

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

[Through Physical hearing/VC Mode (Hybrid)]

ITEM No.11

**IA. Nos. 356, 583, 586, 587, 689, 720, 735/2024,
161/2025, IA (IBC) (Plan) 03/2025,
929/2025, 163 & 295/2026 in
C.P. (IB) No. 32/BB/2023**

IN THE MATTER OF:

M/s. Religare Finvest Ltd. ... Petitioner

Vs.

M/s. Stelligence Pharmscience Ltd. ... Respondent

Petition under Section 7 of I&B Code, 2016

Order delivered on: 24.04.2026

CORAM:

**SHRI SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)**

**SHRI RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)**

COUNSELS PRESENT:

For the RP : Shri Shashank Nagendran
The RP-in- Person : Shri Naveen Kumar

For the Respondent in
IA.163/2026 : Shri Janak Purohit *for Shri Sandeep Huligol*

For R-18 in IA.720/24 : Ms. Apoorva
For Respondent in
IA.161/2025 : Shri Hari Prasad, (New India Assurance Co. Ltd.)

For Respondents in
IA No.583/2024 : Shri Arjun Ajay
For the IA (Plan) 3/2025 : Shri Biwsajith Dubey

ORDER

IA.No.161/2025 **is dismissed** vide separate order.

IA. No. 583/2024 **is disposed of** vide separate order.

IA.No.356/2024 **is allowed** vide separate order.

I.A. (IBC) (Plan) No.3/2025:

1. It is informed that additional documents has been filed vide dy.no.2036 with compliance of last order requirements and Bank Guarantee has been extended till 29.04.2026, and has already heard arguments. Further submits that there are no objections and fully satisfied with the Plan.
2. List the matter **on 28.05.2026 for Clarification**, if any.

I.A.No.929/2025

1. This application has been filed by Ex-employees of the C.D. It is informed that pleadings are completed.
2. **For hearing, list the case on 28.05.2026.**

I.A.No.163/2026:

1. Ld Counsel for Respondent requested time to file objections. Two weeks is granted to file objections with supply of copy to other side. Another two weeks for Applicant to file rejoinder with direct exchange of copies.
2. **List the case on 28.05.2026.**

I.A.No.295/2026:

1. This application is for recalling order dated 09.12.2025 filed by Applicant.
2. In view of restoration of power supply to the Corporate Debtor upon payment, nothing survives for adjudication. **The Application is accordingly dismissed as infructuous.**

List the case on 28.05.2026.

-Sd/-

**RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)**

-Sd/-

**SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)**

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IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU
*(Exercising powers of Adjudicating Authority under
The Insolvency and Bankruptcy Code, 2016)*

I.A. No. 356/2024

in

C.P. (IB) No. 32/BB/2023

*(Filed under Section 60 (5), Section 14 and Section 74 of the Insolvency and
Bankruptcy Code, 2016 read with Section 425 of the Companies Act, 2013
And Rule 11 of the NCLT Rules, 2016)*

IN THE MATTER OF:

Mr. Naveen Kumar Jain

Resolution Professional of
Stellence Pharmscience Pvt. Ltd.,
A2/223, U.G.F Janakpuri New Delhi – 110058

...Applicant

Versus

Regional PF Commissioner

Employee Provident Fund Organization
Through Mr. Manish Kumar Haldony Regional PF Office,
Bengaluru, Bhavishya Nidhi Bhawan, Annapoorneshwari
Complex, Survey No. 37/01, 6th Main, Singasandra,
Hosur Main Road, Electronic City, Bengaluru – 560068

.....Respondent

IN THE MAIN MATTER OF:

M/s. Religare Finvest Ltd.

Having its registered office at
1407, 14th Floor, Chiranjiv Tower, 43,
Nehru Place, New Delhi – 110019

...Petitioner / Financial Creditor

Versus

M/s. Stellence Pharmscience Pvt. Ltd.

