



S.No.1

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
18-03-2026 AT 12:45 P.M.**

CP(IB) No. 69/9/HDB/2023

AND

**IA (IBC) 456/2025, IA(IBC) (Liq.) 05/2025, IA(IBC) 844 & 1284/2025,
IA (IBC) 399/2026 in IA(IBC) 844/2025 & IA (IBC) 431/2026 in IA (IBC)
130/2025 in CP(IB) No. 69/9/HDB/2023
u/s. 9 of IBC, 2016**

IN THE MATTER OF:

M/s. Mytrah Vayu (Som) Private Limited

...Operational Creditor

AND

GVK Transportation Pvt Ltd

...Corporate Debtor

C O R A M:-

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

O R D E R

IA (IBC) 456/2025

Present: Mr. Maligi Madhusudhan Reddy, Resolution Professional.

Orders pronounced, recorded vide separate sheets.

In the result, this application is allowed and disposed of.

IA(IBC) (Liq.) 05/2025

Present: Mr. Maligi Madhusudhan Reddy, Resolution Professional.

Orders pronounced, recorded vide separate sheets.

In the result, this application is allowed and disposed of.

Contd...P2



IA(IBC) 844/2025

Present: Mr. Nitish Bandari, Learned Counsel for the Applicant.
Mr. Manav Gecil Thomas, Learned Counsel for the Respondent
No.2.
Mr. Maligi Madhusudhan Reddy, Resolution Professional.

Orders pronounced, recorded vide separate sheets.

In the result, this application is dismissed.

IA (IBC) 1284/2025

Present: Mr. Maligi Madhusudhan Reddy, Resolution Professional.

Orders pronounced, recorded vide separate sheets.

In the result, this application is allowed and disposed of.

I A (IBC) 399/2026 in IA(IBC) 844/2025

Present: Mr. Nitish Bandari, Learned Counsel for the Applicant.
Mr. Maligi Madhusudhan Reddy, Resolution Professional.

This application has been filed seeking reopening I.A. No. 844/2025 in C.P. (IB) No.69/2023. There are no merits in the application, as the applicant has already been given an opportunity of hearing and for filing written submissions.
Accordingly, **this application is dismissed as infructuous.**

I A (IBC) 431/2026 in IA (IBC) 130/2025

Present: Mr. Nitish Bandari, Learned Counsel for the Applicant.
Mr. Maligi Madhusudhan Reddy, Resolution Professional.

This IA is directed to be listed along with IA (IBC) 130/2025.
Matter is adjourned to 23.03.2026.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH-1, HYDERABAD**

I.A. (IBC) (Liquidation) No. 5 of 2025

IN

C.P. (IB) NO. 69/9/HDB/2023

Under Section 33(2) of the Insolvency and Bankruptcy Code, 2016

In the Matter of M/s. Naoline Infrastructure Private Limited:

Mr. Maligi Madhusudhana Reddy,

Resolution Professional of M/s. Naoline Infrastructure Private Limited

Address: MMR Lion Corp, 4th Floor, HSR Eden,

Road No. 2, Banjara Hills, Hyderabad-500034.

...Applicant/Resolution Professional

Date of Order: 18.03.2026

Coram:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

Parties/Counsels:

For Applicant : *Party-in-person*

1. This Application has been filed by Mr. Maligi Madhusudhana Reddy¹, Resolution Professional of M/s. Naoline Infrastructure Private Limited² under Section 33(2) of the Insolvency and Bankruptcy Code³, 2016, seeking an order to liquidate the Corporate Debtor.

¹ Resolution Professional/Applicant

² Corporate Debtor

³ Code



BRIEF AVERMENTS OF THE APPLICANT:

(A) Admission of Petition and Appointment of Interim Resolution

Professional

- i) It is submitted that this Tribunal, vide order dated 04.06.2024 passed in C.P. (IB) No. 69/9/HDB/2023, admitted the Corporate Debtor into Corporate Insolvency Resolution Process (CIRP) and appointed Mr. Pankaj Bhattad as the Interim Resolution Professional (IRP).

(B) Public Announcement and Constitution of Committee of

Creditors

- i) It is submitted that pursuant to commencement of CIRP, the Interim Resolution Professional issued a public announcement on 08.06.2024, inviting creditors to submit their claims on or before 20.06.2024, in compliance with Sections 13 and 15 of the Code read with Regulation 6 of the CIRP Regulations, 2016.
- ii) It is further submitted that upon verification of the claims received, the Resolution Professional prepared and updated the list of creditors indicating the amounts claimed and admitted, in accordance with Regulation 13(2)(d) of the CIRP Regulations, 2016.

Based on the claims admitted, the following financial creditors formed part of the Committee of Creditors:

Sl. No.	Name of the Financial Creditor	Amount claimed (Rs.)	Claim Admitted	Voting Percentage
1.	Canara Bank	1,18,00,22,03 5	99,83,53,096	47.05%
2.	UCO Bank	43,36,20,625	36,56,70,110	17.29%



3.	Karnataka Bank Limited	9,14,01,389	7,53,69,528	3.64%
4.	Indian Overseas Bank	35,59,74,482	29,67,49,585	14.19%
5.	Union Bank of India	44,70,93,932	38,64,62,442	17.83%
	Total	250,81,12,463	212,26,04,76 2	100%

- iii) Accordingly, the Interim Resolution Professional constituted the Committee of Creditors comprising five financial creditors, which was taken on record by this Tribunal vide order dated 03.07.2024 passed in IA (IBC) 1355/2024.

(C) Appointment of Resolution Professional

- i) It is submitted that in the 1st meeting of the Committee of Creditors held on 03.07.2024, the CoC approved, with 100% voting share, the appointment of the present Applicant as the Resolution Professional.
- ii) Pursuant to the said decision, I.A. (IBC) No. 1523 of 2024 was filed before this Tribunal and this Adjudicating Authority, vide order dated 23.07.2024, replaced the Interim Resolution Professional and appointed the present Applicant as the Resolution Professional of the Corporate Debtor.

(D) Appointment of Registered Valuers

- i) It is submitted that the Resolution Professional appointed IBBI registered valuers for determining the fair value and liquidation value of the assets of the Corporate Debtor across three classes



of assets. The valuation reports received from the valuers were shared with the members of the Committee of Creditors.

Asset Class	Name of the Valuer	Fair Value (Rs. in Lakhs)	Liquidation Value (Rs. in Lakhs)
Land & Buildings	A.S.R.K.V. Prasad	3,063.42	2,297.57
	Thavva Chandra Obul Reddy	3,817.73	2,672.41
	Average	3,440.58	2,484.99
Plant & Machinery	M.ChandraPrakash	57.84	46.27
	V.R. Maganti	62.64	50.11
	Average	60.24	48.19
Securities / Financial Assets	N. Lakshmi Reddy	60.50	50.40
	N. Sri Venkatakrishna Rao	55.50	50.50
	Average	58.00	50.45
Consolidated (All Classes)	Total	3,558.82	2,583.63

(E) Invitation and Consideration of Resolution Plans

- i) It is submitted that the Resolution Professional published Form-G inviting Expressions of Interest on 23.08.2024, 02.10.2024 and 14.11.2024.



