NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Comp. App. (AT) (Ins) No. 138 of 2026

IN THE MATTER OF:

State Bank of India **...Appellant(s)**

Versus

Ravi Bansal Interim Resolution Professional & Anr. **...Respondent(s)**

Present:

For Appellant	:	**Mr. Siddharth Sangal, Ms. Richa Mishra, Ms. Mrinalini Tandon, Ms. Kashis T, Advocates for SBI**
For Respondents	:	**Mr. Ravi Bansal, Mr. Devvart Rana, Advocates for IRP**

With
Comp. App. (AT) (Ins) No. 276 of 2026

IN THE MATTER OF:

Asset Reconstruction Company (India) Ltd. in capacity of Trustee of ARCIL- ATS-021-Trust **...Appellant(s)**

Versus

Karnal Agriculture Industries Ltd. & Ors. **...Respondent(s)**

Present:

For Appellant	:	**Mr. Anoop Prakash Awasthi, Advocate for ARCIL**
For Respondents	:	**Mr. Ravi Bansal, Mr. Devvart Rana, Advocates for IRP**

With
Comp. App. (AT) (Ins) No. 58 of 2026 &
I.A. No. 207 of 2026

IN THE MATTER OF:

Punjab National Bank **...Appellant(s)**

Versus

Karnal Agriculture Industries Ltd & Anr. **...Respondent(s)**

Present:

For Appellant	:	**Mr. Azel Aekram, Advocate**
For Respondents	:	**Mr. Rishi Kapoor, Advocate for CD** **Mr. Devvart Rana, Advocate for IRP**

<u>O R D E R</u>
<u>(Hybrid Mode)</u>

<u>27.02.2026</u> **<u>I.A. No. 207 of 2026</u>** Heard Ld. Counsel for Applicant and Ld. Counsel appearing for Respondent No. 1.

2. This is an Application praying for condonation of 14 days delay in filing the Appeal. The ground given in the Application is that after coming to know about the imposition of cost of Rs. 5,00,000/- by the Adjudicating Authority by order dated 30/10/2025, Bank had referred the matter to the Headquarters in Delhi in first week of November, thereafter after advice of the head office obtained approval for filing the Appeal.

3. We find sufficient cause has been shown in Paragraph 2 of the Application.

4. Delay condoned.

<u>Comp. App. (AT) (Ins) No. 58 of 2026, Comp. App. (AT) (Ins) No. 138 of 2026, Comp. App. (AT) (Ins) No. 276 of 2026</u> These three Appeals have been filed by State Bank of India, Asset Reconstruction Company (India) Ltd. and Punjab National Bank challenging the only part of the order dated 30/10/2025 passed by the National Company Law Tribunal, New Delhi in I.A 5150 of 2025. Under section 12 (A), Appellants are aggrieved against the impugned order in so far as it has imposed cost of Rs. 5,00,000/- on each of the Financial Creditors while allowing the Application under section 12(A) .

2. Brief facts necessary to be noticed for deciding these Appeals are; the Corporate Insolvency Resolution Process against the Corporate Debtor commenced on 10/12/2024 on an application filed by Punjab National Bank

against Karnal Agricultural Industries Ltd. Appeal was filed in this Tribunal challenging the order under section 7 in which Appeal, an interim order was passed on 18/12/2024, which is as follows :

> "Counsel for the Appellant submits that the Section 7 Application filed by the Punjab National Bank was barred by time since according to Part IV the NPA was declared by Bank on 30.09.2013 and Application under Section 7 was filed dated 16.03.2020 and no acknowledgment has been referred to in the Impugned Order to give the benefit of Section 18 of the Limitation Act. It is submitted that the Adjudicating Authority has not adverted to the question of Limitation on the basis of the material on the record.
>
> 2. Submission needs scrutiny.
>
> 3. Issue Notice.
>
> 4. Let Reply be filed within three weeks. Rejoinder be filed within further two weeks.
>
> 5. List this Appeal on 27th January, In the meanwhile, IRP shall proceed to collate the claim but shall not constitute the CoC."

