

IN THE INCOME TAX APPELLATE TRIBUNAL
“B” BENCH, CHANDIGARH

HYBRID HEARING

BEFORE HON’BLE SHRI RAJPAL YADAV, VICE PRESIDENT
AND
HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM

1. आयकर अपील सं./ ITA No.646/CHANDI/2008
(निर्धारण वर्ष / Assessment Year: 2005-06)

&

2. आयकर अपील सं./ ITA No.1232/CHANDI/2009
(निर्धारण वर्ष / Assessment Year: 2006-07)

&

3. आयकर अपील सं./ ITA No.571/CHANDI/2019
(निर्धारण वर्ष / Assessment Year: 2015-16)

M/s Winsome Yarns Ltd. SCO 191-192, Sector – 34, Chandigarh	बनाम/ Vs.	Addl. CIT / ACIT [Circle 4(1)] Range 4, Chandigarh
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. AAACW-1911-H		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

&

4. आयकर अपील सं./ ITA No.31/CHANDI/2010
(निर्धारण वर्ष / Assessment Year: 2006-07)

&

5. आयकर अपील सं./ ITA No.886/CHANDI/2019
(निर्धारण वर्ष / Assessment Year: 2015-16)

DCIT / ACIT [Circle 4(1)] Range-4, Chandigarh	बनाम/ Vs.	M/s Winsome Yarns Ltd. SCO 191-192, Sector – 34, Chandigarh
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. AAACW-1911-H		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

Assessee by	:	Sh. Ishant Jain (RP) – Ld. AR (Virtual Mode)
Revenue by	:	Dr. Vivek Aggarwal (CIT) & Dr. Ranjit Kaur (Addl. CIT) - Ld. DRs

सुनवाईकीतारीख/ Date of Hearing	:	17-03-2026
घोषणाकीतारीख / Date of Pronouncement	:	18-03-2026

आदेश / O R D E R

Manoj Kumar Aggarwal (Accountant Member)

1. During hearing of captioned appeals, it transpired that the assessee is undergoing Corporate Insolvency Resolution Process (CIRP) before Hon'ble NCLT and proceedings are under-way. The Resolution Professional, Shri Ishant Jain appeared virtually and stated that as per the order of Hon'ble NCLT, there is moratorium on institutions / continuation of suits against the assessee. The Ld. RP has filed following submissions vide email dated 13-03-2026: -

This is to inform you that the Hon'ble Adjudicating Authority, i.e., National Company Law Tribunal, Chandigarh Bench, has admitted the Company petition (C.P. (IB) – 391/2022) under Section 7 on 22.12.2023 thereby initiating Corporate Insolvency Resolution Process under Insolvency & Bankruptcy Code, 2016 ("Code") in the matter of M/s Winsome Yarns Limited ("Corporate Debtor").

This is *further* to bring to your kind notice that the Hon'ble Adjudicating Authority, i.e., National Company Law Tribunal, Chandigarh Bench -1, has appointed M/S ARCK Resolution Professionals LLP as the Resolution Professional in the matter of Winsome Yarns Limited replacing Mr. Sanjay Gupta on 14.03.2024 in the open court.

As per Section 17 of the Code, the powers of the Board of Directors of Winsome Yarns Limited stand suspended and such powers shall be vested with the Resolution Professional appointed by the order of Hon'ble NCLT, Chandigarh Bench.

It may further be noted that in consonance with the stipulations contained in Section 14 of the Code, a moratorium has been decalred vide the aforesaid

order passed by the National Company Law Tribunal, Chandigarh Bench, whereby, inter alia, the following shall be prohibited:-

- (a) That institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitraiton panel or other authority;
- (b) Transferring, ecumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;
- (c) Any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under teh Securization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- (d) The recorvery of any property by any owner or lessor where such property is occupied by or is in the possession of the corporate debtor.

It is pertinent to mention that Section 238 of the Code provides overriding effect to the provisions of the Code over all other laws in the Country including the provisions of the Income Tax Act, 1961. The provisions of Section 238 of the Code are reproduced herein for ready reference:

“Section 238. The provisions of the Code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law.”
It is further pertinent to mention that in terms of said overriding effect and pursuant to coming into effect or moratorium under the Code, no proceeding under any other law, can be initiated or continued till moratorium is in effect.

*Further, please note that the **Corporate Insolvency Resolution Process (CIRP)** of the Corporate Debtor is at an advanced stage. The **Resolution Plan** has been duly approved by the Committee of Creditors and is presently awaiting approval from the **Hon'ble National Company Law Tribunal (NCLT)**.*

The aforesaid position could not be controverted by revenue.

2. From the above stated facts, it clearly emerges that the assessee is undergoing Corporate Insolvency Resolution Process and a moratorium has been ordered by Hon'ble NCLT u/s 14 of the IBC

code which debar institutions of suits or continuation of pending 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. This being so, the present appeals could not continue in view of clear cut mandate of Sec,14(1) read with Sec.14(4) of the Insolvency & Bankruptcy Code, 2016. Accordingly, all these appeals stand dismissed as non-maintainable. However, either of the party may seek revival of the appeal / appeals at an appropriate time, in case the said eventuality arises in future.

3. All the appeals stand dismissed.

Order pronounced on 18/03/2026.

-Sd-
(RAJPAL YADAV)
VICE PRESIDENT

-Sd-
(MANOJ KUMAR AGGARWAL)
ACCOUNTANT MEMBER

AS

Dated: 18-03-2026

आदेश की प्रतिलिपि अग्रेषित /Copy of the Order forwarded to :

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF

ASSISTANT REGISTRAR

ITAT CHANDIGARH