

**IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'A' Bench, Hyderabad**

**Before Shri R.K. Panda, Accountant Member
AND
Shri Laliet Kumar, Judicial Member**

ITA No.1243/Hyd/2014		
Assessment Year: 2010-11		
DCIT, Circle-16(1) Hyderabad-500 084	Vs.	M/s. Leo Meridian Infrastructure Projects & Hotels Ltd, Hyderabad PAN: AAACL6436A
(Appellant)		(Respondent)

Assessee by:	N O N E
Revenue by:	Shri Rajendra Kumar, CIT-DR
Date of hearing:	16/01/2023
Date of pronouncement:	16/01/2023

ORDER

Per Laliet Kumar, J.M:

This appeal filed by the revenue, feeling aggrieved by the order passed by the Learned Commissioner of Income Tax (Appeals)-5, Hyderabad, dated 27.01.2014 for the A.Y 2010-11. None appeared on behalf of the assessee.

2. At the outset it is represented by Revenue that the Corporate Insolvency Resolution Proceedings (CIRP) are pending against the assessee and as of now, Hon'ble National Company Law Appellate Tribunal (NCLAT) is seized with the jurisdiction.

3. We have considered the issue in the light of the provisions of Insolvency and Bankruptcy Code, 2016 ("the Code") and the decision of the Hon'ble Apex Court in the case of Ghanashyam Mishra And Sons vs Edelweiss Asset Reconstruction (2021) 126 taxmann.com 132 (SC). Under section 13 of the Code, the adjudicating authority after adjudication of the application under section 7 or 9 or 10 of the Code shall declare a moratorium which shall include the prohibition of the institution of suits or

continuation of pending suits or proceedings against the corporate debtor in any court of law or tribunal. In *Ghanashyam Mishra And Sons (supra)*, it was held that, **(i)** That once a resolution plan is duly approved by the Adjudicating Authority under sub section (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 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; **(ii)** 2019 amendment to Section 31 of the I&B Code is clarificatory and declaratory in nature and therefore will be effective from the date on which I&B Code has come into effect; and **(iii)** Consequently all the dues including the statutory dues owed to the Central Government, any State Government or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the Adjudicating Authority grants its approval under Section 31 could be continued.

4. A reading of the provisions under section 13 and 14 of the Code along with the decision in *Ghanashyam Mishra And Sons (supra)*, clearly shows that once the proceedings have commenced by institution of application under section 7 or 9 or 10 of the Code, the continuance of the pending proceedings is prohibited and when once they reach the logical conclusion with due approval of the resolution plan by the Adjudicating Authority under sub section (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 Government, any State Government or any

local authority, guarantors and other stakeholders. At any rate, for the time being, these appeals cannot be proceeded with during the continuance of the proceedings under the Code. However, depending upon the result of such proceedings before the adjudicating authority in respect of the corporate debtor, appropriate steps if any, may be taken by the appellant/respondent. We, therefore, granting leave to the appellant/respondent in this appeal to seek the restoration of the appeals, if necessitated by the orders in the Corporate Insolvency Resolution Proceedings, dismiss the appeals in limine. We derive support for the above proposition from the decision of the Mumbai Bench of the Tribunal in the case of Mahavir Roads & Infrastructure Pvt. Ltd., Vs. DCIT in ITA Nos. 646 to 651/Mum/2019 (AYs.2008-09 to 2013-14), dt.08/06/2022.

5. In the result, appeal of revenue is dismissed in limine.

Order pronounced in the Open Court on 16th January, 2023

Sd/- (R.K. PANDA) ACCOUNTANT MEMBER	Sd/- (LALIET KUMAR) JUDICIAL MEMBER
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Hyderabad, dated 16th January, 2023 .

Vinodan/SPS

Copy to:

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1	Dy. CIT Circle-16(1), Room No.612, 6 th Floor, Aayakar Bhavan, Basheerbagh, Hyderabad
2	M/s. Leo Meridian Infrastructure Projects & Hotels (P) Ltd, 202, Millennium Square, Road No.1, Banjara Hills, Hyderabad
3	CIT(A)-V Hyderabad
4	CIT-IV, Hyderabad
5	DR, ITAT Hyderabad Benches
6	Guard File

By Order