



**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 Reddy<sup>1</sup>, Resolution Professional of M/s. Naoline Infrastructure Private Limited<sup>2</sup> against the Assistant Commissioner of Income Tax, Central Circle, Central Circle-2(4) Hyderabad<sup>3</sup> Under section 60(5) read with section 14 of the Insolvency and Bankruptcy Code<sup>4</sup>, 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.

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<sup>1</sup> Applicant/Resolution professional

<sup>2</sup> Corporate Debtor

<sup>3</sup> Respondent

<sup>4</sup> 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.

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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)**