



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 23RD DAY OF FEBRUARY, 2026

BEFORE

THE HON'BLE MR. JUSTICE B M SHYAM PRASAD

WRIT PETITION NO. 5956 OF 2026 (GM-RES)

BETWEEN:

MR.AJAY KUMAR BHUWALKA
AGED ABOUT 50 YEARS,
S/O SURESH KUMAR BHUWALKA,
RESIDING AT NO.GE54,
DIVYASHREE 7 DEGREES EAST,
YEMALUR, BANGALORE - 560038

...PETITIONER

(BY SRI. S S NAGANAND, SENIOR ADVOCATE FOR
SRI.NAGESH MORO., ADVOCATE)

AND:



1. M/S.BHUWALKA STEEL INDUSTRIES LTD.,
REP. BY ITS RESOLUTION PROFESSIONAL,
MR. SHIVADUTT BANNANJE,
HAVING REGISTRATION NUMBER,
IBBI/IPA-002/IP-N00266/2017-2018/10779,
HAVING ITS OFFICE AT.
N-602, NORTH BLOCK,
MANIPAL CENTRE, DICKENSON ROAD,
BANGALORE - 560 042
2. MR. ANKIT KUMAR BHUWALKA
AGED ABOUT 44 YEARS,
S/O SURESH KUMAR BHUWALKA,



RESIDING AT B-1101, OBEROI ESQUIRE,
ABA KARMARKER ROAD,
GOREGAON (EAST) MUMBAI 400063

...RESPONDENTS

THIS WRIT PETITION IS FILED UNDER ARTICLES
226 AND 227 OF CONSTITUTION OF INDIA, PRAYING TO
DIRECTION AGAINST THE RESPONDENTS DECLARE
THAT IN VIEW OF THE INTERIM MORATORIUM
IMPOSED UNDER SECTION 96 OF INSOLVENCY AND
BANKRUPTCY CODE, 2016 PURSUANT TO THE ORDER
DATED 05.07.2024 IN CP (IB) NOS.118/BB/2024 AND
119/BB/2024, FURTHER PROCEEDINGS IN IA.122 OF
2022 IN CP (IB) 228/BB/2018 VIDE PENDING BEFORE
THE NCLT BENGALURU BENCH VIDE ANNEXURE B IS
DEEMED TO BE STAYED.

THIS PETITION, COMING ON FOR PRELIMINARY
HEARING, THIS DAY, ORDER WAS MADE THEREIN AS
UNDER:

CORAM: HON'BLE MR. JUSTICE B M SHYAM PRASAD



ORAL ORDER

The petitioner is a respondent with the National Company Law Tribunal Bench, Bengaluru [for short, '*the Tribunal*'] in an application in I.A.No.122/2022 in CP (IB) Nos.228/BB/2018. This application is filed alleging misappropriation by the petitioner. The Tribunal has called upon the learned counsel for the respondents, which include the petitioner, to complete their arguments within 30 minutes.

Sri S. S. Naganand, the learned Senior Counsel for the petitioner, canvasses the following to support the petition.

[a] In the proceedings against the petitioner in C.P.(IB) No.118/BB/2024 and C.P.(IB) No.119/BB/2024, the Tribunal has passed an order on 05.07.2024 stipulating that interim moratorium as contemplated under



Section 96A of the Indian Bankruptcy and Insolvency Code, 2016 [for short, '*the Code*'] is begun from the date of the application by the Financial Creditors.

[b] The interim moratorium is effective from the date of admission and that the Tribunal has also observed that during the interim moratorium the Creditor shall not initiate any legal action or proceedings pending regarding any debt.

[c] The petitioner would have the advantage of this order even as against proceedings under Section 66 of the Code, and when this is brought to the notice of the Tribunal by filing a detailed memo, this has not been considered.



[d] When this interim moratorium continues, the proceedings under Section 66 of the Code must also remain stayed, and that the Tribunal could not have ignored its own order to call for submissions on the application.

This Court at this stage is not inclined to enter any opinion on whether the proceedings under Section 66 of the Code must be stayed in view of the interim moratorium as this aspect must first be considered by the Tribunal, and this Court is also of the considered view that the Tribunal can consider this aspect before it passes any order on an application under Section 66 of the Code *lest* it be that the petitioner is exposed to consequences of an order under Section 66 of the Code without a decision on the contention that the interim moratorium would be a condition against such



proceedings. Hence, the petition stands disposed of requesting the Tribunal to consider the memo/ application filed by the petitioner on the next day with due opportunity.

Sd/-
(B M SHYAM PRASAD)
JUDGE

SA
ct:sr