IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.304
IA/800(AHM)2026
in
CP(IB) 59 of 2019

Under Section 60(5) IBC r/w Sec, 42 of IB Code 2016

IN THE MATTER OF:

Deputy Commissioner of Commercial Taxes (Audit)-1 Mangaluru ....**Applicant**

V/s

Doshion Private Limited & Ors ....**Respondent**

Order delivered on: 22/07/2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

O R D E R
(Hybrid Mode)

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)

BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT –I, AHMEDABAD

IA/800 (AHM) 2026
In
CP(IB) No. 59 of 2019

(An application under Section 60(5) read with Section 42 of the Insolvency and Bankruptcy Code, 2016)

Deputy Commissioner of Commercial Taxes (Audit)-1, Mangaluru
Room No. 301, 3rd Floor,
Vanijya Therige Bhavana,
Maidan Road, Mangaluru-575001

...Applicants/Operational Creditor

VERSUS

1. **M/s. Doshion Private Limited**
(in liquidation)
Represented herein by its Liquidator,
Sumedha Management Solutions
Private Limited,
Represented herein by its Director
Mr. Bijay Murmuria
Having its Registered office at 8B,
Middleton Street, 6A Geetanjali Apartments
Kolkata – 700071

...Respondent No. 1/Corporate Debtor

2. **Sumedha Management Solutions Private Limited**
Liquidator of Mis. Doshion Private Limited
(in Liquidation)
Represented herein by its Liquidator,

Sumedha Management Solutions
Private Limited,
Represented herein by its Director,
Mr. Bijay Murmuria
Having its Registered Office at 8B
Middleton Street, 6A, Geetanjali Apartments,
Kolkata – 700071

...Respondent No. 2/Liquidator

Order pronounced on: 22.07.2026

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E

For the Applicant	: Mr. Janak Purohit, Adv. a/w.
	: Mr. Sandeep Huiilgo, Advocate
For the Respondent	: Mr. Yuvraj Thakore, Advocate for (R-1 & R-2)

O R D E R
Per Bench

1. The present application is being filed by the Applicant on 15.05.2026 under Section 60(5) read with Section 42 of the IBC Code, 2016 seeking setting aside of the impugned rejection email/order dated 02.05.2026 issued by the 2nd Respondent/Liquidator rejecting the Applicant's Proof of Claim in Form C dated 22.04.2026 and consequently seeking condonation of delay of 896 days in submission of the said claim and a direction to the 2nd Respondent to verify, admit and process the Applicant's claim in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the IBBI (Liquidation Process) Regulations, 2016. The Applicant most respectfully prays that this Hon'ble Tribunal may be pleased to: -

a) *Set aside the rejection communication dated 02.05.2026 issued by Respondent No.2 rejecting the Applicant's claim submitted in Form C dated 22.04.2026;*

b) *Condone the delay of 896 days in submission of the Applicant's claim before Respondent No.2;*

c) *Consequently, direct Respondent No.2 to verify, admit and process the Applicant's claim arising from the Order dated 21.02.2026 passed under Section 74(9) of the CGST/KGST Acts in accordance with law;*

d) *Pass such other order(s) as this Hon'ble Tribunal may deem fit in the interests of justice and equity.*

2. The Applicant has placed the facts through the I.A. and documents in the following manner: -

2.1 The Applicant has submitted that the 1st Respondent was engaged in the business of water management and was registered under the Central Goods and Services Tax Act, 2017 and the Karnataka Goods and Services Tax Act, 2017. During the tax period from April 2019 to March 2020, the 1st Respondent effected taxable supplies and was liable to discharge tax under the applicable GST laws.

2.2 It is submitted that upon scrutiny of GST returns, discrepancies were noticed regarding payment of IGST on intra-State supplies. Consequently, adjudication proceedings under Section 74 of the CGST/KGST Acts were assigned on 12.08.2024, followed by issuance of Form GST DRC-01A dated 06.09.2025 and Show Cause Notice in Form GST DRC-01 dated 23.09.2025. A copy of the Show Cause Notice is annexed as Annexure-C.

2.3 The Applicant has stated that the Liquidator replied to the Show Cause Notice by communications dated 23.10.2025 and 14.11.2025 informing about the liquidation proceedings. It is further submitted that the adjudication proceedings were continued only for determination of statutory tax liability and that no coercive recovery proceedings were initiated against the Corporate Debtor.

2.4 The Applicant has relied upon the judgment of the Hon'ble Supreme Court in Sundaresh Bhatt, Liquidator of ABG Shipyard v. Central Board of Indirect Taxes and Customs, Civil Appeal No. 7667 of 2021, to contend that statutory authorities are entitled to determine tax liabilities during insolvency proceedings and thereafter submit their claims before the Liquidator. A copy of the said judgment is annexed as Annexure-F.

2.5 It is submitted that the adjudication proceedings culminated in an Order dated 21.02.2026 under Section 74(9) read with Sections 50 and 122 of the CGST/KGST Acts determining tax liability of Rs.8,10,000/-, comprising CGST of Rs.4,05,000/- and KGST of Rs.4,05,000/-. Copies of the Adjudication Order and Form GST DRC-07 are annexed as Annexure-B and Annexure-B-1, respectively.