- ii) Based on the EOIs received, the Resolution Professional issued the final list of Prospective Resolution Applicants on 24.12.2024, comprising four applicants including the suspended director of the Corporate Debtor, the Corporate Debtor being an MSME. The Information Memorandum and Request for Resolution Plans were thereafter circulated to the Prospective Resolution Applicants.
- iii) The resolution plans received were opened in the 10th meeting of the Committee of Creditors held on 13.02.2025. One of the applicants subsequently withdrew from the process.
- iv) The remaining resolution plans submitted by M/s. Ardha Holdings Private Limited, Mr. Sandeep Omprakash Agarwal and Mr. Prabhakar Reddy Nallapu were placed before the 11th CoC meeting held on 18.02.2025.
- v) Upon deliberations, the CoC advised the Resolution Professional to invite revised resolution plans, which were thereafter placed before the 12th CoC meeting held on 11.03.2025 along with the evaluation matrix scores and observations of the Resolution Professional.

(F) Decision of the Committee of Creditors to Liquidate

- i) It is submitted that after consideration of the resolution plans, separate resolutions for approval of the three plans were placed before the Committee of Creditors for e-voting, however none of the plans secured the requisite voting share.
- ii) Consequently, the Committee of Creditors resolved with 100% voting share to liquidate the Corporate Debtor under Section 33(2) of the Insolvency and Bankruptcy Code, 2016, and directed the Resolution Professional to file the present Application before this Adjudicating Authority.



2. Thus submitting, the present application is filed by the Resolution Professional seeking an order for liquidation of the Corporate Debtor, namely M/s. Naoline Infrastructure Pvt. Ltd. (CIN: U45200TG2010PTC068516), under Section 33(2) of the Insolvency and Bankruptcy Code, 2016. The relevant provision of Section 33(2) of the Code reads as follows:

Section 33(2): Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors [approved by not less than sixty-six per cent. of the voting share] to liquidate the corporate debtor, the Adjudicating Authority shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).

[Explanation. - For the purposes of this sub-section, it is hereby declared that the committee of creditors may take the decision to liquidate the corporate debtor, any time after its constitution under sub-section (7) of section 21 and before the confirmation of the resolution plan, including at any time before the preparation of the information memorandum.]

3. We have heard Mr. Maligi Madhusudhana Reddy, Ld. Resolution Professional and perused the record.
4. We observe that the Corporate Debtor was admitted into Corporate Insolvency Resolution Process (CIRP) by this Adjudicating Authority vide order dated 04.06.2024 in C.P. (IB) No. 69/9/HDB/2023.
5. During the CIRP period, the Resolution Professional issued Form-G inviting Expressions of Interest on three occasions. Pursuant thereto, resolution plans were received from the prospective resolution applicants including M/s. Ardha Holdings Private Limited, Mr. Sandeep Omprakash Agarwal and Mr. Prabhakar Reddy Nallapu, the suspended director of the Corporate Debtor, the Corporate Debtor being an MSME.
6. It is further observed that the resolution plans received from the prospective resolution applicants were placed before the Committee of Creditors and deliberated upon in the meetings of the CoC. The revised



resolution plans were ultimately placed before the 12th meeting of the Committee of Creditors held on 11.03.2025.

7. After deliberations, the resolution plans submitted by all the prospective resolution applicants were put to e-voting before the Committee of Creditors. However, none of the resolution plans received the requisite voting share for approval. Consequently, the Committee of Creditors resolved, with 100% voting share, to liquidate the Corporate Debtor under Section 33(2) of the Code. The same is extracted below:

Agenda Item 7, Resolution 4:

To recommend and approve the liquidation process of the Corporate Debtor, M/s. Naolin Infrastructure Private Limited, under Section 33(2), Chapter III of IBC 2016.

“RESOLVED THAT in terms of Explanation to sub-section (2) of section 33, Chapter III of Insolvency and Bankruptcy Code, 2016, the Corporate Debtor,

namely, M/s. Naolin Infrastructure Pvt. Ltd., bearing CIN - U45200TG2010PTC068516, be and is hereby liquidated.”

“RESOLVED FURTHER THAT the Resolution Professional be directed to intimate the Hon’ble Adjudicating Authority in terms of section 33(2) of the IBC, 2016 about the decision of the Committee of Creditors to liquidate the Corporate Debtor.”

The above resolution has been approved by the CoC members 100% voting share.

8. It is settled law that the commercial decision of CoC is non-justiciable. In the present case, it is seen that CoC with 100% majority has passed the resolution seeking liquidation of the Corporate Debtor.



9. Accordingly, we are satisfied that the requirements of Section 33(2) of the Insolvency and Bankruptcy Code, 2016 stand fulfilled and that the Corporate Debtor is liable to be liquidated.

ORDER

- (a) The Corporate Debtor i.e **M/s. Naoline Infrastructure Private Limited**, is put under liquidation process in the manner laid down in Chapter-III of the Code with effect from the date of order.
- (b) The Insolvency and Bankruptcy Board of India (“IBBI”) vide its circular number Liq-12011/214/2023-IBBI/840 dated 18/07/2023, by exercising its powers conferred under Section 34(4)(b) of the Code has recommended that an IP other than the RP/IRP may be appointed as Liquidator in all the cases where Liquidation order is passed henceforth and the Liquidator can be appointed from the panel list of the IBBI.
- (c) Thus, we hereby appoint **Ms. Narala Varalakshmi** having Registration no. **IBBI/IPA-002/IP-N00620/2018-2019/11980**, Address: 1-8-588/29/A, Achhainagar, Baghlinngampally, Backside RTC Kalyana Mandapam, Hyderabad, Telangana, 500044, **email id:** ip.varalakshmin@gmail.com **Mobile No.** 9000987444, as Liquidator whose AFA is valid upto 31.12.2026. She is directed to file her consent in Form AA within 2 days of receipt of the copy of this order.
- (d) The Liquidator shall issue public announcement stating that the Corporate Debtor is in liquidation in terms of Regulation 12 of IBBI (Liquidation Process) Regulations, 2016.
- (e) The Moratorium declared under Section 14 of the code shall cease to have its effect.
- (f) Subject to Section 52 of the Code, no suit or other legal proceedings shall be instituted by or against the Corporate Person. This shall however not apply to legal proceedings in relation to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.