3. The CD, after the aforesaid interim order proceeded with offer of settlement with Punjab National Bank and there being State Bank of India and another financial creditors, the Corporate Debtor, also proceeded and obtained OTS from the Banks and the entire amount being received, the Punjab National Bank filed a Section 12 (A) Application before the Adjudicating Authority for withdrawal of the proceedings through the IRP. It is the Application I.A 5150/ ND/ 2025 which has been permitted to be withdrawn by the Adjudicating Authority by the order dated 30/10/2025.

4. While allowing the aforesaid application, Adjudicating Authority has imposed cost of Rs. 5,00,000/- on each of the Financial Creditors in Paragraph 18 of the order, which is as follows :

> "18. We further note that even under the eventual settlement, the Financial Creditors have agreed to a substantial haircut. In the facts and circumstances of the case, we deem it appropriate to impose costs upon the Financial Creditors, who permitted the matter to remain unresolved for an unduly prolonged period before arriving at a settlement involving such significant concessions. This Adjudicating Authority expresses its strong disapproval of the laxity displayed in the conduct of this matter and observes that the delay and lack of due diligence have ultimately resulted in financial prejudice. Accordingly, this Adjudicating Authority is inclined to impose costs of INR 5 lakh each upon the Financial Creditors i.e. Punjab National Bank, State Bank of India and Asset Reconstruction Company (India) Limited to be paid to Prime Minister's National Relief Fund (PMNRF) within 7 days of passing of this order".

5. Ld. Counsel for Appellant, challenging the direction to impose cost against the Appellant has come up with this Appeal.

6. It is submitted that in view of the interim order, the Committee of Creditors (COC) was not constituted and the Financial Creditors were fully entitled to enter into the OTS with CD, which was entered, and thereafter 12(A) Application was filed by the Punjab National Bank, who has filed Section 7 Application, in which order is passed.

7. It is submitted that observations made by the Adjudicating Authority in Paragraph 14 & 15, that other creditors were not afforded opportunity and that payment shall be effectively a preferential payment, are uncalled for.

8. No other claimant has filed any Application objecting the 12(A) Application, hence those observations were not required to be made. It is submitted that Financial Creditors had not committed any such Act which may invite imposition of cost on the Financial Creditors. Financial Creditors has only entered into the settlement with the CD and after receiving the payment, all facts were clearly mentioned in the Application in 12(A).

9. Ld. Counsel for the IRP has submitted that IRP has nothing to say on the imposition of cost. IRP filed the Application after receiving the Form-FA. IRP has further submitted that all the three financial creditors in fact constitute the 100% voting share.

10. After having heard the Ld. Counsel for Parties, we are of the view that Adjudicating Authority by order dated 30/08/2025 has allowed 12(A) Application.

11. Present is not a case where any other creditor has filed objection under 12(A) Application objecting to the withdrawal. The Financial Creditor who has initiated Section 7 Application has filed 12(A) after having entered into settlement.

12. It is true that in view of the judgement of Supreme Court in Glass Trust Company (LLC), other creditors had right to file objection in 12(A) proceeding, but no objection have been noted in the impugned order, it is not necessary to make any observation with that regard.

13. We, however fail to see any reason in the impugned order in imposing the cost on the Financial Creditors. In the event that Adjudicating Authority was satisfied that present was not a case for allowing 12(A), it was open for the

Adjudicating Authority to take or allow other course of action, but imposing cost on Financial Creditor is not for any valid reason.

14. We thus are of the view that the impugned order dated 30/10/2025, in so far as it imposed cost of Rs. 5,00,000/- on each of the Financial Creditor deserve to be set aside.

15. Appeals are allowed to the above extent.

[Justice Ashok Bhushan]
Chairperson

[Barun Mitra]
Member (Technical)

Prerana/md