Registered Office at: No.456, 1A & 1B,
Industrial Area, Jigani, Bangalore– 562 106.

... Respondent / Corporate Debtor

Order Delivered on: 24.04.2026

Coram: Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)

Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

IA No. 356/2024

in

CP (IB) No. 32/BB/2023

IBC Laws | www.ibclaw.in

Counsels Present:

For the Applicant : Shri Shashank Nagendran
For the Respondent : Shri Yathish S

ORDER

1. This Application has been filed on 01.04.2024 under Section 60 (5), Section 14 and Section 74 of the Insolvency and Bankruptcy Code, 2016 read with Section 425 of the Companies Act, 2013 and Rule 11 of the NCLT Rules, 2016 by Shri **Naveen Kumar Jain** Resolution Professional of M/s. Stellence Pharmscience Pvt. Ltd. (“Corporate Debtor”) for the following reliefs: -

- (a) Allow the present Application.
- (b) Pass necessary penal orders passed against the Respondent in terms of Section 74 (2) of IBC 2016 for knowingly and willfully committing contravention in violation of moratorium imposed by this Hon’ble Adjudicating Authority vide its order dated 06.03.2024.
- (c) Declare the summons and orders passed by Respondent, Ld. Regional PF Commissioner-II Bengaluru dated 19.03.2024, 20.03.2024, 21.03.2024 and 25.03.2024 and 26.03.2024 as null and void.
- (d) Direct the Respondent, Ld. Regional PF Commissioner-II Bengaluru to comply to the moratorium imposed by this Hon’ble Adjudicating Authority vide its order dated 06.03.2024 and not to pass any coercive order / penal order or recovery or any other order or action against the Corporate Debtor and Applicant in view of the same.
- (e) Pass any order such other or further order / order(s) as may be deemed fit and proper in the facts and circumstances of the instant case.

2. Brief facts of the application are given hereunder:

- a. The Company Petition CP(IB)/32/BB/2023 was admitted on 06.03.2024 thereby initiating Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor, which is an MSME engaged in manufacturing of Active Pharma Ingredients and Intermediates and the Respondent No.1 was appointed as the Interim Resolution Professional. Subsequently after being approved by the CoC, Respondent No.1 was appointed as the Resolution Professional of the Corporate Debtor vide order dated 25.06.2024 in IA 337/2024.

- b. The Applicant after being appointed as the Interim Resolution Professional of the Corporate Debtor made a Public Announcement in FORM-A on 09.03.2024 in daily newspapers namely Financial Express (English edition), Vishwavani (Kannada Edition), Bangalore Editions. A copy of the public announcement was duly uploaded on the website of the Insolvency and Bankruptcy Board of India (IBBI). It is submitted that in terms Regulations 6(2) (c) of the CIRP Regulations, the last date for submission of claim was specified as 20.03.2024.
- c. It is submitted that the Respondent issued a summons dated 19.03.2024 (communicated on 20.03.2024) under Section 7A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 read with relevant provisions of the Code of Civil Procedure, 1908, directing appearance of the Corporate Debtor and the Applicant for assessment proceedings on 20.03.2024.
- d. The Applicant submits that in the said summons, the Respondent asserted that provident fund dues constitute statutory dues and first charge on the assets of the establishment and further stated that such dues are not required to be submitted as claims before the Interim Resolution Professional.
- e. It is further submitted that on 20.03.2024, the Respondent conducted proceedings and passed an order directing the Corporate Debtor to remit an amount of **Rs.17,09,105/-** and to furnish compliance details, while fixing further hearings. The representative of the Corporate Debtor appeared and informed the Respondent about the ongoing CIRP and the last date for submission of claims.
- f. The Applicant submits that he informed the Respondent about the initiation of CIRP and the moratorium imposed under Section 14 of the Code through communication dated 20.03.2024 and requested that no proceedings be continued during the moratorium period.

