

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO. 685 OF 2026
WITH
INTERIM APPLICATION NO. 336 OF 2026
IN
WRIT PETITION NO. 685 OF 2026**

M/s. Kapole Advertising Agency,
Through Proprietor, and others ... Petitioners/Applicants
vs.
Standard Chartered Bank and others ... Respondents

Mr. Anirudh Hariani a/w. Ms. Kruti Bhavsar and Mr. Pratik Barot for
petitioners/applicants.

Mr. R. L. Motwani for respondent No.1-bank.

**CORAM : MANISH PITALE &
SHREERAM V. SHIRSAT, JJ
DATE : 21st APRIL, 2026**

Order (Per Manish Pitale, J):

. The petitioners are the original borrowers and they have approached this Court challenging two orders dated 09.01.2026 passed by the Debts Recovery Tribunal-II, Mumbai (DRT), whereby Interim Application Nos.2524 of 2025 and 2526 of 2025 filed by them in pending Securitisation Application No.411 of 2025, have been rejected. It is the case of the petitioners that the DRT failed to appreciate the effect of pendency of a petition filed under Section 95 of the Insolvency and Bankruptcy Code, 2016 (IBC) before the National Company Law Tribunal, Mumbai (NCLT) and consequently, the existence of interim moratorium under Section 96 of the IBC. It is claimed that the applications were rejected by the impugned orders on irrelevant considerations.

2. In this petition, the petitioners also moved an interim application seeking urgent interim relief, in the light of the fact that respondent No.1 – bank (secured creditor) had already proceeded under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (Securitisation Act), as a consequence of which auction of the secured assets was conducted and sale certificate was issued in favour of respondent Nos.2 and 3. On 14.01.2026, this Court took into account the submissions made on behalf of the petitioners as well as respondent No.1 – bank, in the backdrop of the provisions of IBC and National Company Law Tribunal Rules, 2016 (NCLT Rules) and judgement of this Court in the case of *Bank of Baroda vs. Union of India and another* (2024 SCC OnLine Bom 3964). It was found that even if the interim moratorium could not have been triggered by mere filing of the petition on 09.07.2025 before the NCLT under Section 95 of the IBC, the documents on record demonstrated that the petition was indeed registered on 04.11.2025. On this basis, this Court found a *prima facie* case in favour of the petitioners regarding triggering of moratorium at least from 04.11.2025 and hence, limited interim relief of *status quo* was granted as on the said date.

3. But, at the same time, this Court was of the opinion that the Registrar of NCLT ought to submit a report to this Court with regard to the manner in which the aforesaid petition filed before the NCLT on 09.07.2025 had been processed, to demonstrate as to whether it was in line with the directions issued by this Court in the aforesaid judgement in the case of **Bank of Baroda vs. Union of India and another** (*supra*).

4. Respondent No.1 – bank filed its reply affidavit. The Assistant Registrar, NCLT submitted report along with forwarding letter dated 16.02.2026 and in that light, the petitioners also filed an additional affidavit in the present petition. The ad-interim order granted by this Court has continued to operate and in this backdrop, the petition is taken up for consideration.

5. It is an admitted position that the petitioners defaulted in repayment of loan amount and in that backdrop, respondent No.1 – bank was constrained to take recourse to Section 13(2) of the Securitisation Act. Notice under the said provision was issued on 24.03.2023 and thereafter, on 27.06.2023, the said respondent took symbolic possession of the secured assets under Section 13(4) of the Securitisation Act. The secured assets consisted of two flats in a multi-storeyed building at Mulund (West), Mumbai, which was indeed the mortgaged property. On 08.04.2025, on an application moved by the said respondent, the competent Magistrate issued an order under Section 14 of the Securitisation Act, directing physical possession of the secured assets being taken.

6. On 09.07.2025, a person claiming to be the creditor of the petitioner No.2, filed a petition under Section 95 of the IBC. According to the petitioners, filing of the said petition resulted in triggering of interim moratorium under Section 96 of the IBC. On 15.07.2025, the petitioners filed Securitisation Application No.411 of 2025 to challenge the steps taken by the respondent No.1 – bank. In this petition, amongst other grounds, the petitioners also relied upon filing of the aforesaid petition before the NCLT, claiming that the moratorium had been triggered.

