



S.No.3

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
16-04-2026 AT 12:45 PM**

**CP(IB) No. 17/9/HDB/ 2020
AND
IA(IBC) 1427/2024 & IA (IBC) 1997/2025 in IA 1198/2022 in
CP(IB) No. 17/9/HDB/ 2020
u/s. 9 of IBC, 2016**

IN THE MATTER OF:

Thirumala Logistics Pvt Ltd
AND
Sathavahana Ispat Ltd

**...Operational Creditor
...Corporate Debtor**

C O R A M:-

SH. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SH. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

ORDER

IA(IBC) 1427/2024

Present: Mr. Vijay Singh, Learned Counsel for the Applicant/SRA.

Mr. MP Kashyap, Learned Counsel for the Respondent/EPFO.

Orders pronounced, recorded vide separate sheets.

In the result, this application is dismissed.

IA (IBC) 1997/2025 in IA 1198/2022

Present: Mr. MP Kashyap, Learned Counsel for the Applicant/EPFO.

Mr. Vijay Singh, Learned Counsel for the Respondent.

Orders pronounced, recorded vide separate sheets.

In the result, this application is disposed of.

**Sd/-
MEMBER (T)**

**Sd/-
MEMBER (J)**



IN THE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH – I, HYDERABAD

IA (IBC) No. 1427 of 2024

In

CP (IB) No. 17/9/HDB/ 2020

(Under Rule 11 of National Company Law Tribunal Rules, 2016)

In The Matter Of M/s. Sathavahana Ispat Limited.

Between:

Jindal Saw Limited

A-1, Upside Industrial Area,
Nandgaon Road Kosi Kalan, Mathura,
Uttar Pradesh, India - 281403

...Applicant

Versus

Employee Provident Fund Organization

Through Recovery Officer, Regional Office Ballari,
Bhavishya Nidhi Bhavan, Main Road
2nd Stage, Raghvendra Colony, Ballari-583101.

... Respondent

Date : 16.04.2026

Coram:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)



Parties/Counsels:

For Applicant : Mr. Vijay Singh, Advocate
For Respondent : Mr. MP Kashyap, Advocate

1. The present application is filed by M/s. Jindal Saw Limited¹, Successful Resolution Applicant of M/s. Sathavahana Ispat Limited² under Rule 11 of National Company Law Tribunal Rules, 2016, against the Employee Provident Fund Organization³, *inter alia*, seeking relief to set aside the order dated 26.06.2024 issued by the recovery officer of Respondent.

Case of the Applicant:

2. It is submitted that this Tribunal, vide order dated 28.07.2021, on an application filed by Thirumala Logistics Pvt. Ltd. under Section 9 of the Code, 2016, whereby the corporate debtor was admitted into the Corporate Insolvency Resolution Process (CIRP) and appointed Mr. Golla Ramakantha Rao as the Interim Resolution Professional, who was subsequently replaced by Mr. Bhuvan Madan as the Resolution Professional vide order passed in IA No. 490 of 2021.
3. It is submitted that the Interim Resolution Professional has issued a public announcement on 07.08.2021 and invited claims from the creditors. The Respondent filed its claims in Form-F vide letters dated 30.08.2021 and 18.02.2022.
4. It is further submitted that the Resolution Professional filed an application IA No. 1198 of 2022 seeking approval of the Resolution Plan submitted by the Applicant, which was approved by this Tribunal vide order dated 31.03.2023, being in compliance with Sections 30(2)

¹ Applicant

² Corporate debtor

³ Respondent



and 31 of the Code and providing for fair and equitable treatment to the Operational Creditors.

5. Pursuant thereto, the Resolution Professional, vide letter dated 07.06.2023, informed the Respondent of the approval of the Resolution Plan and the amount payable thereunder, and accordingly, a sum of Rs. 93,99,887/- was paid to the Respondent in terms of the approved Resolution Plan.
6. Aggrieved by the approval of the Resolution Plan, the Respondent preferred an appeal before the Hon'ble NCLAT, Chennai, which came to be dismissed as withdrawn vide order dated 20.09.2023.
7. Thereafter, upon implementation of the Resolution Plan and completion of payments thereunder, all claims stood crystallized and dealt with in terms of the approved resolution plan.
8. However, to the utter shock of the Applicant, the Respondent issued an order of attachment dated 26.06.2024 through its Recovery Officer, addressed to Axis Bank, Mundra Branch, directing payment of Rs. 1,42,34,662/- from the account of the Applicant, purportedly under Sections 14B and 7Q of the EPF & MP Act, 1952, without disclosing the basis of such computation.
9. The Applicant submits that the alleged dues pertain to the period prior to approval of the Resolution Plan, i.e., prior to 31.03.2023, and there exists no surviving claim against the Applicant post approval and implementation of the Resolution Plan.
10. It is further submitted that after dismissal of its appeal, the Respondent has not taken recourse to any appropriate proceedings for determination of its claim, and the impugned action is contrary to law.