- (g) All powers of the Board of Directors, Key Managerial Personnel and partners of the Corporate Debtor shall cease to have effect and shall be vested in the Liquidator.
- (h) The Liquidator shall exercise the powers and perform duties as envisaged under Sections 35 to 50 and 52 to 54 of the Code, read with Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- (i) The personnel connected with the Corporate Debtor shall extend all assistance and co-operation to the Liquidator as would be required for managing its affairs.
- (j) The Liquidator shall be entitled to such fees as may be specified by the Board in terms of Section 34 (8) of the Code.
- (k) This order shall be deemed to be a notice of discharge to the Officers, employees and workmen of the Corporate Debtor, except when the business of the Corporate Debtor is continued during the liquidation process by the Liquidator.
- (l) The Applicant herein is directed to serve a copy on the Liquidator appointed herein above.
- (m) The Regional Director, Ministry of Corporate Affairs, Registrar of Companies & Official Liquidator, Hyderabad, the Registered Office of the Corporate Debtor and the Liquidator.

Sd/-

Sanjay Puri
Member (Technical)

Sd/-

Rajeev Bhardwaj
Member (Judicial)



IN THE NATIONAL COMPANY LAW TRIBUNAL,

HYDERABAD BENCH -I, HYDERABAD

IA(IBC) 456/2025

In

CP(IB) No. 69/9/HDB/2023

(Under section 14 of the Insolvency and Bankruptcy Code, 2016)

In the Matter of M/s. Naoline Infrastructure Private Limited

BETWEEN:

Maligi Madhusudhana Reddy

Resolution Professional of M/s. Naoline Infrastructure Private Limited

4th Floor HSR Eden, Road No.2,

Banjarahills, Hyderabad, Telangana - 500034

.... Applicant/Resolution Professional

Versus

The Joint Commissioner,

Central Goods and Services Tax

Office of the Principal Commissioner of

Central Goods & Service Tax and Central Excise,

Pune-I, GST Bhavan, 41/A, Sassoon Road,

Opp. Wadia College, Pune-411001.

...Respondent

Date of Order : 18.03.2026



Coram:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

Parties/Counsels:

For Applicant : Party-in-Person

For Respondent : None appeared

ORDER

1. The present application is filed by Maligi Madhusudhana Reddy¹, Resolution Professional of M/s. Naoline Infrastructure Private Limited² against the Joint Commissioner, Central Goods and Services Tax ³ Under section 60(5) read with section 14 of the Insolvency and Bankruptcy Code⁴, 2016, inter alia, seeking to set aside the Order in Original No. PUN-CGST-001/JC-VGM203/2024-25 dated 03-02-2025 passed by the Joint Commissioner, Central Goods and Services Tax, Office of the Principal Commissioner of Central Goods & Service Tax and Central Excise, Pune-I on the Corporate Debtor.

Brief Submissions of the Applicant:

2. It is submitted that this Tribunal, vide order dated 04.06.2024 in C.P. (IB) No. 69/9/HDB/2023, admitted the Corporate Debtor into Corporate Insolvency Resolution Process (CIRP) and appointed Mr. Pankaj Bhattad as the Interim Resolution Professional (IRP). Subsequently, on an application filed in I.A. (IBC) No. 1523 of 2024, this Tribunal, vide order dated 23.07.2024, replaced the IRP and

¹ Applicant/Resolution professional

² Corporate Debtor

³ Respondent

⁴ Code



appointed the present Applicant as the Resolution Professional to conduct the CIRP of the Corporate Debtor.

3. The Applicant submits that, in response to the Public Announcement in Form 'A' issued by the Interim Resolution Professional on 06.06.2024, inviting claims from creditors, the Respondent filed its claim in Form 'B' on 03.09.2024, claiming an amount of Rs. 8,53,86,361/- against the Corporate Debtor on the basis of Show Cause Notice No. 13/2023-24 (GST) dated 29.08.2023.
4. It is submitted that the Applicant communicated the non-admission of the said claim, stating that there was no crystallized demand order establishing the liability prior to the commencement of CIRP of the Corporate Debtor.
5. The Applicant further submits that the Respondent thereafter issued a notice for final personal hearing dated 10.09.2024. In response, the Applicant submitted a detailed reply informing the Respondent that the Corporate Debtor was undergoing CIRP and that moratorium had been declared by this Tribunal, thereby prohibiting the institution or continuation of any proceedings against the Corporate Debtor.
6. It is submitted that the Respondent subsequently issued another notice dated 03.01.2025, fixing a personal hearing on 09.01.2025 through video conferencing. The Applicant once again submitted a reply reiterating that, in view of the moratorium declared under Section 14 of the Code, continuation of any proceedings against the Corporate Debtor was impermissible.
7. The Applicant submits that, despite the above submissions, the Respondent issued another notice dated 13.01.2025, fixing a personal hearing on 16.01.2025. The Applicant again submitted a detailed reply reiterating the subsistence of the moratorium and requested the



Respondent to keep the proceedings in abeyance till the moratorium was lifted.

8. It is further submitted that the Respondent continued to issue further notices dated 17.01.2025 and 22.01.2025, fixing hearings on 21.01.2025 and 27.01.2025 respectively. The Applicant states that he attended the hearing held on 27.01.2025 through video conferencing and reiterated that the Corporate Debtor was undergoing CIRP and that the moratorium under the Code was in force.
9. The Applicant submits that, notwithstanding the repeated submissions regarding the moratorium, the Respondent proceeded to pass Order-in-Original No. PUN-CGST-001/JC-VGM-203/2024-25 dated 03.02.2025, holding that the Corporate Debtor had availed ineligible Input Tax Credit of Rs. 8,53,86,361/-, and further imposed penalties including (i) penalty of Rs. 8,53,86,361/- for availment of ITC without receipt of goods or services, (ii) penalty of Rs. 5,87,07,682/- for issuance of invoices without underlying supply, and (iii) penalty of Rs. 50,000/- for contravention of provisions of the CGST/SGST Act, 2017.
10. It is submitted that the Applicant thereafter addressed a reply to the said Order-in-Original, reiterating that during the currency of the moratorium, no proceedings could be continued against the Corporate Debtor.
11. The Applicant contends that the impugned order has been passed during the subsistence of the moratorium declared under Section 14 of the Insolvency and Bankruptcy Code, 2016, and is therefore illegal and unsustainable in law, as the provisions of the Code override other legislations in relation to the prohibition or continuation of proceedings against the Corporate Debtor.



12. Accordingly, the Applicant has approached this Tribunal seeking setting aside of the Order-in-Original dated 03.02.2025 passed by the Respondent.

Respondent:

13. It is noted that the Respondent–Assistant Commissioner of Income Tax was duly served with notice on 20.03.2025. However, despite service of notice, the Respondent failed to appear before this Tribunal on 02-04-2025, and remained absent on the subsequent hearing dates.

