SL. No.7

NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH

COURT HALL NO: II

Hearing Through: VC and Physical (Hybrid) Mode

CORAM: SHRI. RAJEEV BHARDWAJ – HON'BLE MEMBER (J)
CORAM: SHRI. SANJAY PURI - HON'BLE MEMBER (T)

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH, HELD ON 05.08.2025 at 10:30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	**IA (IBC)/612/2025 in CP (IB) No.158/7/HDB/2018**
NAME OF THE COMPANY	**Ciscon Projects Pvt Ltd**
NAME OF THE PETITIONER(S)	**Tata Capital Financial Services Ltd**
NAME OF THE RESPONDENT(S)	**Ciscon Projects Pvt Ltd**
UNDER SECTION	**7 of IBC**

ORDER

IA (IBC)/612/2025

Orders pronounced, recorded vide separate sheets. In the result, the IA (IBC)/612/2025 is allowed.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

Vamsi

IN THE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH, COURT-II

I.A (IBC) No. 612 of 2025

IN

C.P (IB) No.158/7/HDB/2018

[Under Section 60(5) of Insolvency and Bankruptcy Code, 2016, r/w Rule 11 of National Company Law Tribunal Rules, 2016]

IN THE MATTER OF M/s. Ciscons Projects Private Ltd.

BETWEEN:

M/s. Rocksolid Infra Private Limited
(Formerly **Ciscons Projects Private Limited**),
R/o. Flat No. 604, Tirumala Shah Residency,
Yellareddyguda Ameerpet, Hyderabad- 500016,
Rep. by its Director Mr. P. Praveen

.........Applicant

Versus

1. **Commercial Tax Department**,
   Assistant Commissioner (State Tax),
   Srinagar Colony-I Circle, Punjagutta Division,
   Hyderabad, office at 5th floor, Mayur Kushal Complex,
   Abids, Hyderabad.

.........Respondent No. 1

2. **Ms. Sandhya Tadla**,
   Erstwhile Resolution Professional of
   Ciscons Projects Private Limited,
   Plot No. 18, Chandragiri Colony, Secunderabad,
   Telanagana- 500016.

.........Respondent No. 2

Date of Order: 05.08.2025

Coram:

Hon'ble Shri Rajeev Bhardwaj, Member (Judicial)

Hon'ble Shri Sanjay Puri, Member (Technical)

Counsels Present

For Applicant : VVSN Raju, Advocate.

[PER: Bench]

ORDER

1. This Application is filed by Rocksolid Infra Private Limited (Formerly Ciscons Projects Private Limited, hereinafter referred to as **Corporate Debtor/CD**) against the Commercial Tax Department, the Respondent No. 1 herein, seeking the following relief:

   a. To declare the Arrear notices vide No. JA-1/GST/Arrears/36AADCC5050C1Z6/2024 dated 05.10.2024 and 09.12.2024, respectively issued by Respondent No. 1 as illegal, arbitrary & non-est and consequently set-aside or quash the said notices. Further, restrain the Respondent No. 1 from taking any further coercive action against the Applicant Company in relation to the alleged past dues for FY 2018-2019 and FY 2019-20 until disposal of the instant Application.

2. **Application**

   (i) TATA Capital Financial Services Limited had filed CP (IB) No. 158/7/HDB/2018, under Section 7 of Insolvency and Bankruptcy Code, 2016 seeking initiation of Corporate Insolvency Resolution Process (**CIRP**) against the CD/Applicant Company (Formerly Ciscons Projects Private Limited).

   (ii) CD was admitted to CIRP by this Authority vide order dated 31.01.2019. Subsequently, Mr. Sashikanth Vallipalli (**Successful Resolution Applicant/SRA**) submitted a Resolution Plan which was duly approved by the Committee of Creditors (CoC) and thereafter sanctioned by this Authority vide order dated 12.12.2019 in I.A. No. 763 of 2019.

   (iii) The Resolution Professional (Respondent No. 2 herein) duly informed Respondent No. 1 regarding the approval of the Resolution Plan by way of a notice dated 05.03.2020, which was acknowledged on 06.05.2020.

   (iv) The proceeds under the approved Resolution Plan were distributed by the SRA among the stakeholders, including Respondent No. 1. Consequently, all liabilities of the Applicant Company stood extinguished.

(v) Post-implementation of the Resolution Plan, the name of the CD was changed from Ciscons Projects Private Limited to Rocksolid Infra Private Limited, and the SRA resumed business operations under the new entity.

(vi) Despite the extinguishment of liabilities, the Applicant Company received notices dated 05.10.2024 and 09.12.2024 from Respondent No. 1, illegally demanding payment of alleged arrears relating to Financial Years 2018–19 and 2019–20.

(vii) Under the aforementioned notices, Respondent No. 1 demanded an aggregate sum of Rs. 8,29,060/-, comprising Rs. 4,76,142/- towards penal interest for FY 2018–19 and Rs. 3,52,918/- for FY 2019–20.

(viii) The Resolution Plan was approved on 12.12.2019. Thereafter, Respondent No. 2 continued to act as the chairperson of the Monitoring Committee, entrusted with managing the affairs of the Corporate Debtor during the transitional period.

(ix) It was incumbent upon the Resolution Professional (Respondent No. 2) to ensure timely statutory compliance during the CIRP. Hence, any delay in filing returns resulting in liabilities—including the sum of Rs. 3,52,918/- for FY 2019–20 cannot be attributed to the CD/Applicant Company post-implementation of the Resolution Plan.

