

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

18.11.2025

Comp. App. (AT) (Ins) No. 530 of 2025

PRESENT: JUSTICE N. SESHASAYEE, MEMBER (JUDICIAL)
MR. ARUN BAROKA, MEMBER (TECHNICAL)

Astral Agro Ventures

...Appellant

Vs

1.Mr. Vakati Balasubramanyam Reddy

...Respondents

**2. Committee of Creditors
Megi Agro Chem Ltd.**

3. Arainfra Projects Pvt. Ltd.

(Arising out of Order dated 09.01.2025 passed by the Adjudicating Authority (National Company Law Tribunal, Mumbai Bench) in I.A. (I.B.C.)/1851/MB/2024 in C.P (IB) 144/MB/2021)

For Appellant: Mr. Amey Hadwale, Advocate

For Respondents: Mr. Abhira Raj and Mr. Shivesh Kaushik, Advocates for R-3.

JUDGEMENT

Per Justice N. Seshasayee, Member (Judicial)

This appeal is preferred by a Prospective Resolution Applicant (PRA) challenging an order the Adjudicating Authority (NCLT-V, Mumbai)

dismissing its application in I.A. No. 1851 of 2024 in C.P (IB) 144/MB/2021, which it had taken out for the rejection of resolution plan submitted by the third respondent/SRA, *inter alia* on the ground that the SRA is ineligible to participate in the resolution process as it is a related party within the meaning of Section 29A of the IBC.

FACTS

2.1 The controversy herein involved arises out a CIRP proceedings which came to be initiated against certain Megi Agro Chem Ltd.. The relevant facts are:

- a) On admission of the CD to CIRP, the first respondent herein was appointed as the Resolution Professional. The resolution process progressed to the stage of invitation of Expression of Interest (EOI, for short) through Form G. The RP Had issued Form-G at least thrice, since the first two attempts at the insolvency resolution process of the CD were not successful.
- b) In the first two occasions, the appellant very enthusiastically submitted its EOI, but it did not sustain its early enthusiasm as it failed to submit any resolution plans. With the leave of the Adjudicating Authority, the RP proceeded to issue a Form G for the 3rd time. Part of the issues which the appellant has raised in this appeal has transpired thereafter:
 - On invitation to submit EOI for a third time, the appellant submitted its EOI yet another time. Subsequently, the RP released its final list of PRAs, in which both the appellant and the 3rd respondent figured.

They were invited to submit their resolution plan on or before 04.09.2023.

- The 3rd respondent submitted it within the time stipulated therefor. But not the appellant. On 04.09.2023, the last date for submitting the plan, the appellant, instead of submitted its plan, sent an e-mail to the RP (the first respondent herein) and also the CoC (the second respondent) and followed it up with another mail on 06.09.2023. In both these mails, the appellant sought extension of time for the submission of the resolution plan by 15 days.
 - The CoC, in its 9th meeting held on 08.09.2023, however, chose to grant time to the appellant only till 13.09.2023. The appellant however, did not submit its resolution plan even by 13.09.2023. Instead, on 12.09.2023 (the penultimate day for submitting the plan) it sent yet another e-mail inter alia to the RP and the CoC conveying its willingness to submit a plan, and required that the meeting of the CoC be held on 16.09.2023. It still did not submit its plan by 13.09.2023.
- c) On 13.09.2023, the RP proceeded to convene the 10th meeting of the CoC to be held on 14.09.2023, but on that day no serious business had taken place. The next meeting (the 11th meeting of the CoC) was held on 20.09.2023. The appellant had not submitted any plan even by then.

- d) On 20.09.2023, the CoC opened the only plan before it, the one which the 3rd respondent had submitted. The CoC required the 3rd respondent to improve its commercial offer.
- e) On the very next day (21.09.2023), CoC met for the 12th time. On this date, it approved the resolution plan of the 3rd respondent. The matter is now pending before the Adjudicating Authority for its approval.