Findings and Decision:

14. We have heard Mr. Maligi Madhusudhana Reddy, Resolution Professional/Applicant, and perused the material available on record.

15. On perusal of the record, we observe that this Tribunal, vide order dated 04.06.2024 admitted the Corporate Debtor into Corporate Insolvency Resolution Process (CIRP) and consequently the moratorium under Section 14 of the Code came into force.

16. We further observe that the Respondent had issued a Show Cause Notice dated 29.08.2023 to the Corporate Debtor prior to the commencement of CIRP. After initiation of CIRP on 04.06.2024, the Respondent filed a claim in Form-B on 03.09.2024 before the Resolution Professional on the basis of the said Show Cause Notice.

17. However, the Applicant did not admit the claim as no final adjudicated order determining the liability of the Corporate Debtor existed as on the insolvency commencement date.

18. It is further observed that the Resolution Professional, through various communications, informed the Respondent that the Corporate Debtor was undergoing CIRP and that moratorium under Section 14 was in force. Despite the same, the Respondent continued with the



adjudication proceedings and issued multiple notices fixing personal hearings.

19. Ultimately, the Respondent proceeded to pass Order-in-Original No⁵. PUN-CGST-001/JC-VGM-203/2024-25 dated 03.02.2025, determining tax liability and imposing penalties against the Corporate Debtor.
20. In this context, the **Hon'ble NCLAT in Employees' Provident Fund v. Jaykumar Pesumal Arlani (RP), (2025) ibclaw.in 10 NCLAT**, has categorically held that once moratorium under Section 14(1) comes into effect, no assessment proceedings can be continued, and any claim arising out of an assessment carried out during the moratorium period cannot be pressed in the CIRP. The relevant para is extracted below:

“24. In view of the aforesaid, we answer Question Nos.(1) and (2) in following manner:

(1) We hold that after initiation of moratorium under Section 14, sub-section (1), no assessment proceedings can be continued by the EPFO. If after an order of liquidation is passed, Section 33, sub-section(5), does not prohibit initiation or continuation of assessment proceedings.

(2) No claim on the basis of assessment carried during the moratorium period, which is prohibited under Section 14(1) can be pressed in the CIRP.”

21. Similarly, the Hon'ble NCLAT in **CA Pankaj Shah v. Employee Provident Fund Organisation (EPFO) and Anr., (2025) ibclaw.in 699 NCLAT**, has held that demands arising from assessments conducted during the moratorium period are not enforceable against the Corporate Debtor. The relevant portion reads as under:

“11. Insofar as the application filed by the Resolution Professional being IA No.5 of 2024, the prayer was to seek a declaration that demand made under Section 7A, 7Q & 14B are not enforceable against the Corporate Debtor. In view of the law as laid down by this Tribunal, Resolution Professional has made out a case for issuing a direction that the said demand was unenforceable which arose on the basis of assessment made during the Moratorium. We having taken the view that the demand made by the EPFO on the basis of inspection report dated

⁵ Page No. 62 - 96 of the Application



10.05.2023 and assessment dated 25.05.2023 was not enforceable and the prayer made by the EPFO in IA No.409 of 2024 was not acceptable. It is not necessary to consider other submissions raised by EPFO challenging the direction issued by Adjudicating Authority directing the EPFO to give name of the employees with determination. We are satisfied that the order of the Adjudicating Authority passed in IA No.5 of 2024 as well as IA No.409 of 2024 is unsustainable. We do not see any necessity to consider any other submissions raised by the parties.”

22. In the present case, the Applicant has approached this Tribunal seeking to set aside the Order-in-Original No. PUN-CGST-001/JC-VGM-203/2024-25 dated 03.02.2025 passed by the Respondent. From the record, it is evident that the said Order-in-Original was passed during the period when the moratorium declared by this Tribunal under Section 14 of the Code was in force.
23. The determination of liabilities and imposition of penalties against the Corporate Debtor during the subsistence of the moratorium clearly amounts to continuation of proceedings against the Corporate Debtor, which is impermissible in view of the statutory bar contained in Section 14 of the Code.
24. In light of the above settled position of law, the **Order-in-Original No. PUN-CGST-001/JC-VGM-203/2024-25 dated 03.02.2025** passed by the Respondent against the Corporate Debtor during the subsistence of the moratorium **is not enforceable**.

Accordingly, the **IA(IBC) 456/2025** in **CP(IB) No. 69/9/HDB/2023** is allowed and disposed of.

Sd/-

Sanjay Puri
Member (Technical)

Sd/-

Rajeev Bhardwaj
Member (Judicial)



IN THE NATIONAL COMPANY LAW TRIBUNAL,

HYDERABAD BENCH -I, HYDERABAD

IA (IBC) 844 of 2025

IN

CP(IB)NO. 69/9/HDB/2023

(Under Section U /S 60(5) of IBC,2016 R/w Rule.11 Of NCLT Rules, 2016)

In the Matter of M/s. Naoline Infrastructure Private Limited

BETWEEN:

Mr. Prabhakar Reddy Nallapu,

MSME Promoter and Suspended Director,

R/o D. No. 2-2-18/19, DD Colony,

Hyderabad-500030.

...Applicant

Versus

1. Mr. Maligi Madhusudhana Reddy,

Resolution Professional,

Address: MMR Lion Corp, 4th Floor, HSR Eden,

Road No. 2, Banjara Hills, Hyderabad-500034.

2. Committee of Creditors

Represented by Canara Bank, Stressed Assets Management Branch,

1-7-1, 2nd Floor, TSR Complex, Sardar Patel Road,

Secunderabad-500003.

....Respondents

Date of Order: 18.03.2026



Coram:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

Parties/Counsels:

For Applicant : Mr. B. Nitish, Advocate

For Respondent No.1/RP : *Party-in Person*

For respondent No.2 : Mr. Manav Gecil Thomas, Advocate

ORDER

1. The present application is filed by Mr. Prabhakar Reddy Nallapu¹, the suspended director of M/s. Naoline Infrastructure Private Limited² under section 60(5) of Insolvency and Bankruptcy Code³, 2016 r/w Rule.11 of NCLT Rules, 2016, against the Respondents, inter alia, seeking for the following relief:

To set aside the minutes of the 12th Committee of Creditors meeting dated 11.03.2025 by consequently directing Respondent No. 2 to consider the Resolution Plan dated 11.03.2025 submitted by the Applicant; or, in the alternative, direct the CoC to consider the OTS offer dated 11.04.2025 and the letter dated 24.04.2025.