7. On 21.08.2025, the Court Commissioner appointed by the competent Magistrate issued notice for taking physical possession of the aforesaid secured assets. As per notice dated 16.09.2025, physical possession of the said property was taken and handed over to the respondent No.1 – bank, which issued a sale notice dated 30.09.2025, specifying 24.10.2025 as the date of auction of the said properties. On 24.10.2025, the auction sale was conducted and respondent Nos.2 and 3 were the successful auction purchasers. On 10.11.2025, the petitioners filed the aforesaid interim applications, seeking restoration of possession of the secured assets as also stay to the steps taken by respondent No.1 – bank under the Securitisation Act and a prayer was also made for setting aside auction sale conducted on 24.10.2025.

8. In the interregnum, the petition filed under Section 95 of the IBC before the NCLT was registered on 04.11.2025 and by an order dated 14.11.2025, the NCLT appointed a resolution professional and recorded that interim moratorium had commenced from the date of filing of the petition. The aforesaid interim applications filed by the petitioners were adjourned from time to time and on 15.12.2025, they were adjourned for hearing on 09.01.2026.

9. In this backdrop, the petitioners filed Writ Petition (Lodging) No.42175 of 2025 before this Court, praying for a direction to restrain respondent No.1 – bank from issuing and registering sale certificate in respect of the said properties, also praying for grant of *status quo*. On 24.12.2025, a Division Bench of this Court disposed of the writ petition by directing the DRT to dispose of the said pending interim applications expeditiously and a statement made on behalf of respondent No.1 – bank was recorded to the effect that sale

certificate would not be issued in respect of respondent Nos.2 and 3 – auction purchasers, till the interim applications are decided. On 09.01.2026, the DRT rejected the applications and aggrieved by the same, the petitioners filed the present petition, in which the aforementioned order dated 14.01.2026 was passed, granting limited ad-interim direction of *status quo*.

10. Mr. Hariani, learned counsel appearing for the petitioners submitted that in the present case, the DRT had erred in passing the impugned orders, rejecting the interim applications filed by the petitioners, on wholly irrelevant considerations. It was submitted that the DRT refused to taken into consideration the effect in law of the interim moratorium triggered by filing and pendency of the petition before the NCLT. It was submitted that the Supreme Court, in the case of *Dilip B. Jiwrajka vs. Union of India* [(2024) 5 SCC 435] has laid down the law with regard to triggering of interim moratorium under Section 96 of the IBC and the effect of the same. The DRT failed to appreciate that the interim moratorium having been triggered, its effect was to bring to a halt all the steps being taken by creditors, including respondent No.1 – bank. The DRT failed to appreciate that the effect of the moratorium could not be diluted, merely on the ground that respondent No.1 – bank was not informed or that the email regarding the same, was allegedly sent by the petitioners on a wrong email id.

11. In the light of the issues indicated by this Court in the order dated 14.01.2026 and the contents of the report submitted by the Assistant Registrar, NCLT and even taking into account the Standard Operating Procedure (SOP) framed by the NCLT with regard to filing and scrutiny of petitions, such issues would have to be considered by

the DRT afresh and therefore, the impugned orders deserve to be set aside. It was submitted that the petitioners cannot be made to suffer due to the manner in which the petitioner before the NCLT pursued the proceedings and the errors, if any, committed by the Registry of the NCLT, while scrutinizing the petition filed under Section 95 of the IBC. It was submitted that even if Rule 28 of the NCLT Rules is taken into account, in the backdrop of the directions issued by this Court in the case of **Bank of Baroda vs. Union of India and another** (*supra*), the petitioners could certainly not be blamed for any error or default in scrutiny and registration of the petition by the Registry of the NCLT.