- g. It is stated that despite such intimation, the Respondent continued proceedings and issued further orders and directions on 21.03.2024 and 25.03.2024, including directions for payment of dues and compliance requirements, and also indicated liability in respect of dues of third-party service providers.
 - h. It is further submitted that the Respondent issued another summons dated 26.03.2024 under the Code of Civil Procedure, 1908 requiring physical appearance and indicating coercive measures including penal consequences in case of non-compliance.
 - i. The Applicant submits that despite knowledge of the CIRP and moratorium order dated 06.03.2024, the Respondent continued with proceedings and issued directions for recovery of dues, which according to the Applicant amounts to violation of the moratorium under Section 14 of the Code.
 - j. The Respondent, being a creditor, ought to have submitted its claim in accordance with the provisions of the Code and the CIRP Regulations instead of continuing independent proceedings.
3. The Respondent in his statement of objections filed on 13.02.2025 Vide Diary No.824 and contended as under:
- a. At the outset, it is stated that the Respondent is a statutory authority constituted under Section 5A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, tasked with safeguarding the interests of employees and workmen. The Application filed by the Applicant is stated to be misconceived and liable to be dismissed.
 - b. It is contended that the dues under the EPF & MP Act, 1952 do not partake in the character of the operational debt under the Insolvency and Bankruptcy Code, 2016. According to the Respondent, provident fund dues are in the nature of third-party dues belonging to employees and are held by the employer only as a custodian for onward remittance. Such dues, therefore, do

- not form part of the assets of the Corporate Debtor and cannot be subjected to distribution under the waterfall mechanism.
- c. The Respondent has further contended that provident fund dues are required to be kept outside the purview of the Committee of Creditors and cannot be compromised or decided upon in the resolution process. In support of this contention, reliance has been placed on judicial precedents including:
- i. Kushal Ltd. v. Regional Provident Fund Commissioner-I, Civil Appeal No. 1920 of 2020*
 - ii. Jet Aircraft Maintenance Engineers Welfare Association v. Ashish Chhawchharia, (2012) SCC Online NCLAT 418*
 - iii. Sikander Singh Jaunwal v. Vinay Talwar, Resolution Professional and others , Company Appeal (AT) (ins.) no. 483 of 2019*
- d. Further reliance has been placed on the judgment of the Hon'ble Supreme Court in *Sunil Kumar Jain v. Sundaresh Bhatt, Civil Appeal 5910 of 2022* to contend that provident fund, pension fund and gratuity dues are excluded from the liquidation estate under Section 36(4) of the Code and are required to be protected and paid in priority.
- e. The Respondent has also relied on the decision in *State Tax Officer v. Rainbow Papers Ltd, Civil Appeal No. 1661 of 2020* to contend that statutory dues payable to secured creditors cannot be disregarded in a resolution plan, and any such plan is liable to be rejected.
- f. Although the Respondent has quantified EPF dues amounting to approximately Rs.58,11,828/- for certain periods, the process of quantification is still ongoing due to non-cooperation by the Corporate Debtor and the Applicant in providing complete records. It is alleged that despite repeated communications, necessary documents have not been furnished by the Applicant, thereby hindering proper determination of dues.

- g. The Respondent has denied the allegation that the Corporate Debtor had furnished all requisite information during proceedings dated 20.03.2024 and 21.03.2024. It is contended that directions were issued for production of records, which were not complied with and the proceedings under Section 7A are quasi-judicial proceedings and deemed to be judicial proceedings within the meaning of Sections 193 and 228 of the Indian Penal Code. Therefore, the issuance of summons and conduct of inquiry cannot be treated as coercive or recovery proceedings.
- h. The Respondent categorically denies that any direction has been issued to the Applicant to remit dues in violation of the moratorium. It is submitted that no coercive action has been taken post the commencement of CIRP on 06.03.2024 and the daily order dated 20.03.2024 merely required acknowledgment of dues and indicated that any remittance would be in accordance with the CIRP proceedings.
- i. The Applicant has misconstrued assessment proceedings as recovery proceedings. The Respondent asserts that the purpose of proceedings under Section 7A is limited to determination and quantification of dues, and such proceedings do not amount to enforcement or recovery barred under Section 14 of the Code.
- j. The Applicant has failed in discharging statutory duties under the Code, particularly under Section 25(2) (b), which requires the Resolution Professional to represent the Corporate Debtor in judicial and quasi-judicial proceedings. It is alleged that the Applicant has not cooperated in the inquiry and has instead approached this Authority prematurely.
- k. The summons dated 26.03.2024 and other communications were issued only for the purpose of securing attendance and production of records in connection with the ongoing inquiry, and not for recovery of dues and the assessment proceedings under Section 7A were initiated on 07.02.2023, i.e.,