(x) In accordance with Section 31 of the Code, once a Resolution Plan is approved by the Adjudicating Authority, it becomes binding on all stakeholders, including statutory authorities such as the Central and State Governments. Reliance is placed on the decisions in ***Ghanshyam Mishra and Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Co. Ltd***. and ***Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta & Ors.***

(xi) It is pertinent to note that Respondent No. 1 had earlier issued a notice dated 02.03.2022 seeking Rs. 25,60,304/- in alleged arrears for FY 2013–14. This demand was challenged by the Corporate Debtor in I.A. No. 976 of 2022, wherein multiple statutory notices were also impugned.

(xii) Vide order dated 31.01.2024, this Authority partly allowed I.A. No. 976 of 2022 and directed Respondent No. 1 to initiate necessary steps to withdraw all demands raised against the Corporate Debtor pertaining to the period prior to the commencement of CIRP.

3. The Respondents, despite service of notice, failed to appear before this Authority. Accordingly, vide order dated 18.07.2025, both Respondents were set ex parte.

4. **Findings**

(i) The CD was admitted into CIRP by this Authority vide order dated 31.01.2019 in C.P. (IB) No. 158/7/HDB/2018. The Resolution Plan submitted by Mr. Sashikanth Vallipalli (**SRA**) was subsequently approved on 12.12.2019 in I.A. No. 763 of 2019.

(ii) Thereafter, Respondent No. 1 issued a demand notice dated 02.03.2022 seeking Rs. 25,60,304/-. The same, along with other statutory demands, was challenged in I.A. No. 976 of 2022, in which Respondent No. 1 was arrayed as Respondent No. 4. This Authority, vide its order dated 31.01.2024, held as follows:

> *"18. Therefore, whatever demands have been raised by the Tax Authorities of the period prior to CIRP stand extinguished once the Resolution Plan is approved. The CD under the current management cannot be asked to make any payments towards such demands.*
>
> *19. Accordingly, Respondents No. 1 and 4 are directed to take necessary steps to eliminate the Tax or any other demands raised on the CD that pertains to the period prior to the commencement of CIRP. The Application is therefore allowed in respect of Respondent No. 1 & 4."*

(iii) Despite the above, Respondent No. 1 issued two subsequent notices dated 05.10.2024 and 09.12.2024, demanding Rs. 4,76,142/- and Rs. 3,52,918/-, respectively, towards CGST, SGST, and penalties for FYs 2018–19 and 2019–20.

(iv) The principal issue for consideration is whether demands raised by Respondent No. 1 post-approval of the Resolution Plan are legally sustainable in view of Section 31 of the Code.

(v) It is well settled position of law that upon approval of a Resolution Plan under Section 31 of the Code, such plan becomes binding on all stakeholders, including statutory authorities such as the Income Tax and Commercial Tax Departments.

(vi) In in ***Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta***[1] Hon'ble Supreme Court categorically held that:

> *"A successful resolution applicant cannot suddenly be faced with "undecided" claims after the resolution plan submitted by him has been accepted as this would amount to a hydra head popping up which would throw into uncertainty amounts payable by a prospective resolution applicant who successfully take over the business of the corporate debtor. All claims must be submitted to and decided by the resolution professional so that a prospective resolution applicant knows exactly what has to be paid in order that it may then take over and run the business of the corporate debtor. This the successful resolution applicant does on a fresh slate, as has been pointed out by us hereinabove."*

(vii) This above legal position was reaffirmed in in ***Ghanashyam Mishra and Sons Private Limited v. Edelweiss Asset Reconstruction Company Limited***[2], where the Hon'ble Supreme Court held:

> *"That once a resolution plan is duly approved by the Adjudicating Authority under subsection (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the Corporate Debtor and its employees, members, creditors, including the Central*

[1] (2019) ibclaw.in 07 SC
[2] (2021) 9 SCC 657

> *Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the Adjudicating Authority, all such claims, which are not a part of resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan;"*

(viii) The "clean slate" doctrine has also been echoed in ***Jaypee Kensington Boulevard Apartments Welfare Association v. NBCC (India) Ltd.***[3] [Civil Appeal No. 3395 of 2020], where the Hon'ble Supreme Court held that:

> "...if a claim is not made within the stipulated time, the same cannot become a part of the Information Memorandum and obviously, it would not enter into consideration of the resolution applicants..."

(ix) In ***R.P.S. Infrastructure Ltd. v. Mukul Kumar***[4] [C.A. No. 5590 of 2021], the Hon'ble Supreme Court emphasized that belated claims cannot be entertained after approval of the resolution plan by the CoC, so as to prevent the CIRP from becoming an endless process, thereby defeating the objective of timely resolution under the Code.

(x) Clearly under the scheme of IBC, no liability can be fastened on the CD after the commencement of CIRP. All Claimants including the Government Authorities can lodge their claim during the CIRP, and will receive their dues as per the Resolution Plan approved under the provisions of IBC.

(xi) Therefore, whatever demands have been raised by the Tax Authorities for the period prior to CIRP stand extinguished once the Resolution Plan is approved. The CD under the current management cannot be asked to make any payments towards such demands.

[3] AIRONLINE 2021 SC 224
[4] (2023) ibclaw.in 102 SC

(xii) In light of the above settled legal position, this Authority has no hesitation in holding that the actions of Respondent No. 1 in raising fresh demands post approval of the Resolution Plan, are patently illegal, non-est in law, and unsustainable.

(xiii) Thus, the Arrear notices vide No. JA-1/GST/Arrears/36AADCC5050C1Z6/2024 dated 05.10.2024 and 09.12.2024, respectively issued by Respondent No. 1 are set-aside.

Accordingly, the present Application is **allowed** and dispose off.

Sd/-

SANJAY PURI
MEMBER (TECHNICAL)

Sd/-

RAJEEV BHARDWAJ
MEMBER (JUDICIAL)