12. It was submitted that in any case, on 04.11.2025, the petition before the NCLT was registered and at least from that date, the interim moratorium had been triggered. This was the very ground on which this Court found a *prima facie* case in favour of the petitioners, while granting *status quo*. On this basis, it was submitted that this Court may consider setting aside the impugned orders and directing that in the face of the interim moratorium, no further steps can be taken by respondent No.1 – bank in the matter of the aforesaid auction sale conducted by it. In the alternative, it was submitted that this Court may consider setting aside the impugned orders and remanding the matters back to the DRT, to consider the rival contentions in the light of the documents that have come on record, with regard to the scrutiny of the petition filed by the third party, under Section 95 of the IBC.

13. On the other hand, Mr. Motwani, learned counsel appearing for the respondent No.1 – bank submitted that this was another case, where the borrowers i.e. the petitioners herein had waited for the

process initiated by the said respondent under Section 13(2) of the Securitisation Act to almost reach its culmination and thereafter, they had filed the securitisation application before the DRT. It was submitted that the said application was filed after the aforementioned petition was filed by the third party under Section 95 of the IBC before the NCLT. This demonstrated the collusion between the petitioners and the said third party, only with a view to frustrate the steps taken by the said respondent in accordance with law. It was submitted that this Court exercising writ jurisdiction, may not show any indulgence to such petitioners, who have left no stone unturned in frustrating the lawful process. Respondent Nos.2 and 3 have parted with valuable consideration, sale certificate has been executed and registered and in this situation, the petition ought to be dismissed.

14. The learned counsel for the respondent No.1 – bank relied upon the said judgment of this Court in the case of **Bank of Baroda vs. Union of India and another** (*supra*), as also the SOP framed by the Registry of the NCLT, which was annexed to its reply affidavit. It was submitted that the directions contained in the said judgement were absolutely clear. The Registry of the NCLT did not follow the systematic procedure as per the SOP and the petition filed by the third party, under Section 95 of the IBC, could not have been registered in terms of the SOP and directions issued by this Court in the aforementioned judgement. It was submitted that in such a situation, eventual registration of the petition before the NCLT on 04.11.2025 ought not to accrue to the benefit of the petitioners and that therefore, the writ petition ought to be dismissed. It was submitted that the third party, which had filed the said petition before the NCLT, had not taken recourse to Rule 63 of the NCLT

Rules and therefore, the directions issued by this Court in the case of **Bank of Baroda vs. Union of India and another** (*supra*), stood violated, thereby indicating that the interim moratorium could not have been triggered.

15. We have considered the rival submissions in the light of the aforementioned chronology of events and the documents on record, particularly the report submitted by the Assistant Registrar, NCLT and copy of the SOP framed by the NCLT with regard to filing and scrutiny of petitions.

16. A perusal of the impugned orders shows that the DRT proceeded to reject the aforesaid interim applications filed by the petitioners, primarily on the ground that intimation regarding filing of petition before the NCLT was not sent on proper email id of respondent No.1 – bank and that the same was not brought within the knowledge of the said respondent by the petitioners, even when sale notice and public notices were issued with regard to the auction sale of the secured assets.

17. A perusal of Section 96 of the IBC shows that the moment a petition is filed under Section 94 or 95 of the IBC, the interim moratorium is triggered on the date of filing of such petition. Thus, such interim moratorium commences by operation of law and this aspect was not properly appreciated by the DRT while passing the impugned orders. The commencement or triggering of the interim moratorium cannot be subject to the fact of filing of petition under Section 94 or 95 of the IBC, being brought to the notice of the concerned parties, including respondent No.1 – bank. To that extent, we find substance in the contention raised on behalf of the petitioners. The DRT was expected to have examined the details with

regard to filing of the petition before the NCLT and as to whether the interim moratorium was triggered or not.

18. Nonetheless, this Court has taken judicial notice of the fact that chronic defaulters and unscrupulous persons have been taking advantage of the said statutory triggering of moratorium, by causing collusive petitions to be filed under Section 94 or 95 of the IBC for triggering such moratorium, in order to frustrate the recovery proceedings undertaken by the secured creditors like respondent No.1 – bank herein. The question as to whether mere filing of such a petition under Section 94 or 95 of the IBC before the NCLT, could trigger interim moratorium, came up for consideration before this Court in the case of **Bank of Baroda vs. Union of India and another** (*supra*). In paragraph No.1 of the said judgement, this Court observed as follows:

- ‘1. By the present writ petition, the petitioner is seeking appropriate orders to be passed directing Respondent 2 (Learned Registrar, NCLT, Mumbai) to comply with provisions of Rule 28 of the National Company Law Tribunal Rules, 2016 (NCLT Rules) and ensure timely registration, numbering and disposal of applications filed under Sections 94 and 95 of the Insolvency and Bankruptcy Code, 2016 (IBC). These reliefs are sought on the basis that Section 96(1) IBC provides for an interim moratorium to be initiated upon filing of an application under Section 94 or Section 95 IBC and in order to uphold the essence of the provisions, including the timelines provided, it is the duty of the respondents to ensure that proper procedure is in place and rules pertaining to filing, refiling, registration and numbering be complied with. The petitioner has highlighted the extreme delay in compliance with objections and further delay in declining of matters for non-compliance by Respondent 2 which has resulted in the interim moratorium continuing against the personal guarantors for an extremely unreasonable period of

time. This, In turn, hampers recovery proceedings for the banks and financial Institutions such as the petitioner.’

19. Thereafter, in the aforesaid judgement, this Court took note of the deliberate delay in scrutiny and processing of petitions filed before the NCLT under Section 94 or 95 of the IBC for taking advantage of interim moratorium and after referring to Sections 94 to 96 of the IBC, as also Rule 28 of the NCLT Rules pertaining to endorsement and scrutiny of petition or appeal or document, issued the following directions:

- ‘13. In order to address the issue pertaining to delay in compliance with Rule 28 of NCLT Rules and to ensure that the scheme of the provisions pertaining to personal guarantors is not defeated by an extended interim moratorium, to streamline the procedure and to ensure expeditious listing of the matters before the Tribunal, the following timelines and process are being laid down to be applicable for proceedings filed under Sections 94 and 95 IBC:
- (a) Respondent 2 will notify the objections in accordance with Rule 28(2) within a period of 7 days from filing of the Section 94 or Section 95 applications.
 - (b) Respondent 2 will issue a notice under Rule 28(2) on a monthly basis notifying the matters where the objection has not been removed within the period of 7 days as provided by Respondent 2.
 - (c) Within a period of 15 days from the issuance of the notice mentioned in clause (b) above, Respondent 2 will Issue a notice under Rules 28(3) and 28(4) stating that matters where compliance Is not carried out will be proceeded to be dealt with in accordance with Rule 28(4). The time-frame given for compliance In this notice will be 30 days from the date of notice. On the expiry of such period of 30 days, Respondent 2 shall within a period of 7 days issue a notice under Rule 28(4) declining to register the matters where compliance has not

been carried out. Within the said period of 7 days the online status must be immediately updated to "dismissed as declined to register".

(d) Where the applicant purported to comply with the objections notified and refiles the application, Respondent 2 shall scrutinise the said purported compliance within a period of 7 days from such refiling of the application. It is made clear that if the applicant has not complied, then Respondent 2 shall within a period of 7 days issue a notice under Rule 28(4) declining to register the application.

14. The abovementioned timelines and procedure are being laid down after hearing the respondents at great length. These timelines shall be adhered to.

15. In addition to the above, considering that interim moratorium commences on e-filing of the applications i.e. uploading of the document prior to any scrutiny, there is a possibility that parties who have had their applications declined due to failure to comply with the notices and timelines issued by Respondent 2, proceed to e-file their applications again. In such cases, the aggrieved persons have a remedy under Rule 63 of the NCT Rules to prefer an appeal within the period stipulated. Any application which had earlier been dismissed and is refiled without resorting to the due process under law, ought not to be considered valid and shall not be considered as "filed" for the purposes of Section 96 IBC. The same shall be Ignored and no cognizance shall be taken of the same.'

20. The above-quoted portions of the said judgement indicate the concern expressed by this Court with regard to the manner in which such petitions filed under Section 94 or 95 of the IBC, were deliberately kept pending at the stage of scrutiny, only to take advantage of the interim moratorium triggered under Section 96 of the IBC.

