NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Ins) No.569 of 2025

(Arising out of Order dated 25.03.2025 passed by the National Company Law Tribunal, Principal Bench, New Delhi in I.A. No.4394/2024 in CP (IB)-220(PB)/2024)

In the matter of:

Indian Bank ...Appellant
66, Rajaji Salai, Chennai – 600001; and
at Indian Bank, SAM Branch – Delhi,
First Floor, 17, Parliament Street,
New Delhi - 110001

Vs.

M/s. Aman Hospitality Private Limited ...Respondent
L-4, Green Park Extension,
New Delhi – 110016

Present:
Appellant: Mr. Gautam Awasthi, Mr. Ayush Choudhary, Mr. Devanshu Yadav, Advocates
Respondent: Mr. U.K. Chaudhary, Sr. Advocate with Mr. V. Anush Raajan, Mr. Mansumyer, Mr. Pradyumn Yadav, Advocates

JUDGEMENT

JUSTICE N. SESHASAYEE, MEMBER (JUDICIAL)

This Appeal is filed challenging an Order passed by the Adjudicating Authority (National Company Law Tribunal, Principal Bench, New Delhi) in I.A. No.4394 of 2024 in C.P. (IB)-220(PB)/2024 which the Appellant had taken out for amending part - IV of Form - 1 which it had filed under Section 7 of IBC, 2016. The ground for dismissal was not on the merit of the application but on the maintainability of the same, in that the officer of the appellant through whom I.A. No.4393 of 2024 was filed was not appointed by a validly executed power of attorney.

2. The arguments were heard at length in the matter but it involves a very short and pointed issue: whether those who executed the power of attorney in favour of a certain Shri Navjeet Nirala to represent the appellant in taking out I.A. No.4393 of 2024 had the authority to execute the same. The relevant facts are as below:

- As per the proceedings dated 08.11.2014 issued by the Secretary to the Board of Directors of the appellant on 06.11.2014, the Board of Directors had inter alia resolved,

> *"RESOLVED that the Board Note dated 24.10.2014 seeking approval of the following:*
>
> *a. For adoption of Uniform Power of Attorney for issue to the confirmed Officers/Executives with immediate effect*
>
> *b. For issue of Uniform Power of Attorney to all the existing confirmed Officers/Executives replacing the existing ones.*
>
> *c. For delegating the authority for issue of Uniform Power of Attorney to confirmed Officers/Executives to two General Managers or either of the two General Managers along with one Deputy General Manager/Assistant General Manager to be nominated by the Chairman and Managing Director or in his absence Executive Director.*
>
> *be and is hereby approved."*

- Pursuant to this resolution, on 24.11.2014 a proceeding signed by the Chairman and Managing Director as well as the Executive Director had nominated the General Manager (HRM) and Deputy General Manager (HRM) of the Appellant as the authority for issuing of Power of Attorney.

- On 26.7.2023, a certain Arvind Misra and Venkatachalam, General Manager (HRM) and Deputy General Manager (HRM) respectively, have executed a Power of Attorney authorizing Shri Navjeet Nirala, the Chief Manager of the bank, and authorized him to *inter alia* lay and prosecute the litigation.

3. It is this power of authority which became the point of contention before the Adjudicating Authority. The Adjudicating Authority had held that General Manager (HRM) and Deputy General Manager (HRM) had been merely nominated but they were not specifically named. In other words, for executing a power of attorney, both General Manager (HRM) and Deputy General Manager (HRM) are required to be nominated by their name and that their nomination by their office will not suffice. This has now led to this appeal.

4. Relying on the ratio in ***United Bank of India Vs Naresh Kumar and Others*** [(1996) 6 SCC 660], the learned Counsel for the appellant submitted that if the line of reasoning of the Adjudicating Authority is taken to its logical end, then the entire activities of the bank would come to a standstill vis-a-vis the institution or prosecution of any litigation, and the Board might have to be convened every time to nominate the officers by their name for executing the

Power of Attorney. Nominating an authority or officer by their office is valid enough since there is certainty as to the officer who will have the authority to execute the POA. The learned Counsel for the respondent, however, would contend that in the proceedings dated 24.11.2014, the General Manager (HRM) and the Deputy General Manager (HRM) are indicated as the authority to whom power to issue power of attorney (POA, in short) is delegated whereas the Board Resolution dated 06.11.2014 has only authorized the Chairman and Managing Director of the appellant Bank or in his absence the Executive Director to nominate.

5. This Tribunal is not able to appreciate the contentions of the Counsel for the respondent, and it can be explained. The Board Resolution dated 06.11.2014, if it is carefully scanned, has granted the Chairman of the Bank, or, in his absence the Executive Director to nominate the officer who would be competent to issue a power of attorney. Pursuant to the nomination of the Board on 24.11.2014, the Chairman of the Bank had nominated the General Manager (HRM) and Deputy General Manager (HRM) as the officials for issuing power of attorney. The document of power of attorney is a document appointing an agent and here what is significant is whether the person who had executed a power of attorney has valid authority in law to execute it. Any authority holding a specific office for the time being can be appointed for the said purpose. There is no legal bar for vesting an authority to execute power of attorney document on a person by virtue of the office he or she holds.

6. This Tribunal holds that the power of attorney appointing Shri Navjeet Nirala has been properly and validly executed.

7. To conclude, this Tribunal allows this Appeal, sets aside the Order of the Adjudicating Authority, dated 25.03.2025 and remands the matter back to the Adjudicating Authority to hear and dispose of I.A. No.4394 of 2024 on merits.

[Justice N. Seshasayee]
Member (Judicial)

[Arun Baroka]
Member (Technical)

Date:- 07.08.2025

rs/sk