Case of the Applicant:

2. It is submitted that the Applicant is the suspended Director of the Corporate Debtor, an MSME incorporated on 20.05.2010 and engaged in infrastructure development and EPC works. This Tribunal, vide order dated 04.06.2024 admitted the Corporate Debtor into CIRP in a petition filed under Section 9 of the Code by M/s. Mytrah Vayu (Som)

¹ Applicant

² Corporate Debtor

³ Code



Private Limited and appointed Mr. Pankaj Bhattad as the Interim Resolution Professional.

3. It is submitted that pursuant to commencement of CIRP, the Interim Resolution Professional issued a public announcement on 08.06.2024, inviting creditors to submit their claims on or before 20.06.2024. Upon verification of the claims received, the Resolution Professional prepared the list of creditors and constituted the Committee of Creditors⁴ comprising five financial creditors, with Canara Bank as the lead bank, along with Union Bank of India, Indian Overseas Bank, UCO Bank, and Karnataka Bank Limited, which was taken on record by this Tribunal vide order dated 03.07.2024 in IA (IBC) 1355/2024.
4. Subsequently, on an application filed by the CoC via I.A. (IBC) No. 1523 of 2024, this Tribunal, vide order dated 23.07.2024, replaced the Interim Resolution Professional and appointed Mr. Maligi Madhusudhana Reddy⁵ as the Resolution Professional (RP) of the Corporate Debtor.
5. It is submitted that the Resolution professional issued Form-G on three occasions on 23.08.2024, 02.10.2024 and 14.11.2024, Pursuant to that the Applicant, being eligible under Section 240A of the Code, submitted his Expression of Interest and was declared a Prospective Resolution Applicant along with two others. The details of the PRAs
 - i. M/s. Ardha Holding Private Limited;
 - ii. Mr. Sandeep Om prakash Agarwal; and
 - iii. Mr. Prabhakar Reddy Nallapu (Applicant)
6. It is further submitted that the Applicant initially submitted a Resolution Plan dated 12.02.2025. Pursuant to suggestions made in the 11th CoC meeting held on 18.02.2025, the Applicant submitted a

⁴ Respondent No.1/CoC

⁵ Respondent No.1/RP



revised Resolution Plan on 11.03.2025 for an amount of Rs. 15,31,75,318/-, which was placed before the CoC in its 12th meeting.

7. According to the Applicant, the deliberations recorded in the 12th CoC meeting indicate that the plan submitted by the Applicant was the highest among the three resolution applicants and secured the highest score under the Evaluation Matrix. However, the CoC rejected the said plan with 96% voting share and, in the same meeting, resolved with 100% voting to initiate liquidation of the Corporate Debtor.
8. The Applicant further submits that thereafter the Applicant has submitted a One Time Settlement (OTS) proposal dated 11.04.2025 for Rs. 70 Crore as a composite settlement for revival of the Corporate Debtor and settlement of liabilities relating to personal and corporate guarantors. The Applicant also responded to queries raised in the Joint Lenders Meeting held on 22.04.2025 through a letter dated 24.04.2025.
9. It is contended that the proposed value of OTS is higher than the liquidation value and, therefore, the decision of the CoC to proceed with liquidation is unjustified, particularly considering that the Corporate Debtor is an MSME capable of revival as a going concern.
10. The Applicant further relies upon the judgment of the Hon'ble Supreme Court in ***Hari Babu Thota v. Shree Aashraya Infra-Con Ltd. (Resolution Professional), 2023 SCC OnLine SC 1642***, wherein the pivotal role of MSMEs in the national economy has been recognized.
11. It is the contention of the Applicant that the rejection of the revised Resolution Plan without assigning reasons is arbitrary and contrary to the objective of the Code, which prioritizes resolution and value maximization over liquidation.



12. Accordingly, the Applicant seeks setting aside of the CoC decision and a direction for consideration of his Resolution Plan or, in the alternative, the OTS proposal and related communications.

Case of the Respondent No.1:

13. It is submitted on behalf of Respondent No. 1 that the Applicant has no locus standi to file the present Application and that the same is devoid of merit.
14. It is further submitted that the prayers sought by the Applicant are contrary to law and unsustainable. Insofar as the prayer to set aside the minutes of the 12th CoC meeting dated 11.03.2025 is concerned, it is contended that the Applicant has not raised any legal or factual issue warranting interference by this Tribunal.
15. With regard to the prayer seeking a direction to Respondent No. 2 to consider the Resolution Plan dated 11.03.2025 and, in the alternative, the OTS proposal dated 11.04.2025 and letter dated 24.04.2025, Respondent No. 1 submits that the same pertains to the decision of the CoC. Hence, Respondent No. 1 does not offer any specific counter to the said prayers.
16. It is submitted that the RP placed all the resolution plans before the Committee of Creditors during the 12th CoC meeting and were subsequently put to vote. The Committee of Creditors deliberated upon all the Resolution Plans received and duly recorded the discussions, including the details of the highest bid, in the minutes of the meeting. It is contended that the outcome of the e-voting, including the rejection of the Applicant's plan with 96% voting share, is purely a decision arising out of the commercial wisdom of the CoC, in which Respondent No. 1 has no role.
17. It is submitted on behalf of Respondent No. 1 that the approval of liquidation by the CoC is a matter falling within the commercial wisdom of the CoC, in which Respondent No. 1 has no role.



18. It is further submitted that the averments relating to the OTS proposal of Rs. 70 Crore and the settlement concerning personal and corporate guarantors are matters between the Applicant and the CoC and fall outside the scope of the CIRP.
19. It is submitted on behalf of Respondent No. 1 that the allegations regarding the rejection of the revised Resolution Plan are directed against Respondent No. 2 and not against Respondent No. 1. Without prejudice, Respondent No. 1 denies the allegations that the decision of the CoC is arbitrary or contrary to the objective of the Code, and submits that such averments are baseless and without substance.
20. It is further submitted that the decision regarding approval or rejection of a Resolution Plan lies within the commercial wisdom of the Committee of Creditors, which is not subject to judicial review by the Adjudicating Authority. In this regard, reliance is placed on the judgment of the Hon'ble Supreme Court in *K. Sashidhar v. Indian Overseas Bank & Ors.* (Civil Appeal No. 10673 of 2018), wherein it was held that the Adjudicating Authority cannot enquire into the justness of the commercial decision of the CoC in approving or rejecting a Resolution Plan, as such decisions are non-justiciable.

Case of the Respondent No.2:

21. It is submitted that the Resolution Professional initially issued Form-G on 23.08.2024 inviting Expressions of Interest (EOIs). As only one EOI was received, Form-G was re-issued on 02.10.2024 and 14.11.2024. Pursuant thereto, EOIs were received from M/s. Ardha Holding Private Limited, Mr. Sandeep Om Prakash Agarwal, and Mr. Prabhakar Reddy Nallapu (Applicant), who were accordingly declared as Prospective Resolution Applicants (PRAs)
22. It is further submitted that during the 11th CoC meeting held on 18.02.2025, the Resolution Plans submitted by the Prospective Resolution Applicants were deliberated upon. The CoC expressed



concerns regarding the Applicant's plan, particularly Clause 27.9 relating to discharge of personal and corporate guarantees, and sought a revised plan exclusively for the Corporate Debtor with an enhanced plan amount.

