



NATIONAL COMPANY LAW TRIBUNAL
COURT ROOM NO. 1,
MUMBAI BENCH

Item No. 10

IA(I.B.C)/3028(MB)2025 (NEW IA) IN C.P. (IB)/530(MB)2020

CORAM:

SH. PRABHAT KUMAR JUSTICE VIRENDRASINGH BISHT (Retd.)
HON'BLE MEMBER (TECHNICAL) HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF THE HEARING ON 08.07.2025

NAME OF THE PARTIES: UNION BANK OF INDIA VS ROLTA
INDIA LIMITED

Section 60(5) & 7 of the Insolvency and Bankruptcy Code, 2016

ORDER

IA (I.B.C)/3028 (MB)2025 (NEW IA) IN C.P. (IB)/530(MB)2020

- 1) Ms. Muskan Sengar, Ld. Counsel for the Applicant is present.
- 2) The present Interlocutory Application has been filed by the Applicant/Resolution Professional of the Corporate Debtor seeking directions against the Respondent Bank to set aside the Letter dt. 25.03.2025, issued by the Respondent Bank in respect of classifying the Corporate Debtor's account as Fraud in contravention of the Moratorium that is in operation as per Section 14 of the Insolvency and Bankruptcy Code, 2016.
- 3) It is submitted that the Respondent Bank is also a part of the Committee of Creditors and the Committee of Creditors has approved the Resolution Plan



dt. 22.04.2024 with 100% of voting shares and the same is at conclusionary stage and effect of the impugned Notice may cause unnecessary impediment in the smooth conclusion of the Process of the Corporate Insolvency Resolution Process of the Corporate Debtor.

- 4) Heard Ld. Counsel for the Applicant and perused the material available on record.
- 5) This Bench is of the considered view that the Bank can classify a Corporate Debtor's account as fraud even while a Corporate Insolvency Resolution Process is ongoing and the Section 14 of the Insolvency & Bankruptcy Code, 2016 does not bar such classification as such classification is neither in nature of the institution of suits or continuation of pending suits or proceedings against the corporate debtor or an action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property. The Corporate Insolvency Resolution Process and Fraud Identification are separate processes with different objectives. Moratorium under Sections 14 and 96 of the Insolvency and Bankruptcy Code protects the Corporate Debtor's assets during Corporate Insolvency Resolution Process; but does not prevent the Bank from identifying and Classifying a Fraudulent Account, which is purely an administrative decision of the Bank. Accordingly, this Tribunal cannot interfere in bank's communication classifying a Corporate Debtor's account as fraud during the Corporate Insolvency Resolution Process.



- 6) In essence, the role of this Tribunal is to ensure the integrity of the Corporate Insolvency Resolution Process and address any fraudulent activities within that context, not to directly overturn a Bank's independent classification of an account as Banks have the discretion to classify accounts as Fraud based on their internal policies and Regulatory Guidelines.
- 7) In view of the above, we are of the considered view that the present Interlocutory Application is sans merit and deserves to be dismissed. Accordingly, the Interlocutory Application bearing IA No. 3028 of 2025, is disposed of as dismissed.
- 8) There will, however, be no order as to costs. Ordered Accordingly.

SD/-

PRABHAT KUMAR
MEMBER (TECHNICAL)

Vedant Kedare

SD/-

JUSTICE VIRENDRASINGH BISHT
MEMBER (JUDICIAL)