3. This is the setting. Now the appellant would come forward with I.A.1851 of 2024 for rejection of the resolution plan of the 3rd respondent. Its contentions are:

- a) That the 3rd respondent did not satisfy the net-worth value as has been fixed in Form G. Therefore, shortlisting the 3rd respondent even as a PRA is faulty.
- b) A certain Akhil Rishi Agarwal and his mother Kumkum Kamalesh Agarwal were the directors of the SRA company. Of them Kumkum was the wife of one Rishi Kamalesh Agarwal and their son is Akhil Rishi Agarwal. Be that as it may, Kamalesh Agarwal was declared a wilful defaulter and inasmuch as the aforesaid two directors of the SRA are related to Rishi Agarwal, they fall within Sec.29 (j) read with Sec.29(c). Both Akhil Rishi Agarwal and Kamalesh Agarwal, however, resigned their directorship of the SRA some 20 days prior to the submission of the resolution plan, but it is only a device to outmanoeuvre the spirit of Sec.29A, and their design in so doing it cannot validate the participation of the 3rd respondent in the resolution process. In addition, the

exemption granted to MSME under Sec.240A of the IBC does not exempt the operation of Sec.29A (c) either.

- c) In terms of Regulation 36A(8) of the CIRP Regulations, 2016, the RP is required to conduct due diligence in ascertaining the eligibility criteria including Sec.29A statutorily prescribed. This duty is given a go by.
- d) Regulation 19(2) of the CIRP Regulation stipulates that minimum 24 hours-notice must be given for convening the meeting of the CoC. However, the 12th meeting of the CoC was held on 20.09.2023) and the 13th meeting was convened on the very next day, on 21.09.2023, in less than 24 hours notice. Since the meeting convened itself are contrary to the Regulation, no sanctity can be attached to the decision of the CoC in approving the resolution plan of the 3rd respondent.
- e) The minutes of the 11th and 12th meetings of the CoC has not recorded the quality of deliberations that had taken place, which implies that the resolution plan of the 3rd respondent has been approved without the CoC applying its mind to it. In other words, the decision of the CoC in approving the plan of the 3rd respondent has not passed the scrutiny of the commercial wisdom of the CoC.

4. The contentions of both the RP and the 3rd Respondent-SRA are:

- a) That the appellant has no *locus standi* to challenge the decision of the CoC to approve the only resolution plan before it. While in the earlier two rounds of the CIRP proceedings, the appellant had participated only up to the point of submitting his EOI, but it backed off thereafter. And,

in the third and the final round of the CIRP, as was its practice, it tendered its EOI yet another time, but was seen dragging its feet in filing its resolution plan. It was on 05.08.2022 that the CIRP was admitted. And, when the PRAs were required to file their resolution plans by 04.09.2023, the appellant would still seek time by 15 days. While the CoC had all the authority in it to reject the extension of time, it still acted fairly enough to grant 10 days time to the appellant to file its plan by 13.09.2023, but the appellant still would not file it. By its default, the appellant is out of the race, and it has no role to challenge the decision of the CoC in approving the plan of the 3rd respondent.

- b) So far as the net-worth criteria is concerned, Form G only required effective net worth, and therefore, the 3rd respondent cannot complain.
- c) Turning to the objection under Sec 29A, before the Adjudicating Authority the appellant relied on Sec.29A(c) whereas before this appellate tribunal it places reliance on Sec.29A(b). Irrespective of the same Rishi Agarwal, was never a director of the 3rd respondent company nor Akhil Agarwal who had submitted the resolution plan on behalf of the 3rd respondent, has little to do with the business of his father. The fact that the debt of the father's business enterprise has been notified as NPA cannot affect his son unless they are related through commerce.

5. As outlined in the opening paragraph the Adjudicating Authority was least impressed with the strategy of the appellant and held that its exercise to impugn the resolution plan is tainted in malafide. Indeed, it found that even the EoI itself was filed by someone else and not the appellant. So far

contention vis-à-vis the bar under Sec.29A(c) of the IBC goes, the same will not apply to MSME which the SRA is.

The Arguments

6. In her argument the counsel for the appellant merely expanded the argument with reference to specific documents. In particular she submitted that the eligibility criteria as was required was that the net worth of the applicant must be Rs. 10 Crores whereas, the declared net worth of Ahil Rishi (the SRA) is only Rs. 32,000/- Secondly it was not disputed that Akil Agarwal's father Rishi Agarwal's debt was notified as NPA. It is therefore, obvious that the RP had not examined the material particulars submitted by the 3rd respondent with due diligence. Still Akil was allowed to submit the plan. In other words, CoC has accommodated the one who statute bars from submitting a plan. Thirdly when the appellant had indicated his willingness to submit the resolution plan on 13.09.2023 and sought a meeting on 16.09.2023, the RP should have waited to convene the meeting of the CoC only on or after 16.09.2023. However, without granting the appellant a fair opportunity to participate in the resolution process the RP had convened the meeting in less than 24 hours time. And even as the CoC had required the 3rd respondent to improve its commercial offer, he convened its 12th meeting on the very next day and approved the plan of the 3rd respondent. The minutes of the meeting however, does not indicate whether the 3rd respondent had made any improvement to its commercial offer. The minutes also does not

disclose the nature and quality of deliberation among the CoC members before approving the resolution plan.