11. The Applicant contends that upon approval of the Resolution Plan, all claims not forming part of the plan stand extinguished, and no further proceedings can be continued in respect thereof.
12. It is further submitted that in terms of Section 32A of the Code, no liability can be fastened upon the Applicant in respect of any claim pertaining to the period prior to commencement of CIRP, and the impugned attachment order is in violation of the clean slate principle embodied under the Code.
13. Reliance is placed on the judgment of the Hon'ble Supreme Court in ***Ghanashyam Mishra & Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Company & Ors. Civil Appeal No. 8129 of 2019***, wherein it has been held that upon approval of the Resolution Plan, all claims not forming part thereof stand extinguished and no proceedings can be continued in respect of such claims.
14. In the aforesaid circumstances, the Applicant has filed the present Application seeking setting aside of the order dated 26.06.2024 issued by the Respondent and for appropriate directions.

Counter of the Respondent:

15. It is submitted that the Respondent has passed the order dated 26.06.2024 against the Applicant in default of provident fund contribution and other dues assessed under Sections 14B and 7Q of the EPF & MP Act, 1952 to the extent of Rs. 1,42,34,662/- for the periods 04/2018 to 07/2021, 07/2018 to 10/2019 and 11/2019 to 07/2021.
16. It is further submitted that the Applicant has evaded the admitted dues payable to the Respondent Organisation and suppressed the Notice of Demand dated 14.05.2024 issued by the Respondent Organisation giving break-up of the dues payable.



17. It is submitted that the Respondent is a statutory organisation established under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and none of the provisions of the EPF Act contradict the provisions of the IBC.
18. It is further submitted that the Respondent organisation is the result of a welfare legislation and stands on a different footing than other creditors, as upheld by the Hon'ble NCLAT in ***M/s. SK Constructions vs. EPFO & Anr. (2023) ibclaw.in 471 NCLAT.***
19. It is submitted that the EPF dues are quantified under the provisions of the EPF Act, 1952 and are statutory in nature, and the same are not part of the assets of the Corporate Debtor and are to be given priority over all other creditors.
20. It is further submitted that the successful resolution applicant cannot escape the liability of EPF dues even if they pertain to the period prior to commencement of CIRP.
21. It is submitted that the issue as to whether interest under Section 7Q and damages under Section 14B form part of EPF dues has been considered by the Hon'ble NCLAT in ***Anuj Bajpai vs. EPFO, CA(AT) (Ins) No. 1141 of 2023 & IA No.3979 of 2023***, wherein it has been held that damages and interest are part of EPF dues and are required to be paid in full, and bifurcation is impermissible.
22. It is submitted that EPF dues including interest and damages do not form part of the liquidation estate and are required to be paid in full.
23. It is further submitted that invocation of Section 60(5) of the Code is not maintainable, inasmuch as the Hon'ble Supreme Court in ***Tata Consultancy Services Limited vs. Vishal Ghisulal Jain, Civil Appeal No.3045 of 2020***, has held that Section 60(5) confers jurisdiction only in relation to matters arising out of CIRP and cannot be invoked to adjudicate issues beyond the CIRP framework.