21. In this context, the SOP framed by the NCLT for Rules 28 and 63 of the NCLT Rules dated 19.03.2025, also assumes significance. It

would be appropriate to quote the said SOP in its entirety, which is as follows:

National Company Law Tribunal

Date: 19.03.2025

Fresh Matter filed:-

1. A Party filing any Petition/Application/Documents in the e-filing portal of NCLT will be provided with a filing/diary number.
2. The Petition/Application/Documents so filed, will be scrutinized by the Registry and will be registered if it is free of from any defect

1st Defect Notice Issued:-

3. However, if there are defects in the Petition/Application/Documents, then the same will be intimated to the party concerned vide Defect Notice-1 through registered E-mail id/User login. (Template-1)
4. A party is required to cure the defects intimated by Defect Notice-1, within 7 days from the date of Defect Notice-1 and refile.
5. Consequent to Defect Notice-1, if the Petition/Application/Documents so refiled is free from all defects, then the matter will be registered.

Matter refiled with Defects: -

6. If in the Petition/Application/Documents refiled consequent to Defect Notice-1, same defects/new defects are present, then the Petition/Application/Documents will be forwarded to the Registrar under Rule 28(2) of NCLT Rules 2016.
7. The party concerned may make a request to cure the defects to the Registrar and the Registrar may on the request of the applicant or otherwise, give

07 days' time to the party to refile, under Rule 28 (3) of NCLT Rules 2016, vide Registrar Order. (Template-2.1)

8. If the Party fails to refile within 07 days from the date of Registrar Order (Template 2.1) or upon refiling same defects are present/new defects found, then no further opportunity shall be given by the Registrar and the Registrar would decline to register. The Petition/Application/Documents, under Rule 28(4) of NCLT Rules 2016. (Template-3.1)

Matter Not refiled after defect notice 1: -

9. If a party fails to refile within 7 days from the date of Defect Notice-1 (T-1), user will not be allowed to refile and the matter will be forwarded to the Registrar for appropriate orders. On receipt of same from the registry, the registrar may give 7 days' time under rule 28(3) of NCLT Rules 2016 vide registrar order (template 2.1) to party to remove the defects and refile the Petition/Application/Documents.
10. If the Party fails to refile within 07 days from the date of Registrar Order (Template 2.1) or upon refiling same defects are present/new defects found, then no further opportunity shall be given by the Registrar and the Registrar would decline to register the Petition/Application/Documents, under Rule 28 (4) of NCLT Rules 2016. (Template-3.1)
11. Any Party aggrieved by the Order of the Registrar, may prefer an appeal under Rule 63 of NCLT Rules, 2016 within 15 days from the date of Order, before the designated Appellate Authority.
22. A conjoint reading of the aforementioned directions issued by this Court in the case of **Bank of Baroda vs. Union of India and another** (*supra*) and the SOP framed by the NCLT, would show that a step-wise process is to be followed by the Registry of the NCLT, while scrutinizing the petitions. It is also clear that mere filing of a petition

under Section 94 or 95 of the IBC before the NCLT, does not trigger interim moratorium under Section 96 thereof and that the interim moratorium is triggered only after the petition is registered and the procedural rigmarole provided under the directions of this Court as well as the aforementioned SOP, is properly undertaken.

23. In the present case, it is found that the third party filed the petition under Section 95 of the IBC against petitioner No.2 for initiating Insolvency Resolution Process on 09.07.2025. As per the report submitted by the Assistant Registrar, NCLT, upon scrutiny of the petition, 5 defects were found therein and the same was returned to the third party petitioner on 24.07.2025 for curing the said defects. As per the directions issued by this Court in paragraph No.13 of its judgement in the case of **Bank of Baroda vs. Union of India and another** (*supra*) and clause 4 of the SOP, the said third party petitioner was required to cure the defects within 7 days from 24.07.2025. It is a matter of record and it is undisputed that the defects were not cured within the period of 7 days.

24. As per the directions issued by this Court in the said judgement and clause 9 of the SOP, the matter should have been forwarded to the Registrar of the NCLT for appropriate orders, who could have given time of 7 days under Rule 28(3) of the NCLT Rules to the third party petitioner to remove the defects and refile the petition. If the third party petitioner had then failed to remove the defects within the said period of 7 days, the Registrar was mandated to decline registration of the petition under Rule 28(4) of the NCLT Rules. The third party petitioner could then have filed an appeal under Rule 63 of the NCLT Rules to challenge the same.