23. Pursuant to the 11th CoC meeting, the Applicant submitted a revised Resolution Plan proposing an investment of Rs. 1531.75 lakhs with an implementation period of 270 days. In the 12th CoC meeting held on 11.03.2025, the revised plans were considered and, although the Applicant's bid was the highest, it was found to be significantly lower than the fair and liquidation value of the Corporate Debtor and secured a score of 33.02 out of 100 under the Evaluation Matrix.
24. It is further submitted that the Resolution Plan did not provide for deposit of margin or substitution of live bank guarantees amounting to Rs. 1.99 Crores and did not propose any contribution from the pending arbitration claims. It is contended that the plan relied mainly on sale of non-core assets without confirmed funding arrangements, raising concerns regarding feasibility and implementation. Considering that the offered amount was significantly lower than the average liquidation value, the CoC is of the view that better recovery could be achieved through liquidation by sale of securities.
25. It is submitted on behalf of Respondent No. 2 that the OTS proposal submitted by the Applicant for Rs. 70 Crores was considered by the consortium of lenders but was not accepted. It is stated that the effective offer to the member banks was only Rs. 61.92 Crores after adjusting Rs. 8.08 Crores already realized from sale of certain properties. The lenders also noted difficulties in identification and demarcation of properties at Peddakandukuru, as assets of the Corporate Debtor and those of the personal and corporate guarantors were clubbed together, affecting access and marketability.



26. It is further submitted that the consortium deliberated upon the proposal and raised concerns regarding the repayment schedule, release of securities, and maintenance of margins for live bank guarantees. The lenders also required the Applicant to deposit Rs. 7 Crores in a no-lien account as a demonstration of bona fides and to maintain 100% margin for the live bank guarantees.
27. It is submitted that during the discussions, the Applicant suggested release of properties proportionate to payments and requested a minimum period of two years for implementation of the OTS proposal. The lenders, however, expressed reservations, noting that withdrawal of CIRP under Section 12A would require initiation by the Operational Creditor.
28. It is further submitted that the Applicant proposed bifurcation of the offer into resolution of the Corporate Debtor under CIRP and settlement of personal guarantees separately, which was not accepted by the consortium. The possibility of assignment to an ARC was also suggested, to which the Applicant stated that he would revert.
29. It is further stated that no revised proposal was subsequently submitted and the alleged letter dated 24.04.2025 was never received by Respondent No. 2, nor has any proof of service been placed on record.

FINDINGS AND DECISION:

30. We have heard Mr. B. Nitish, learned counsel for the Applicant, Mr. Maligi Madhusudhan Reddy, the Respondent No.1/Resolution Professional, and Mr. Manav Gecil Thomas, learned counsel for Respondent No.2, and perused the record.
31. At the outset, the Respondents have raised an objection regarding the locus standi of the Applicant to maintain the present Application. In this regard, we place our reliance on the judgment of the Hon'ble Supreme Court in ***Kalyani Transco v. Bhushan Power & Steel Ltd.***,



2025 INSC 1165, wherein it was held that challenges by erstwhile promoters cannot be rejected merely on the ground of locus standi when the resolution process affects their rights. The relevant extract reads as follows:

“63. In view of the aforesaid judgment of this Court, since the Resolution Plan also affects the rights of the guarantors, we find that the SRA – JSW and the CoC are not right in submitting that the appeals at the instance of the appellants would not be maintainable. In any case, rather than nonsuiting the appellants on the ground of locus, we propose to decide the appeals on merits after considering the submissions made on behalf of all the parties. However, while doing so, it will also be apposite to consider the conduct of the erstwhile promoters during the CIRP.”

32. In view of the above, we are of the considered view that the Applicant cannot be non-suited solely on the ground of locus standi. Where the resolution process or decisions taken therein are alleged to affect the rights of the suspended director, such challenge ought to be examined on merits rather than rejected at the threshold. Accordingly, we proceed to examine the present Application on merits.
33. Coming to the merits of the Application, the present Application has been filed primarily seeking (i) setting aside of the minutes of the 12th CoC meeting dated 11.03.2025, (ii) a direction to consider the Resolution Plan submitted by the Applicant dated 11.03.2025, and (iii) in the alternative, a direction to consider the OTS proposal dated 11.04.2025 along with the communication dated 24.04.2025.
34. The Learned counsel for the Applicant submitted that the Applicant, being the suspended director of an MSME Corporate Debtor, had submitted a revised Resolution Plan in accordance with the suggestions made by the CoC during the 11th CoC meeting.



35. The Learned counsel for the Applicant submitted that the revised plan offered the highest bid among the prospective resolution applicants and also secured the highest score under the Evaluation Matrix. It is further submitted that despite the same, the CoC rejected the Resolution Plan with 96% voting share without providing any reasons and proceeded to approve liquidation of the Corporate Debtor with 100% voting share.
36. According to the Applicant, such rejection is arbitrary and contrary to the objective of the Code which prioritizes resolution over liquidation, particularly in the case of MSMEs. The Applicant has also contended that the OTS proposal of Rs. 70 Crores offered a value higher than the liquidation value and ought to have been considered.
37. Per contra, learned counsel for Respondent No. 1 submitted that the role of the Resolution Professional is limited to placing the compliant Resolution Plans before the CoC and facilitating the decision-making process. It is contended that all resolution plans were placed before the CoC and were subjected to e-voting. The rejection of the Applicant's plan with 96% voting share and the subsequent decision to proceed with liquidation are matters falling squarely within the commercial wisdom of the CoC, in which the Resolution Professional has no role.
38. The learned counsel for Respondent No. 2 (CoC) submitted that the Applicant's Resolution Plan was deliberated upon in the CoC meetings and was rejected for valid commercial reasons. It is submitted that although the Applicant's bid was the highest among the bidders, the amount offered was significantly lower than the fair value and average liquidation value of the Corporate Debtor. It is further contended that the plan proposed payment primarily through sale of non-core assets without confirmed funding arrangements and did not provide for substitution of live bank guarantees amounting to Rs. 1.99 Crores. According to the CoC, these factors raised serious concerns regarding the feasibility and viability of the plan, and therefore the Financial



Creditors formed the view that better recovery could be achieved through liquidation.

