors. **...Respondents**

Present:

For Appellant	:	**Mr. Dhruv Mehta and Mr. Abhijeet Sinha Sr. Advocates with Mr. Sandeep Bajaj, Mr. Soayaib Qureshi, Ms. Aanchal Kushwaha, Mr. Kartikey and Mr. Mayank Biyani, Advocates.**
For Respondents	:	**Mr. Arun Kathpalia and Mr. Krishnendu Datta Sr. Advocates with Mr. K. Sivanandaraaj, Mr. Shankh SenGupta, Ms. Varuna Bhanrale, Mr. Ribhu Garg, Ms. Tanya Hasija, Mr. Dhaval Bothra, Ms. Riddhima Sharma, Mr. Aditya and Ms. Diksha, Advocates.**

WITH
Company Appeal (AT) (Ins) No. 1813 of 2025

IN THE MATTER OF:

Devi Singh, **...Appellants**
Suspended Director Atma Ram House
Investment Pvt. Ltd.

Versus

Bhushan Power and Steel Ltd. & Ors. **...Respondents**

Present:

For Appellant	:	**Mr. Dhruv Mehta and Mr. Abhijeet Sinha Sr. Advocates with Mr. Sandeep Bajaj, Mr. Soayaib Qureshi, Ms. Aanchal Kushwaha, Mr. Kartikey and Mr. Mayank Biyani, Advocates.**
For Respondents	:	**Mr. Arun Kathpalia and Mr. Krishnendu Datta Sr. Advocates with Mr. K. Sivanandaraaj, Mr. Shankh SenGupta, Ms. Varuna Bhanrale, Mr. Ribhu Garg, Ms. Tanya Hasija, Mr. Dhaval Bothra, Ms. Riddhima Sharma, Mr. Aditya and Ms. Diksha, Advocates.**

O R D E R
(Hybrid Mode)

20.11.2025: We have heard Shri Dhruv Mehra and Shri Abhijeet Sinha, Ld. Counsel for the appellant as well as Shri Arun Kathpalia and Shri Krishnendu Datta, Ld. Counsel appearing for the respondent.

2. This appeal has been filed against the order dated 12.11.2025 by which Section 7 application filed by the respondent herein has been admitted. Ld. Counsel for the appellant challenging the order submits that the Adjudicating Authority committed an error in coming to the conclusion that the transaction between the parties as reflected by two MoU dated 01.04.2008 and 01.04.2013 is a financial debt whereas the transaction between the parties was with regard to purchase of commercial space in a building which was to be constructed by the corporate debtor on plot owned by the corporate debtor. It is submitted that the amount was advanced to the corporate debtor by the respondent no.1 which was then the holding company of the corporate debtor. It is submitted that the transaction cannot be said to be financial debt since ingredient of Section 5(8)(f) were not present in the transaction and the transaction did not had any financial debt.

3. It is submitted by the appellant that in fact the respondent no.1 has filed a Section 9 proceeding after issuing the demand notice in 2021, which proceedings after substantial arguments were withdrawal by the respondent no.1 and thereafter the Section 7 application was filed. The pleadings in Section 9 application contained admission about nature of debt which cannot be allowed to be withdrawn and Adjudicating Authority without adverting to the Section 9 proceedings and pleadings has passed the order. It is submitted that the third agreement dated 02.09.2015 which was supplementary agreement although have been noticed but has not been taken into consideration. It is submitted that the transaction between parties was not a financial transaction and no Section 7 application was maintainable.

4. Shri Arun Kathpalia and Shri Krishnendu Datta, Ld. Counsel appearing for respondent refuted the submission and submits that the supplementary agreement dated 02.09.2015 was a sham transaction. It is submitted that infact the respondent no.1 at the relevant time was holding company of the corporate debtor and the amount of ₹136.92 crore was given to the corporate debtor was for the purpose of construction of the building and that was nothing but a financial transaction between the parties. It is submitted that the corporate debtor neither obtained any approval of the building plans etc; nor has constructed the building. It is submitted that the respondent no.1 underwent through resolution process which commenced in 2017 and after the approval of the plan resolution process was completed and respondent no.1 is now taken over by SRA who after examining the relevant documents has found about this amount which has not been refunded. It is submitted that in the balance sheet of the corporate debtor amount has been mentioned as borrowing and the corporate debtor cannot resile from the statement in the balance sheet. Ld. Counsel for the both the parties in support of the respective submission has relied on various judgments of Supreme Court. The submission advanced by the parties needs consideration.

5. Issue Notice.

6. Let Reply, if any, be filed within two weeks. Rejoinder, if any, may be filed within two weeks, thereafter.

7. The submissions which has been advanced by the appellant *primafacie* make out a case for granting an interim order, the transaction which was subject matter of the application of under Section 9 application was filed by the respondent no.1 itself was withdrawn after substantial argument then Section 7 was filed. it is true that nature of transaction has to find out as to whether financial debt is there or not. *Primafacie,* the MoU which has been brought on the record does not indicate any stipulation to treat as a financial debt. We thus are of the view that appeal need to be decided after giving opportunity to the respondent to file a Reply.

List these appeals for admission/ disposal on **09.01.2026**.

In the meantime, in pursuance of the impugned order, no further steps shall be taken.

[Justice Ashok Bhushan]
Chairperson

[Barun Mitra]
Member (Technical)

harleen/MD