25. But, the report submitted by the Assistant Registrar, NCLT shows that while scrutinizing the aforesaid petition, the directions issued by this Court in the said judgement and the SOP, were not followed and surprisingly, it was recorded in the report that upon the failure of the said third party petitioner in removing the defects and refiling the petition within 7 days, 'the matter stood automatically locked for refiling'. We are unable to understand as to under what provision or clause of the SOP or the directions issued by this Court, the Registry of the NCLT could have taken such a step. The report further records that on an application filed by the said third party petitioner 'citing technical issues', the matter was re-opened for re-filing on 31.10.2025 in terms of Rules 28(2) and 28(3) of the NCLT Rules. We find that the said Rules read with directions issued by this Court in paragraph 13 of the aforesaid judgement in the case of **Bank of Baroda vs. Union of India and another** (*supra*) and the SOP, show that such re-opening for re-filing was clearly not justified in terms of such directions. Thereafter, the report simply records that the third party petitioner did not avail of the appellate remedy under Rule 63 of the NCLT Rules and that eventually, the petition was registered on 04.11.2025. The report further records that thereafter the NCLT heard the petition on various dates from 07.11.2025 onwards and that the next date of listing is 24.04.2026.

26. It is to be noted that in the order dated 14.11.2025 passed by the NCLT, the resolution professional was appointed and it was noted that an interim moratorium was operating under Section 96 of the IBC from the date of filing of the petition.

27. We find that in terms of the directions issued by this Court in the case of **Bank of Baroda vs. Union of India and another** (*supra*),

the interim moratorium stood triggered only when the petition was registered i.e. on 04.11.2025 and not from the date of the filing of the petition i.e. 09.07.2025. The facts noted hereinabove from the report submitted by the Assistant Registrar of the NCLT indeed shows a sad state of affairs. It is obvious that the Registry of the NCLT in the present case, concerning the petition filed by the third party petitioner under Section 95 of the IBC, failed to follow and comply with directions contained in paragraph 13 of the judgement of this Court in the case of **Bank of Baroda vs. Union of India and another** (*supra*), as also the clauses of the SOP framed by the NCLT itself. It is to be noted that the aforesaid directions were issued by this Court in the context of the Rule 28 of the NCLT Rules pertaining to endorsement and scrutiny of petitions and documents.

28. The learned counsel appearing for respondent No.1 bank placed much emphasis on the said aspect of failure on the part of the Registry of the NCLT to abide by the procedure indicated by this Court as well as the SOP and on that ground, it was submitted that this Court may hold that the interim moratorium is not operating. On the other hand, the learned counsel appearing for the petitioners submitted that the petitioners had no control over the manner in which the petition was filed, scrutinized and eventually registered before the NCLT. It was submitted that the said petition was filed by a third party over which the petitioners had no control and that, the allegations of connivance made by the respondent No.1 bank are not supported by any material on record. It was submitted that in any case, the interim moratorium, even as per the law laid down by this Court in the case of **Bank of Baroda vs. Union of India and another** (*supra*), stood triggered at least from the day when the said petition filed by the third party petitioner before the NCLT was registered, i.e.

04.11.2025. It was submitted that in such a situation, this Court may consider setting aside of the impugned orders and holding that the interim moratorium under Section 96 of the IBC is indeed operating.