7. Drawing strength from the ratio of the judgements in **Ramesh Kesavan Vs CA Jasin Jose & Others** [C.A.(AT)(CH)(INS) 422 of 2023], **M.K.Rajagopalan Vs S. Rajendran** [C.A.(AT)(INS) 58 of 2023] and **J.M.Financial Asset Reconstruction Company Vs M/s Well-Do Holdings and Exports Pvt. Ltd., & Others** [C.A.134 of 2019], the respondent pivoted its contention chiefly on the locus standi of the appellant to impugn the resolution process. The learned counsel for the respondent would further argue that the eligibility criteria required was effective net worth of PRA and not mere net worth. If the effective net worth is reckoned then the 3rd respondent meets the eligibility criterion. So far as the application of Sec.29 A is concerned, irrespective of whether reliance is placed on 29 A (j) read with (b) or (c), as per the ratio in **Swiss Ribbons Pvt. Ltd., & another Vs UOI & others** [(2019)4 SCC 17] the relationship in the context is not personal relationship but relationship through business. That the father's business enterprise was notified as NPA vis-a-vi payment of its debts, does not bring the son within the ambit of Sec. 29 A of the IBC since, and on facts, the father (Rishi Agarwal) and the son (Akil Agarwal) were not mutually involved in the business of the other. And that the nature of allegations levelled against the CoC are not of the nature that would constitute material irregularity in approving the resolution plan.

Discussion and Decision

8. The principal line of defence of the respondent is a challenge to the *locus standi* of the appellant to take out an application to register its objection to the approval of the resolution plan by the Adjudicating Authority as well as to institute the present appeal. The appellant, undoubtedly, was one of the shortlisted PRAs by the RP. It has been required to submit its resolution plan. It, however, did not submit it by 04.09.2023, the last date for submitting it. Instead, it sought another 15 days for submitting its plan but the CoC had granted 10 days till 13.09.2023. According to the appellant on 12.09.2023, the day prior to the closure date of the extended time for submitting its resolution plan, it e-mailed the RP conveying its willingness to submit its plan by 13.09.2023, yet it did not submit one. And till the plan of the 3rd respondent was opened and approved the appellant did not make any attempt to submit its plan. It needs to be emphasised here that so far as the appellant's participation in the resolution process of the CD is concerned, the pattern it has assumed is not new. Twice during the earlier rounds of the resolution process, it had submitted its EOI and was also shortlisted as a PRA, but it failed to submit its plan. It is very evident that the appellant is almost habituated to abandon its participation in the resolution process of the CD midway through the game. Or, is it a mock participation motivated to defeat and delay the very resolution process? Irrespective of why the appellant got into the practice of dangling the carrot to the RP and running away with it, the fact remains that the appellant, by its conduct, has not presented itself as a serious player in the resolution process. And, it is this appellant which now levels charges against the CoC and the RP that their manner of holding

the resolution process is marred by procedural irregularities, and attempts to vitiate the approval of the CoC to the resolution plan of the 3rd respondent. Has the appellant, a PRA and not even an unsuccessful RA, the locus standi to challenge the legality of the CoC's approval to the resolution plan?

9. If the resolution process is time bound and delay is contraindicated to the IBC's philosophy of maximising the asset value of the CD, then how far it is tenable to allow a disgruntled or disappointed PRA to open a parallel track to raise issues of irregularity, when the Adjudicating Authority itself has a duty to ascertain any material infraction of Regulations while testing the legal sustainability of the plan when it exercises its jurisdiction under Sec.31 IBC? Why should there be duplication of effort? What then is the status of a PRA, or an unsuccessful resolution applicant to raise a challenge? This brings into focus two aspects: (a) right of the PRA to raise an objection; and (b) when such objections may be considered?

Locus Standi of the PRA

10.1 A PRA enters the scene only from the time it submits its Expression of Intent to participate in the resolution process, and it moves to the next stage only if its name is shortlisted for submitting a resolution plan. And once it submits its resolution plan its role stops, for it does not have a vested right to have its plan approved. See: ***Arcelor Mittal Vs Satish Kumar Gupta*** [(2019)2 SCC 1].

