



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

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LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"It does not do to dwell on dreams and forget to live."

➤ **Unremitted TDS Deducted Before Liquidation Does Not Form Part Of Liquidation Estate: NCLT Bengaluru**

The **National Company Law Tribunal (NCLT) Bengaluru bench of Shri Sunil Kumar Aggarwal, Member (Judicial) and Shri Radhakrishna Sreepada, Member (Technical)** held that an unremitted Tax Deducted at Source (TDS) amounts deducted by the corporate debtor before the liquidation are assets held in trust for the government and therefore stand excluded from the liquidation estate under section 36 of the Insolvency and Bankruptcy Code, 2016 (IBC). The Tribunal allowed the delayed claim filed by the government and directed the liquidator to verify and remit the amounts directly to the government.

The liquidation proceedings were initiated against Bhuvana Infra Projects Pvt. Limited (Corporate Debtor) on 10.12.2019. The Income Tax Department filed claim as Operational Creditor which was admitted. Based on the subsequent assessment and TRACES demands, the department filed an updated claim in November 2023 which was rejected by the liquidator on ground of delay and advanced stage of the liquidation.

The department submitted that the TDS deductions constitute public money held in trust for the Government and therefore are excluded from the liquidation estate. It was further submitted that the delay in filing the claim was on account of pandemic disruptions and absence of communication.

Per contra, the Respondent submitted that the liquidation is at the advanced stage and belated claims can disrupt the time bound process under the IBC. It was further submitted that government does not get priority under section 53 of the IBC.

Source: Live Law

Read Full news: [Unremitted TDS Deducted Before Liquidation Does Not Form Part Of Liquidation Estate: NCLT Bengaluru](#)

➤ **Rs 280-cr assets of bankrupt REI Agro go under the hammer in mega e-auction**

The liquidator of the insolvent REI Agro Limited has initiated a mega e-auction to sell the company's manufacturing assets located in Bawal, Haryana. The sale, which will be conducted online on October 17, 2025, offers bidders a chance to acquire three entire factory units either as a whole or in parts, with a combined reserve price exceeding ₹280 crore.

According to a public notice issued by liquidator CA Anil Goel, the assets are being sold under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC). The auction presents a significant opportunity for investors to acquire industrial land, building structures, and plant & machinery from the defunct rice processing giant.

Source: *Insolvency Tracker*

Read Full news: [Rs 280-cr assets of bankrupt REI Agro go under the hammer](#)

➤ **Corporate Debtor Failed to Prove Pre-Existing Dispute over ₹8L Packaging Material Debt: NCLAT Upholds CIRP**

The Principal Bench of the National Company Law Appellate Tribunal (NCLAT) at New Delhi recently upheld the initiation of the Corporate Insolvency Resolution Process (CIRP) against a corporate debtor (CD), noting that the CD failed to prove any pre-existing dispute regarding an outstanding ₹8.48 lakh operational debt that was claimed by the operational creditor.

The present appeal was filed by Ramniwas B. Somany, suspended director of Indian Denim Ltd., challenging an order dated 22 September 2023 passed by the NCLT Ahmedabad Bench, admitting a Section 9 application filed by the operational creditor under the Insolvency and Bankruptcy Code, 2016 (IBC).

The differential amount reflected as "transportation income" in the books was sought to be taxed under the category of Business Support Service, invoking Section 65(104c) of the Finance Act, 1994, along with interest and penalties.

Source: *Taxscan*

Read Full news: [Corporate Debtor Failed to Prove Pre-Existing Dispute over ₹8L Packaging Material Debt: NCLAT Upholds CIRP \[Read Order\]](#)



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