prior to commencement of CIRP, and therefore cannot be treated as fresh proceedings initiated during the moratorium period.

- l. The Respondent has placed reliance on the judgment of the Hon'ble Supreme Court in *Embassy Property Developments Pvt Ltd v. State of Karnataka, (2020) 13 SCC 308* to contend that statutory authorities are entitled to exercise their jurisdiction in accordance with law and that the Resolution Professional is obligated to participate in such proceedings.
- m. The Respondent has further relied upon judicial precedents to contend that assessment or determination of statutory dues is permissible during the moratorium period, though recovery is not. In this regard, reliance has been placed on:
 - i. *Mohan Lal Jain v. Income Tax Officer, Company Appeal (AT) (ins.) No. 414 of 2020*
 - ii. *Hon'ble High Court of Madras Judgement in S. Muthuraju v. Regional PF Commissioner, W.P. No.12404 of 2021,*
 - iii. *Sundaresh Bhatt v. CBIC, Civil Appeal No. 7667 of 2021*
- n. On the basis of the above, the Respondent has contended that:
 - i. Assessment proceedings under Section 7A are permissible during moratorium;
 - ii. No recovery proceedings or coercive action has been undertaken;
 - iii. The Applicant has mischaracterized the proceedings; and
 - iv. The present Application is devoid of merit and liable to be dismissed.
 - v. No binding direction has been issued to remit dues in violation of moratorium.
- o. It is contended that dues under the EPF & MP Act do not constitute "operational debt" under the Code, 2016. The Respondent submits that provident fund dues are amounts belonging to employees and are held by the

employer in trust merely as a collection mechanism. Such dues do not form part of the assets of the Corporate Debtor and are not available for distribution under the waterfall mechanism and it is further submitted that EPF dues are required to be kept outside the purview of the Committee of Creditors and cannot be compromised or extinguished in the resolution process.

p. It is further contended that EPF dues are in the nature of third-party assets held in trust and therefore fall outside the ambit of “assets” under Section 18 and the liquidation estate under Section 36 of the Code. Reliance has been placed on decisions including:

- i. Regional Provident Fund Commissioner v. Ramchandra D. Choudhary, , Company Appeal (AT) (Ins.) No. 354 of 2019*
- ii. State Bank of India v. Moser Baer Karmchari Union, Company Appeal (AT) (Ins.) No. 354 of 2019*

q. The Respondent has alleged that the Applicant has failed to provide necessary records and has not cooperated in the assessment proceedings, thereby delaying quantification of dues. It is submitted that despite repeated opportunities and communications, complete records have not been furnished. It is further contended that the Applicant has failed to discharge duties under Section 25(2) (b) of the Code, which mandates representation of the Corporate Debtor in judicial and quasi-judicial proceedings.

r. The Respondent has submitted that the authority conducting proceedings under Section 7A acts in a judicial capacity and is entitled to protection under law. Reliance has been placed on the provisions of the Judges (Protection) Act, 1985 and Section 77 of the IPC to contend that proceedings undertaken in discharge of statutory and judicial functions cannot be subjected to contempt allegations.

s. The Respondent submits that assessment of dues is a prerequisite for filing claims before the Resolution Professional. The Respondent has clarified that it does not dispute the requirement of filing claims, but contends that such

claims need not necessarily be filed in Form-G and must be preceded by proper assessment. Accordingly, the Respondent has prayed for dismissal of the Application as being devoid of merit.