10.2. The issue of the right of the PRA or an unsuccessful RA to challenge the approval of the resolution plan is not new as it has visited this tribunal on few occasions earlier and they are briefly considered:

- a) In ***M.K Rajagopalan Vs S. Rajendran*** [(2024) 250 Comp Cas 750; 2023 SCC OnLine NCLAT 839 (Chennai Bench)], the Chennai bench of this tribunal has held that an unsuccessful Resolution Applicant has no locus to assail a resolution plan or its implementation as he is not a stakeholder as per Section 31(1) of the IBC.
- b) In ***Prio SA Vs MR. Pravin R. Nandavar*** Company Appeal (INS) No. 1650 of 2023 (Principal Bench) [SCC OnLine NCLAT 127 (2025) 253 Comp Cas 284], the Principal Bench of this tribunal took a contrary view. The facts in that case discloses that the appellant, a PRA, had participated in the resolution process, submitted its EoI, submitted its plan and also its revised bid. This tribunal held that the appellant had the locus since it has participated in the process.
- c) In ***Meir Commodities India Pvt Ltd Vs Mr. Narayanam Nageswara Rao & Other*** [C.A.(AT)(CH)(INS) No .206/2024], the Chennai Bench distinguished the judgement in ***Prio SA case*** on facts. That was a case where an appeal filed by the PRA, who had submitted its response to the EOI but not yet submitted a resolution plan, it was held that the PRA cannot be termed as an aggrieved person within the meaning of Sec.61 of the Code.
- d) In ***Ganga Construction (Consortium) Vs Anil Kumar Mittal & others*** [C.A.(AT)(Ins) No:185 of 2025, dated 04.11.2025], the Principal bench

of this Tribunal has considered a case of a resolution applicant who, though had submitted its preliminary plan but not the final plan, was held not to have a right to challenge the resolution process.

Proceeding in rem and Locus Standi

11. There is possibly another angle to this issue. The Hon'ble Supreme Court has held that a CIRP proceeding is a *proceeding in rem* and hence strict rule of *locus standi* may not be insisted in these proceedings. Whether relaxation of rule of *locus standi* implies that any PRA can be allowed to challenge a resolution plan? Given the implication a challenge by the PRA or an unsuccessful RA to a resolution plan may have on the timeline prescribed for the conclusion of the CIRP, we consider it appropriate to consider the issue in greater detail.

12.1 What is a *proceeding in rem*? Black Law Dictionary (9th Edition) defines an action *in rem* inter alia as:

“An action determining the title to property and the right of the parties, nor merely among themselves, but also against all persons at any time claiming an interest in that property; a real action; Also termed (in Roman law) action in rem; action realis; real action.”

In ***Deccan Paper Mills Co., Ltd., Vs Regency Mahavir Properties and others*** [2020 SCC OnLine SC 655 : (2021)4 SCC 786], while distinguishing the effect of the relief under Sec.31 and 34 of the specific Relief Act in the context of the arbitrability of a dispute, the Hon'ble Supreme Court relied on

Ramanatha Aiyer's Advanced Law Lexicon to explain an *action in rem* or an *in rem proceeding*. It is now extracted:

“24. P. Ramanatha Aiyar's Advanced Law Lexicon (3rd Edn., Wadhwa Nagpur) describes an in rem proceeding as follows:

“In rem. adj. [Latin “against a thing”] Involving or determining the status of a thing, and therefore the rights of persons generally with respect to that thing.—Also termed (archaically) impersonal. (Black 7th Edn., 1999)

‘An action in rem is one in which the judgment of the court determines the title to property and the rights of the parties, not merely as between themselves, but also as against all persons at any time dealing with them or with the property upon which the court had adjudicated.’ R.H. Graveson, Conflict of Laws 98 (7th Edn., 1974).

Against the king; against the property, not against a person.

This term is derived from the Roman law, but is not used in English law in precisely the same sense as in that law. Indeed, Bracton, limits proceedings in rem to actions to obtain possession of res by which he understood real actions. (Bigelow on Estoppel 42, 43.)

A proceeding in rem is a proceeding instituted against a thing, and not against a person.

A proceeding in rem, in a strict sense, is one taken directly against property, and has for its object the disposition of the property, without reference to the title of individual claimants but in a larger and more general sense the term “proceeding in rem” is applied to actions between parties where the direct object is to reach and dispose of property owned by them, or of some interest therein.

