NATIONAL COMPANY LAW APPELLATE TRIBUNAL, NEW DELHI
Company Appeal (AT) (Insolvency) No. 1003 of 2020

In the matter of:

Sarveshwar Creation Pvt. Ltd.   ....Appellant
(Through its Resolution Professional)
Vs.
Union Bank of India   ....Respondent

Present:

Appellant:	Mr. Jayant Mehta, Mr. Aditya Dewan, Mr. Siddharth Chechani, Mr. Manohar Lal Vij and Mr. S. Surya Kapoor, Advocates
Respondent:	Ms. Ekta Chaudhury, Advocate (Caveator)
	Ms. Ridhima (Chief Manager Legal)

ORDER

(Through Virtual Mode)

25.11.2020: The issue raised in this appeal is that while accepting the claim of Respondent- 'Union Bank of India' as 'secured financial creditor' Doctrine of Indoor Management was applied by the Adjudicating Authority (National Company Law Tribunal), New Delhi Bench-V, in terms of the impugned order dated 27th October, 2020 which does not conform to dictum of the Hon'ble Apex Court in "***Jaypee Infratech Limited vs. Axis Bank Limited- Civil Appeal Nos. 8512-8527 of 2019***" that the Doctrine of Indoor Management cannot be invoked and lenders of holding company cannot be treated as 'financial Creditor' of subsidiary company.

Issue notice upon Respondent. Respondent is on Caveat. Notice on behalf of Respondent (Caveator) is waived and accepted by Ms. Ekta Chaudhury, Advocate. Caveat is discharged. Reply affidavit may be filed by the Respondent within 2 weeks. Rejoinder, if any, be filed within 2 weeks thereof.

Short written submissions not exceeding three pages may also be filed by the parties along with pleadings.

List the appeal 'for admission (after notice)' on 12th January, 2021.

Meanwhile, the Resolution Professional may accept the claim of the Respondent- Union Bank of India as a 'creditor' but not as a 'secured financial creditor' till further orders without prejudice to the rights of either of the parties.

[Justice Bansi Lal Bhat]
Acting Chairperson

[Justice Anant Bijay Singh]
Member (Judicial)

[Shreesha Merla]
Member (Technical)

AR/g