24. In view of the aforesaid, it is prayed that the present Application be dismissed with appropriate orders.

Rejoinder to the counter of the Respondent:

25. Reiterating the submissions made in the Application, the Applicant further submitted that the impugned notice/order dated 26.06.2024 is a complete abuse of process of law, and the allegations of the Respondent regarding evasion of dues and suppression of notice dated 14.05.2024 are false and denied.
26. It is further submitted that the Respondent, being aggrieved by the approval of the Resolution Plan dated 31.03.2023, preferred an appeal before the Hon'ble NCLAT, Chennai, which came to be dismissed as withdrawn vide order dated 20.09.2023, and thereafter no steps were taken before any competent forum for determination of its purported claim.
27. It is further submitted that the Employees Provident Fund Organisation, Kadapa also belatedly challenged the order dated 31.03.2023 before the Hon'ble NCLAT, Chennai in Company Appeal (AT) (CH) (Ins.) No. 9 of 2024, which was dismissed vide order dated 27.08.2024, and the Hon'ble NCLAT has taken note of the delay and conduct of the Respondent therein.
28. It is also submitted that another Operational Creditor, namely Trimex Industries Private Limited, had challenged the order dated 31.03.2023 before the Hon'ble NCLAT, which was also dismissed as withdrawn vide order dated 19.03.2024.

Findings and Decision:

29. We have heard the learned Counsel for the Applicant, Mr. Vijay Singh, Advocate, and the learned Counsel for the Respondent, Mr. M.P. Kashyap, Advocate, and perused the material available on record.



30. It is an admitted position that the Corporate Debtor was admitted into Corporate Insolvency Resolution Process (CIRP) by this Tribunal vide order dated 28.07.2021. Thereafter, the Resolution Plan submitted by the Applicant came to be approved by this Tribunal vide order dated 31.03.2023 in IA No. 1198 of 2022.
31. It is borne out from the record that the Respondent had filed its claim before the Resolution Professional, which came to be admitted to the extent of Rs. 2,28,24,155/-, and under the approved Resolution Plan, the amount payable was quantified at Rs. 87,81,684.79/-. Further, as per the letter⁴ dated 07.06.2023 issued by the corporate debtor to the Respondent a sum of Rs 93,99,887/- stood paid.
32. Thus, it is clear that the claim of the Respondent was duly considered during CIRP, admitted, and paid in terms of the approved Resolution Plan.
33. However, thereafter, being aggrieved by the approval of the Resolution Plan, the Respondent preferred an appeal before the Hon'ble National Company Law Appellate Tribunal (NCLAT), Chennai, which came to be dismissed as withdrawn vide order dated 20.09.2023. Thereafter, the Respondent filed IA (IBC) No. 1997 of 2025 on 28.08.2025 before this Tribunal seeking suspension of the order dated 31.03.2023 passed in IA No. 1198 of 2022 in CP (IB) No. 17/9/HDB/2020.
34. In the said interregnum, the Respondent issued the impugned order⁵ of attachment dated 26.06.2024 under Section 8F (3) of the EPF & MP Act, 1952, directing Axis Bank, Mundra Branch to remit a sum of Rs. 1,42,34,662/- towards provident fund contributions and other dues, including amounts assessed under Sections 14B and 7Q of the EPF &

⁴ Page No. 37 to 38 of the Application

⁵ Page No. 12 to 17 of the Application



MP Act, 1952, for the period 04/2018 to 07/2021, pertains to the period prior to commencement of CIRP.

35. The contention of the Applicant is that upon approval of the Resolution Plan, all claims stand crystallized and extinguished except to the extent provided therein, and therefore no further proceedings can be continued in respect of pre-CIRP dues and relies upon the judgment of the Hon'ble Supreme Court in ***Ghanashyam Mishra & Sons Pvt. Ltd. vs. Edelweiss Asset Reconstruction Company & Ors. Civil Appeal No. 8129 Of 2019.***
36. Per contra, the Respondent contends that provident fund dues are statutory dues arising under a welfare legislation and stand on a different footing from other claims, and therefore the entire dues, including interest under Section 7Q and damages under Section 14B of the EPF & MP Act, 1952, are required to be paid in full irrespective of the Resolution Plan.
37. In this regard, we usefully refer to the judgment of the ***Hon'ble NCLAT, New Delhi*** in ***Sikander Singh Jamuwal vs. Vinay Talwar and Ors., MANU/NL/0176/2022***, upheld by the Hon'ble Supreme court in Civil Appeal No. 6721 of 2022 in order dated. 23.09.2022, wherein, upon consideration of section 17-B of the EPF & MP Act, 1952 and the scheme of Sections 30(2) and 36(4)(a)(iii) of the Code, 2016, it was held that the Successful Resolution Applicant, being a transferee, is liable to pay the outstanding provident fund dues pertaining to the period prior to transfer, and that compliance with the provisions of the EPF & MP Act, 1952 is mandatory and not subject to the commercial wisdom of the Committee of Creditors.

"13.

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c.