29. We find that interim moratorium is commenced as a matter of law and that it is a fallout of the relevant statutory provision i.e. Section 96 of the IBC. Even if we are to read the requirements of the judgement of this Court in the case of **Bank of Baroda vs. Union of India and another** (*supra*) into the process of scrutiny and the point in time when the interim moratorium is triggered, in the present case, the respondent No.1 bank cannot deny the fact that the petition filed by the third party before the NCLT under Section 95 of the IBC stood registered on 04.11.2025. This event has happened and by operation of law, the interim moratorium commenced. Despite our observations hereinabove that the Registry of the NCLT committed a serious procedural error in the manner in which it scrutinized the aforesaid petition, we find substance in the contention of the petitioners that the effect of the interim moratorium cannot be ignored or diluted, particularly when the petitioners had no control over the manner of filing and scrutiny of the petition before the NCLT. We find that the allegation of connivance between the petitioners and the third party petitioner before the NCLT can best be examined by the NCLT, in the event respondent No.1 bank and respondent Nos.2 and 3 auction purchasers choose to approach the NCLT for a direction that the interim moratorium would not operate against them. As regards the steps taken in accordance with law by the respondent No.1 bank (secured creditor), this Court in any manner holding that the interim moratorium would not apply due to the grave procedural irregularities in the Registry of the NCLT, would adversely affect the third party petitioner also, who has filed the

petition before the NCLT, even when it is not a party in the present writ petition. Even if this Court were to consider the contention of connivance between the petitioners and the third party raised on behalf of the respondent No.1 bank, or the allegation that the scrutiny of the petition before the NCLT was deliberately held up and kept in hibernation, findings thereon would affect the said third party petitioner, who is not a party before this Court.

30. It is in this backdrop that we find substance in the contention of the petitioners that the DRT, in the present case, should have considered the effect of the interim moratorium triggered on 04.11.2025, particularly when the applications were considered by the DRT on 09.01.2026. The DRT could not have rejected the applications only on the ground that the commencement of the interim moratorium was not brought to the notice of the respondent No.1 bank. We find that commencement and effect of the interim moratorium cannot be contingent upon the same being brought to the notice of the respondent No.1 bank.

31. It is for this reason that on 14.01.2026, while considering the present petition, this Court had granted ad-interim relief of status-quo. It is to be noted that in the meanwhile, the sale certificate stood registered and any further consequential steps in the matter would clearly be in the teeth of the said interim moratorium.

32. Nonetheless, we are of the opinion that appropriate directions are required to be issued to the Registry of the NCLT to scrupulously follow the procedure indicated by this Court in the judgement in the case of **Bank of Baroda vs. Union of India and another** (*supra*) in the context of Rule 28 of the NCLT Rules and the SOP framed by the

Registry of the NCLT itself, to ensure that parties filing such petitions under Section 94 or Section 95 of the IBC, do not deliberately keep the petitions pending at scrutiny stage, so as to mislead authorities / tribunals / courts about the effect of such filing.

33. In view of the above, the writ petition is allowed and the impugned orders dated 09.01.2026 passed by DRT-II, Mumbai are set aside. It is held that interim moratorium operates in the light of the facts noted hereinabove, due to which further steps can be taken by the respondents only after the interim moratorium ceases to operate or the NCLT holds that the interim moratorium does not operate as against the respondents, in the event the respondents choose to approach the NCLT.

34. The respondents are granted liberty to approach the NCLT to demonstrate as to why the interim moratorium ought not to operate, at least insofar as they are concerned. This Court is not expressing any opinion on the matter.

35. In the light of the observations made hereinabove, we direct the Registry of the NCLT, Mumbai to ensure that the procedural irregularities committed by the said Registry, while scrutinizing the said petition, are not repeated in future. We are of the opinion that the report submitted by the Assistant Registrar of the NCLT demonstrates that in the present case, while scrutinizing the petition filed by the said third party petitioner, the Registry of the NCLT failed to follow the procedure indicated by this Court in the judgement in the case of **Bank of Baroda vs. Union of India and another** (*supra*) in the context of Rule 28 of the NCLT Rules. The SOP dated 19.03.2025 framed by the Registry of the NCLT itself was not followed in letter

and spirit.

36. Accordingly, the Registry of the NCLT is directed to ensure that the said directions and the SOP are followed scrupulously during scrutiny of all petitions filed before it, without any exception. This would also ensure that allegations of wrong-doing or bias are not levelled against the Registry of the NCLT.

37. A copy of this order shall be served forthwith upon the Registrar of the NCLT.

38. The writ petition is disposed of in above terms. Pending applications, if any, also stand disposed of.

(SHREERAM V. SHIRSAT, J)

(MANISH PITALE, J.)

Priya / Minal