An act or proceeding is in rem when it is done or directed with reference to no specific person and consequently against or with reference to all whom it might concern, or "all the world".

.... ..

Lawsuits brought against property as compared with those against a person; the court's jurisdiction does not depend on notice to the property owner."

In **Booz Allen and Hamilton Inc. Vs SBI Home Finance Limited** [(2011) 5 SCC 532] where the Hon'ble Supreme Court, while differentiating an *action in rem* from *action in personam*, has held: (para 37)

"..action in rem refers to actions determining the title to the property and the right of the parties, not merely among themselves but also against all persons at any time claiming an interest in that property."

Also see the discussion in **Viswanathan Vs Rukn-ul-Mulk Syed Abdul Wajid** [AIR 1963 SC 1]

12.2 Given the textual meaning of a '*proceeding in rem*' any proceeding initiating a CIRP is considered as an *action* or *proceeding in rem* since it deals with the right to the assets of the CD, its vestiture in the SRA (and supported by the '*clean slate theory*' to complete the process), .and making it statutorily binding on all vide Sec.31(1) of the Code, Where does a PRA or an unsuccessful RA figure in it?

13. That a CIRP proceedings is a *proceeding in rem* notwithstanding, the participation therein is still regulated by the existence of some jural relationship, which is not necessarily born of contractual relationship (as *Company Appeal (AT) (Ins.) No. 530 of 2025*

creditor and debtor) but at least must be a procedural relationship established through the operation of the IBC and the Regulations (as a PRA or an unsuccessful RA). The only difference between the two is that whereas the identity, which a jural relationship born of contract lasts till the conclusion of the resolution process or even during the liquidation of the CD, those which are created by procedure lasts only as long as such relationship is relevant for the procedure. This would imply that merely because CIRP proceeding is a proceeding *in rem*, it still does not accommodate those who by their conduct or otherwise have been rendered irrelevant in procedure. And any procedural interest so created does not extend beyond seeking certain procedural fairness vis-à-vis its participation in the resolution process. Therefore, the mere fact that a PRA or an unsuccessful RA establishes a relationship with the CIRP procedurally, still may not grant them the license to gate crash into a CIRP proceeding.

14. The conclusion that could be drawn is that, while a PRA or an unsuccessful RA does not have a vested right of substantive nature to challenge a resolution process or an approved resolution plan, it may have a procedural right to alert the Adjudicating Authority about the quality of the resolution process, provided its relevance in procedure is not lost. They may highlight any procedural infraction of the kind (which law understands as material irregularity), which holds the potential to impair the integrity and purity of the resolution process. (As to what constitutes material irregularity and how to ascertain it, see: the judgement in ***Dorni Vinimoy Pvt. Ltd., Vs Rachna Anachalia RP of Imperial Tubes Pvt. Ltd. & Others***, C.A.411 of *Company Appeal (AT) (Ins.) No. 530 of 2025*

2025 batch of cases, dated 13.10.2025) However, for them to challenge a particular material irregularity which they might allege as having occasioned, they must have participated in that stage of the resolution process where the alleged irregularity has taken place. A mere tag of a PRA or an unsuccessful RA by itself may not be adequate.

Locus Standi of the Appellant

15.1 Turning to the facts of the present case, it is indisputable that the appellant has been busy purchasing time for filing the resolution plan. To go slightly backwards in time, as stated earlier, the appellant has submitted its EOI at least twice before and was also shortlisted as a PRA. It therefore, had access to the Information Memorandum of the CD, perhaps long prior to the SRA, and necessarily it had a longer time to prepare and submit its resolution plan. At least it knows or ought to have known what is expected of it and what it is expected to do. Still, it chose not to submit its resolution plan for a straight third time, yet it is still not short of shame or courage to complain that it was denied adequate time to submit the resolution plan and that the CoC had met on a day not of its choice, and had approved the resolution plan of the 3rd respondent with the kind of deliberations not to its satisfaction. Where in the scheme of the IBC, a PRA who has not even cared to submit its plan, is granted the right or authority to fix its own schedule for doing what it is required to do, and dictate terms? What exactly does the appellant want and what are its intentions? Is it busy playing a serious hide and seek game with IBC when the IBC is busy engaged in the resolution process of the CD?

We believe that we are not watching any Tom & Jerry show of hide, seek and chase, nor we tolerate appellant's attempt to reduce the ongoing CIRP to an entertainment show.