39. We have carefully considered the rival submissions and perused the material on record. It is well settled that the commercial wisdom of the Committee of Creditors is ordinarily non-justiciable. The Hon'ble Supreme Court in **Vallal RCK v. Siva Industries and Holdings Ltd., (2022) 9 SCC 803**, has held that the Adjudicating Authority cannot sit in appeal over the commercial decision of the CoC. The relevant paragraph reads as follows:

“24. When 90% and more of the creditors, in their wisdom after due deliberations, find that it will be in the interest of all the stakeholders to permit settlement and withdraw CIRP, in our view, the adjudicating authority or the appellate authority cannot sit in an appeal over the commercial wisdom of CoC. The interference would be warranted only when the adjudicating authority or the appellate authority finds the decision of the CoC to be wholly capricious, arbitrary, irrational and de hors the provisions of the statute or the Rules.”

40. The above principle has been consistently reiterated by the Hon'ble Supreme Court in several judgments. The Hon'ble Supreme Court in **Kalyani Transco v. Bhushan Power & Steel Ltd. (MANU/SC/1343/2025)**, again emphasized that the legislature has consciously not provided any mechanism to challenge the commercial wisdom of the CoC, rendering such decisions largely non-justiciable except where there is a clear violation of the provisions of the Code or the Regulations. The Court observed that interference with the commercial decision of the CoC without such statutory grounds would defeat the very objectives of the Insolvency and Bankruptcy Code.
41. Applying the above principles to the present case, it is evident that the Resolution Plan submitted by the Applicant was placed before the



Committee of Creditors (CoC) and deliberated upon in its meetings. In the 12th CoC meeting⁶ held on 11.03.2025, the CoC under Agenda Item No. 7, Resolution No. 3 recorded that the plan value offered was significantly lower than the liquidation value and that the proposal relied on the sale of non-core assets without confirmed funding arrangements, thereby raising concerns regarding the feasibility and implementation of the plan. Consequently, the Resolution Plan submitted by the Applicant was not approved by the CoC. The same is extracted below:

Agenda Item 7, Resolution 3:

To discuss, consider and approve the resolution plan submitted (revised improved) by Nallapu Prabhakar Reddy:

"RESOLVED THAT the Resolution Plan submitted by (revised improved) by Nallapu Prabhakar Reddy for Rs.15,31,75,318/- be and hereby considered and approved."

The above resolution was not approved by the CoC members



42. We further observe that the Applicant, except contending that the Resolution Plan submitted by him offered the highest value, has not placed any material on record to demonstrate that the rejection of the plan by the CoC is arbitrary or contrary to the provisions of the Code.
43. In the absence of any material showing that the decision of the CoC suffers from arbitrariness, illegality, or violation of the provisions of the Code or the Regulations, this Tribunal cannot substitute its view for that of the CoC. The jurisdiction of this Adjudicating Authority is limited to examining whether the decision-making process of the CoC is in conformity with the provisions of the Code and the Regulations.
44. In this regard, more recently, the Hon'ble Supreme Court in **Torrent Power Limited v. Ashish Arjankumar Rathi, 2026 INSC 206**,

⁶ Page No.68-105 of the Application



reiterated that the commercial wisdom of the CoC enjoys primacy and cannot be supplanted by judicial review. The Court observed that neither the NCLT nor the NCLAT, nor even the Supreme Court, is empowered to substitute its assessment in place of the commercial decision taken by the requisite majority of the CoC

45. Similarly, with respect to the OTS proposal submitted by the Applicant, the material on record indicates that the consortium of lenders deliberated upon the proposal and conveyed their concerns regarding the effective value offered, the issues relating to identification and release of properties, and the absence of a concrete repayment schedule.
46. Moreover, the decision to accept or reject the OTS proposal does not fall within the ambit of this Tribunal, and therefore this Tribunal is not inclined to enter into or adjudicate upon the settlement between the parties.
47. Therefore, we are of the considered view that no ground was made to interfere with the commercial decision taken by the Committee of Creditors in rejecting the Resolution Plan submitted by the Applicant and proceeding with liquidation of the Corporate Debtor.

Accordingly, the IA (IBC) 844 of 2025 in CP(IB)NO.69/9/HDB/2023 is dismissed and disposed of.

Sd/-

Sanjay Puri
Member (Technical)

Sd/-

Rajeev Bhardwaj
Member (Judicial)



IN THE NATIONAL COMPANY LAW TRIBUNAL,

HYDERABAD BENCH -I, HYDERABAD

IA(IBC) 1284/2025

In

CP(IB) No. 69/9/HDB/2023

(Under section 60(5) read with section 14 of the Insolvency and Bankruptcy Code, 2016)

In the Matter of M/s. Naoline Infrastructure Private Limited

BETWEEN:

Maligi Madhusudhana Reddy

Resolution Professional of M/s. Naoline Infrastructure Private Limited

4th Floor HSR Eden, Road No.2,

Banjarahills, Hyderabad, Telangana - 500034

.... Applicant/Resolution Professional

Versus

Assistant Commissioner of Income Tax,

Central Circle, Central Circle-2(4) Hyderabad

...Respondent

Date of Order: 18.03.2026



Coram:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

Parties/Counsel:

For Applicant : *Party-in-person*

For Respondent : None appeared

ORDER

1. The present application is filed by Maligi Madhusudhana Reddy¹, Resolution Professional of M/s. Naoline Infrastructure Private Limited² against the Assistant Commissioner of Income Tax, Central Circle, Central Circle-2(4) Hyderabad³ Under section 60(5) read with section 14 of the Insolvency and Bankruptcy Code⁴, 2016, inter alia, seeking to set aside the Orders passed by the Assistant Commissioner of Income Tax, Central Circle-2(4), Hyderabad during the moratorium period.

Brief averments of the Applicant:

2. It is submitted that this Tribunal, vide order dated 04.06.2024 in C.P. (IB) No. 69/9/HDB/2023, admitted the Corporate Debtor into Corporate Insolvency Resolution Process (CIRP) and appointed Mr. Pankaj Bhattad as the Interim Resolution Professional (IRP). Subsequently, on an application filed in I.A. (IBC) No. 1523 of 2024, this Tribunal, vide order dated 23.07.2024, replaced the IRP and appointed the present Applicant as the Resolution Professional to conduct the CIRP of the Corporate Debtor.

¹ Applicant/Resolution professional

² Corporate Debtor

³ Respondent

⁴ Code



3. It is further submitted that during the subsistence of the CIRP and while the moratorium under Section 14 of the Code was in force, the Respondent–Income Tax Department proceeded to pass ten (10) assessment orders against the Corporate Debtor in respect of the Assessment Years 2014–15 to 2020–21 under Sections 144 and 153C of the Income Tax Act, 1961.
4. Pursuant to the said assessment orders, the Respondent raised a demand towards outstanding income tax dues amounting to Rs. 32,35,37,723/-, vide communication dated 10.07.2025.
5. In view of the moratorium imposed on the Corporate Debtor under Section 14 of the Code, the action of the Respondent in passing the aforesaid assessment orders and raising a demand for payment of outstanding income tax dues during the subsistence of the CIRP is contrary to law. Hence, the present application is filed seeking appropriate reliefs before this Tribunal.