4. We have heard the submissions of Learned Counsels for the Applicant, the Respondent and perused the material available on record.
5. It is not in dispute that the Corporate Debtor was admitted into Corporate Insolvency Resolution Process (“CIRP”) vide order dated 06.03.2024, whereby moratorium under Section 14 of the Code, 2016 came into effect. It is also not in dispute that subsequent to the commencement of CIRP, the Respondent initiated and continued proceedings under Section 7A of the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, including issuance of summons and conduct of hearings.
6. The primary issue for consideration is whether the actions of the Respondent in issuing summons, conducting proceedings and directing payment of dues during the subsistence of moratorium amounted to violation of Section 14 of the Code.
7. At the outset, this Authority takes note of the settled legal position that statutory authorities are not denuded of their powers merely because CIRP has been initiated. In *Embassy Property Developments Pvt Ltd v. State of Karnataka, (2020) 13 SCC 308* the Hon’ble Supreme Court has held that the NCLT cannot assume the role of an appellate authority over decisions taken by statutory or quasi-judicial authorities under special statutes.
8. With regard as to the whether the actions of the Respondent in issuing summons, conducting proceedings and directing payment of dues during the subsistence of moratorium amount to violation of Section 14, it would not be out of place to refer to the Judgement dated 03.09.2025 of Hon’ble NCLAT, New Delhi in *CA Pankaj Shah v. Employee Provident Fund Organisation (EPFO) and Anr., (2025) ibclaw.in 699 NCLAT* holding that:

“9. After considering the submission of the parties, this Tribunal came to the conclusion that after initiation of the CIRP, assessment proceedings cannot be continued. In paragraphs 23 & 24, following was laid down:-

“23. In the present case, admittedly assessment has been completed after initiation of the moratorium. We, thus, are of the view that once order of liquidation is passed, moratorium under Section 14 comes to an end and moratorium under Section 33(5), which is differently worded, comes into play. Under Section 33(5), the expression used are "suit or other legal proceeding", which occurs in Section 446 of sub-section (1) noticed above. Thus, bar is only against suit or legal proceeding and there is no bar against assessment proceeding to be conducted by statutory Authorities, including the EPFO. Thus, after the liquidation, it is open for EPFO to carry on the assessment. Section 33(5), cannot be held to apply on assessment proceedings. However, while looking to the expression used in Section 14(1), assessment proceedings before the EPFO, cannot be continued after initiation of CIRP.

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, subsection (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.”

10. The above judgment clearly indicates that after initiation of the CIRP, no assessment can be initiated or continued against the Corporate Debtor so as to pass any pecuniary liability on the Corporate Debtor. In the present case, the EPFO has made demand on the basis of an alleged inspection report dated 10.05.2023 and assessment order dated 25.09.2023 which both were subsequent to initiation of CIRP on 17.02.2023. When no demand can be made on the basis of any inspection or assessment, we do not find any ground to allow the application IA No.409 of 2024 which was filed by EPFO where direction was sought to allow the entire claim of Rs.1,37,17,837/-.

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

9. Further, the Hon'ble NCLAT on 09.04.2026 in ***Employees Provident Fund Organisation, Amritsar v. Divan Asparan Nabir (RP) and Anr. Company. Appeal . (AT) (Ins) No. 338 of 2026*** has held that

"1. This appeal has been filed against the order dated 12.11.2025 passed by the NCLT, Chandigarh by which I.A No. 526 of 2025 filed by the Appellant seeking direction to admit the claim has been rejected.