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From the above stated provisions of the PF Act that the Resolution Applicant is also liable to pay the contribution and other sums due from the employer under any provisions of this act as the case may be in respect of the period up to the date of such transfer.



All this requires that the explicit provisions of the above said PF Act needs to be complied with. This aspect is justiciable as a duty has been casted on the Resolution Professional/Adjudicating Authority/on this Tribunal. This is not a commercial wisdom as compliance of law is a must. The aspect of parity for payment of Finance Creditors and Operational creditors are not being looked into by this Tribunal as it is a commercial wisdom of CoC.”

38. Further, the Hon’ble NCLAT, New Delhi in **Jet Aircraft Maintenance Engineers Welfare Association vs. Ashish Chhawchharia & Ors., MANU/NL/1156/2023, [2023]237CompCas120**, as upheld by the Hon’ble Supreme Court in Civil Appeal No. 407 of 2023 dated 30.01.2023, has categorically held that provident fund and gratuity dues payable to workmen and employees till the insolvency commencement date are required to be paid in full by the Successful Resolution Applicant, notwithstanding the approval of the Resolution Plan.
39. Relying upon the Judgment in *Jet Aircraft Maintenance Engineers Welfare Association (Supra)*, the Hon’ble NCLAT, Chennai in **C.G. Vijyalakshmi and Ors. vs. Kumar Rajan, RP, Hindustan Newsprint Limited and Ors., CA (AT) (CH) (Ins.) No. 29 of 2021, MANU/NL/0098/2023, [2023]177SCL598**, has reiterated that provident fund and gratuity dues are required to be paid in full by the Successful Resolution Applicant, and accordingly issued a direction to the Successful Resolution Applicant to make payment of unpaid provident fund, gratuity fund and pending dues to the workmen/employees till the date of commencement of CIRP, after deducting the amounts already paid under the Resolution Plan. The relevant para is extracted below:

“28. Having regard to the ratio of the Judgement in ‘Jet Aircraft Maintenance Engineers Welfare Association’ (Supra) of this Tribunal, upheld by the Hon’ble Apex Court, this Tribunal is of the earnest view that ‘PF’ and ‘Gratuity’ is to be paid in full as per the provisions of EPF and MP Act, 1952 and payment of Gratuity Act, 1972. Since admittedly the amounts paid are only 35.13% having treated them as ‘Secured Creditors’, we are of the considered view that indeed there was a violation of the provisions of Section 30(2) of the Code, with respect to the payment of ‘PF’ and ‘Gratuity’ only.

29., except for issuing this ‘direction’ to the ‘Successful Resolution Applicant’, to make payment of unpaid ‘Provident Fund’ and ‘Gratuity Fund’ and ‘pending dues’ to the ‘Workmen’ / ‘Employees’, till the date of ‘Corporate



Insolvency Resolution Process', after deducting the amount already paid towards 'Provident Fund', in the 'Resolution Plan', as per the principles laid down in 'Jet Aircraft maintenance Engineers Welfare Association' (Supra), upheld by the Hon'ble Supreme Court in Civil Appeal No. 407/2023 dated 30.01.2023, which is the law of the land and is binding on all 'Courts' & 'Tribunals' of India."

40. From the above judicial pronouncements, it is evident that provident fund dues stand on a distinct statutory footing and are required to be paid in full.
41. In the present case, that the impugned order dated 26.06.2024, issued for the recovery of a sum of Rs. 1,42,34,662/- from the Successful Resolution Applicant, pertains to the period prior to commencement of CIRP. Though the said impugned order does not clearly indicate whether the demand represents the balance amount after the payment of Rs. 93,99,887/- under the Resolution Plan against the admitted claim of Rs. 2,28,24,155/-, but it is clear from the record that under the approved Resolution Plan, the Respondent did not receive the entire amount of its admitted claim.
42. As per the aforesaid judicial pronouncements, provident fund dues are required to be paid in full, and it is evident that the same have not been fully paid to the Respondent.
43. Therefore, we are of the considered view that provident fund dues, in accordance with the provisions of the Code, are required to be paid in full. Accordingly, we are not inclined to set aside the order dated 26.06.2024 issued by the Recovery Officer of the Respondent.

Accordingly, the present Application is dismissed and disposed of.

Sd/-

Sanjay Puri
Member (Technical)

Sd/-

Rajeev Bhardwaj
Member (Judicial)