15.2 It is evident that the appellant's participation in the resolution process is pretentious as its conduct is loaded with well concealed chicanery which aims to derail the resolution process by using legal tools, perhaps to achieve certain ulterior objectives. It is reminded that a CIRP is only considered as a proceeding in rem, and not to understand as a kind of public interest litigation. When on facts *locus standi* of the appellant is reduced to procedural irrelevance due to its failure to submit a resolution plan within the time stipulated, it does create considerable uneasiness in accommodating it to object to CoC's approval of the resolution plan. Its voice does not merit consideration.

On the merit of the Challenge

16.1 Turning to the quality of the challenge per se, the appellant accuses that meeting of the CoC was convened within 24 hours and that its deliberations were not elaborately detailed in the minutes. When there is only one resolution applicant on the fray, how does it matter to the appellant (which, to repeat has pushed it to procedural irrelevance) as to when the meeting is convened or how the CoC has deliberated? At any rate they are not material infraction as to affect the legality of the resolution process. The next aspect is about the net worth versus effective net worth criterion prescribed as qualification-factor for a resolution applicant. Here Form G only mentions

about effective net worth and not net worth and the respondent has established the effective net worth as required.

16.2 And, lastly to whether the respondent is disqualified under Sec.29A(b) IBC read with Sec.29A(j), on the ground that the loan obtained by the business of the father of Akhil Rishi Agarwal, the director of the SRA, was notified as NPA. Inasmuch as this tribunal has found that the appellant has no locus standi to even prefer either an application before the NCLT or an appeal before this tribunal, and inasmuch as the issue will fall under the domain of the Adjudicating Authority vide the ratio in ***Arcelor Mittal case*** [(2019)2 SCC 1] it can take it up for consideration under Sec.31 IBC when it tests the legality of the resolution plan. We, therefore, refrain from passing our opinion on the same and consider it appropriate to leave it to the Adjudicating Authority to decide on it in the light of the ratio in ***Swiss Ribbons Pvt. Ltd., & another Vs UOI & others*** [(2019)4 SCC 17]. It is made clear that merely because we require the Adjudicating Authority to address this issue, appellant will not have a right of hearing before the NCLT as it has not even submitted its plan.

Recommendation

17.1 This case shows how a PRA with no real locus standi can obstruct the conclusion of a CIRP, which it must be underscored is in its third round of the resolution process, with the COC ultimately been able to identify a resolution plan. Tribunals should therefore, be conscious to, aware of, and be alerted by circumstances that would delay and defeat the statutory

objectives of the IBC. Having stated thus, it does not imply that irregularity in the resolution process should not be brought to the notice of the Adjudicating Authority, for, despite its limited role, Adjudicating Authority still holds the authority to sanctify the legality and fairness of the resolution process. Therefore, a conscientious PRA can still bring it to the notice of the Adjudicating Authority of such facts which in its perception constitutes material irregularity and to draw the attention of the Adjudicating Authority to the same. We therefore, consider the following course to be appropriate:

- a) inasmuch as a PRA or an unsuccessful RA will not be a personal beneficiary even if its objections against an approved resolution plan are upheld (since the petitioning PRA will not still be declared as a successful RA) it may not be necessary that its objections should be in the form of an application. Even a memo of objections is sufficient.
- b) Secondly, the Adjudicating Authority may consider all such objections of any PRA or unsuccessful RA when it takes up the issue of considering the resolution plan for its own approval under Sec.31 and not independently. This will save considerable time.

17.2 Time, perhaps has arrived for the IBBI to contemplate bringing in necessary Regulation to black list those PRAs with the attitude such as the one which the appellant herein has put on display in this case from participating in any resolution process of any CD in future. Every PRA may be required to provide details of their earlier participation in any resolution plan in its EoI.

Conclusion

18. In effect, we find no merit in this appeal. Consequently,

- a) This appeal is dismissed.
- b) Since the appellant has unnecessarily interfered with the resolution process and halted it, a cost of Rs.15.0 lakhs is slapped on it.
- c) The cost which is directed to be paid is further directed to be distributed equally to all the operational creditors of the CD (for obvious reasons), and in their absence, to be added to the asset of the CD but outside the resolution plan to be disbursed as per the waterfall mechanism envisaged in Sec.53 of the IBC.

[Justice N. Seshasayee]
Member (Judicial)

[Arun Baroka]
Member (Technical)