Respondent:

6. It is noted that the Respondent–Assistant Commissioner of Income Tax was duly served with notice on 14.08.2025. However, despite service of notice, the Respondent failed to appear before this Tribunal on 09.09.2025, and remained absent on the subsequent hearing dates, 28.10.2025, 16.12.2025 and 04.02.2026.

FINDINGS AND DECISION:

7. We have heard Mr. Maligi Madhusudhana Reddy, Resolution Professional/Applicant, and perused the material available on record.
8. On perusal of the record, we observe that this Tribunal, vide order dated 04.06.2024 admitted the Corporate Debtor into Corporate Insolvency Resolution Process (CIRP) and consequently the moratorium under Section 14 of the Code came into force.



9. We further observe that during the subsistence of the CIRP and while the moratorium was in force, the Respondent–Income Tax Department passed ten (10) assessment orders in respect of the Assessment Years 2014–15 to 2020–21 under Sections 144 and 153C of the Income Tax Act, 1961, and raised a demand for Rs. 32,35,37,723/- vide communication dated 10.07.2025. The same is hereby extracted below:



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE ASSISTANT
COMMISSIONER OF INCOME TAX,
CENTRAL CIRCLE
CENTRAL CIRCLE-2(4)
HYDERABAD

To,
NACLIN INFRASTRUCTURE PRIVATE LIMITED
6-3-1090/1/1/3 UMA HYDERABAD HOUSE, RAJBHAVAN
ROAD SOMAJIGUDA Khairatabad
HYDERABAD 500082, Telangana
India

PAN: AAFCP5359K Dated: 10/07/2025 DIN & Letter No : ITBA/COM/F/17/2025-26/1078369632(1)

Sir/ Madam/ M/s.

Subject: Online service of Orders - Letter

Sir/Madam,

Sub : Non Payment of tax demand – Opportunity-reg.

As per the records of this office, the following demands are pending payable in the case of your company.

Sl. No.	Nature of Demand	Asst. Year	Date of order	Outstanding Demand (in Rs.)
1	144	2014-15	17.02.2025	58,21,450
2	144	2015-16	19.02.2025	1,10,92,622
3	153C	2016-17	16.02.2025	8,81,405
4	153C	2017-18	16.02.2025	15,27,796

Note: If digitally signed, the date of digital signature may be taken as date of document.
AAYKAR BHAWAN, OPPOSITE LB STADIUM, BASHEER BAGH, HYDERABAD, HYDERABAD, Telangana, 500004
Email: HYDERABAD.DCIT.CEN7@INCOMETAX.GOV.IN,

5	144	2018-19	19.02.2025	6,510
6	144	2018-19	19.02.2025	3,61,81,280
7	144	2019-20	25.02.2025	3,07,22,200
8	144	2020-21	29.03.2025	31,55,040
9	144	2020-21	29.03.2025	1,280
10	144	2020-21	29.03.2025	23,41,48,140
			Total	32,35,37,723

2. In this connection, you are herewith requested to furnish status of the above demands with detailed remarks. In case any rectification petition or any appeal is pending, copy of relevant order/petition also may be furnished so as to take necessary action. Where the demand is payable, the same may please be paid immediately and a copy of challan in proof of payment may be furnished to this office failing which suitable action for recovery of the demand will be initiated as per the provisions of the Act.

RAKESH KUMAR
CENTRAL CIRCLE-2(4) HYDERABAD

(In case the document is digitally signed please refer Digital Signature at the bottom of the page)

10. From the material placed on record, it is evident that the aforesaid assessment orders were passed during the period when the



moratorium under Section 14 of the Code was in force. It is a settled principle of law that by virtue of Section 14(1)(a) of the Code, 2016, upon the commencement of CIRP, there is an automatic moratorium prohibiting, inter alia, the institution or continuation of suits or proceedings against the Corporate Debtor, including execution of any judgment, decree, or order in any court of law, tribunal, arbitration panel, or other authority.

11. In this context, the ***Hon'ble NCLAT in Employees' Provident Fund v. Jaykumar Pesumal Arlani (RP), (2025) ibclaw.in 10 NCLAT***, has categorically held that once moratorium under Section 14(1) comes into effect, no assessment proceedings can be continued, and any claim arising out of an assessment carried out during the moratorium period cannot be pressed in the CIRP. The relevant para is extracted below:

“24. In view of the aforesaid, we answer Question Nos.(1) and (2) in following manner:

(1) We hold that after initiation of moratorium under Section 14, sub-section (1), no assessment proceedings can be continued by the EPFO. If after an order of liquidation is passed, Section 33, sub-section(5), does not prohibit initiation or continuation of assessment proceedings.

(2) No claim on the basis of assessment carried during the moratorium period, which is prohibited under Section 14(1) can be pressed in the CIRP.”

12. Similarly, the Hon'ble NCLAT in ***CA Pankaj Shah v. Employee Provident Fund Organisation (EPFO) and Anr., (2025) ibclaw.in 699 NCLAT***, has held that demands arising from assessments conducted during the moratorium period are not enforceable against the Corporate Debtor. The relevant portion reads as under:

“11. Insofar as the application filed by the Resolution Professional being IA No.5 of 2024, the prayer was to seek a declaration that demand made under Section 7A, 7Q & 14B are not enforceable against the Corporate Debtor. In view of the law as laid down by this Tribunal, Resolution Professional has made out a case for issuing a direction that the said demand was unenforceable which arose on the basis of assessment made during the Moratorium. We having taken the view



that the demand made by the EPFO on the basis of inspection report dated 10.05.2023 and assessment dated 25.05.2023 was not enforceable and the prayer made by the EPFO in IA No.409 of 2024 was not acceptable. It is not necessary to consider other submissions raised by EPFO challenging the direction issued by Adjudicating Authority directing the EPFO to give name of the employees with determination. We are satisfied that the order of the Adjudicating Authority passed in IA No.5 of 2024 as well as IA No.409 of 2024 is unsustainable. We do not see any necessity to consider any other submissions raised by the parties.”

13. In light of the above, the ten assessment orders passed by the Respondent during the subsistence of the moratorium are *non est* in law, and unenforceable. Consequently, the demand of Rs. 32,35,37,723/- raised pursuant to the said assessment orders vide communication dated 10.07.2025 is not enforceable against the Corporate Debtor during the CIRP.

Accordingly, the **IA(IBC) 1284/2025** in **CP(IB) No. 69/9/HDB/2023** is allowed and disposed of.

Sd/-

Sanjay Puri
Member (Technical)

Sd/-

Rajeev Bhardwaj
Member (Judicial)