2. The Adjudicating Authority has passed the following order in I.A No. 526 of 2025 which read as under:-

"This is an application filed by EPFO seeking directions to the respondents to adjudicate, admit and release the dues of the applicant for an amount of Rs. 1,42,16,709/-It is seen that on the last order dated 09.10.2025, the Learned Counsel for the RP relied on the NCLAT decision in Pankaj Shah vs. EPFO dated 03.09.2025.

It is further seen that Mr. Gaurav Tangri, learned counsel for the EPFO had sought time to file counter-judgment against the aforesaid decision of the Hon'ble NCLAT and today, he attends and confirmed that no counter judgment could be found. It is seen that the facts of the present case are squarely covered by the decision of the Hon'ble NCLAT in Pankaj Shah (supra), wherein the Hon'ble NCLAT held that claims raised under Section 7A, 14 B & 7Q under the EP & MP Act, 1952 demanding an amount of damages and interest, during moratorium imposed by virtue of Section 14 of the IBC are inadmissible.....

Hence, in view of the precedent laid down by the Hon'ble NCLAT in the above mentioned case, the present IA No. 526/2025 stands dismissed."

3. The Adjudicating Authority has taken the view that issues are fully covered by judgment of this Tribunal in Pankaj Shah vs. EPFO dated 03.09.2025.

4. No error has been committed in rejecting the application filed by the Appellant. The appeal is dismissed.

10. The relevant provisions of Section 14 (1) of the Code read as follows:

"14. Moratorium..-

1) Subject to provisions of sub-sections (2) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare moratorium for prohibiting all of the following, namely: -

- (a) the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority;*
- (b) transferring, encumbering, alienating or disposing off 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 the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);*
- (d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor. '[Explanation.-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the*

Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license or a similar grant or right during moratorium period.

11. Therefore, it is clear that Section 14(1)(a) of the Insolvency and Bankruptcy Code prohibits the institution of any suit or proceedings and as the proceedings under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, are quasi-judicial in nature, quasi-judicial in nature and not mere assessment proceedings, once the moratorium under Section 14 and Section 33(5) of the Insolvency and Bankruptcy Code, 2016, is initiated, it would affect and apply to such proceedings conducted during the moratorium period. Therefore, any proceedings that may have severe repercussions are prohibited during this Period and should not have been conducted after the commencement of the CIRP proceedings. Since the proceedings under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, are quasi-judicial in nature, they should not have been conducted after the commencement of the CIRP proceedings as they will be hit by the provisions of the Code, more particularly Section 14(1) (a).

12. Moreover, from the material placed on record, it is evident that the Respondent, vide its proceedings dated 20.03.2024 and subsequent communications, directed the Corporate Debtor to remit a quantified amount and continued to issue directions which have the effect of compelling payment during the CIRP period. Such directions, in substance, travel beyond mere determination and enter the realm of enforcement.

13. This Authority is of the considered view that the Respondent cannot assess and quantify dues under the EPF & MP Act as any direction requiring payment, or any action having the effect of recovery, enforcement or coercion during the subsistence of moratorium, is clearly hit by Section 14 of the Code.

14. In view of the foregoing, this Authority holds as follows:

- a. While the internal exercise of determination of PF dues of CD may be conducted, no order or direction for enforcement thereof is permissible during operation of moratorium lest it adversely impact the assets of the Corporate Debtor or the CIRP process.
- b. Any dues determined by the Respondent before the commencement of the CIRP of the Corporate Debtor be submitted as a claim before the RP in accordance with the provisions of the Code and the CIRP Regulations.
- c. The prayers seeking penal action under Section 74(2) of the Code is rejected.
- d. The impugned communications/proceedings shall stand restricted to the extent indicated above, and shall not be enforced in violation of the moratorium.

15. Accordingly, IA No. 356/2024 is allowed and disposed of

-Sd/-

(RADHAKRISHNA SREEPADA)
MEMBER (TECHNICAL)

-Sd/-

(SUNIL KUMAR AGGARWAL)
MEMBER (JUDICIAL)