2.6 It is further submitted that the Corporate Debtor preferred a rectification application dated 26.02.2026 against the adjudication order, which came to be rejected on 24.03.2026. Copies of the rectification rejection order and endorsement letter dated 24.03.2026 are annexed as Annexure-D and Annexure-D-1, respectively.

2.7 The Applicant has submitted that, after obtaining legal advice, it prepared and submitted its Proof of Claim in Form C before the Liquidator on 22.04.2026. The said claim was rejected by the Liquidator through communication dated 02.05.2026 on the ground that it had been filed beyond the prescribed period. Copies of the Proof of Claim and rejection communication are annexed as Annexure-E and Annexure-A, respectively.

2.8 It is submitted that the present claim arises from separate proceedings initiated under Section 74 of the CGST/KGST Acts pursuant to assignment dated 12.08.2024 and culminated only upon passing of the adjudication order dated 21.02.2026. According to the Applicant, the statutory liability crystallised only on that date and constitutes a separate cause of action from the proceedings involved in IA No.680(AHM)/2025.

2.9 The Applicant has contended that the rejection of its claim solely on the ground of delay is not sustainable, as the tax liability was determined only after completion of the adjudication proceedings. It is further submitted that the Applicant has not sought any preferential treatment and only seeks verification and admission of its claim in accordance with the Insolvency and Bankruptcy Code, 2016.

2.10 The Applicant has further relied upon the Order dated 10.06.2025 passed by the Hon'ble NCLT, Mumbai Bench in IA No.945/2025 in CP (IB) No.1374/MB/2017, wherein delay in filing a claim was condoned and directions were issued to process the claim in accordance with the Insolvency and Bankruptcy Code, 2016. A copy of the said order is annexed as Annexure-G.

2.11 The Applicant has submitted that procedural delay should not defeat consideration of a statutory claim where sufficient cause exists and where no prejudice would be caused to the stakeholders. It is further stated that the delay occurred because the tax liability attained finality only upon completion of the statutory adjudication proceedings under the GST enactments.

2.12 In view of the above facts, the Applicant has sought setting aside of the rejection communication dated 02.05.2026, condonation of the delay of 896 days in filing the Proof of Claim before the Liquidator, and a direction to Respondent No.2 to verify, admit and process the claim arising from the adjudication order dated 21.02.2026 in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the applicable Regulations, along with such further orders as may be considered appropriate.

3. That on issuance of the notice, the **Respondent** on 29.06.2026 vide inward diary No.D-5314 has filed an **Affidavit in Reply.** The relevant portion of the said reply is reproduced as under: -

3.1 The Respondents have submitted that the Corporate Debtor was ordered to be liquidated on 03.10.2023 in IA/769(AHM)/2021 in CP(IB) No.59 of 2019 and Respondent No.2 was appointed as the Liquidator. It is stated that a public announcement in Form B was made on 11.10.2023, fixing 08.11.2023 as the last date for submission of claims, and that the Applicant failed to submit any claim within the prescribed period.

3.2 It is submitted that the Applicant submitted its Proof of Claim in Form C only on 22.04.2026, resulting in a delay of 896 days, which was rejected by the Liquidator on 02.05.2026. The Respondents contend that the Liquidator has no power under the Insolvency and Bankruptcy Code, 2016 or the IBBI (Liquidation Process) Regulations, 2016 to condone such delay.

3.3 The Respondents have stated that the Applicant had earlier filed IA No.680(AHM)/2025 relating to proceedings under Section 73 of the CGST/KGST Acts for the same assessment period, which was dismissed on 21.11.2025. It is further stated that the Applicant has challenged the said order before the Hon'ble NCLAT by filing Company Appeal (AT) (Ins.) No.681 of 2026, which is pending.

3.4 It is submitted that the proceedings under Section 74 of the CGST/KGST Acts were initiated only after commencement of liquidation pursuant to the assignment dated 12.08.2024, followed by issuance of the Show Cause Notice dated 23.09.2025 and the adjudication order dated 21.02.2026. According to the Respondents, the entire adjudication process was undertaken after the liquidation commencement date.

3.5 The Respondents have relied upon Sundaresh Bhatt, Liquidator of *ABG Shipyard v. Central Board of Indirect Taxes and Customs, (2022) 2 SCC 1, Civil Appeal No.7667 of 2021, The Deputy Commissioner*

Commercial Taxes (Audit), Raichur v. Surana Industries Ltd. (In Liquidation) & Anr., Company Appeal (AT) (Insolvency) No.1525 of 2019 decided on 07.02.2020, Employees State Insurance Corporation v. Chinnam Poorna Chandra Rao, (2020) ibclaw.in 180 NCLAT, and State of Madhya Pradesh v. Bherulal, SLP (C) Diary No.9217 of 2020, to contend that the delay in filing the claim is not liable to be condoned. Copies of the judgments/orders are annexed collectively as Annexure-R1.

3.6 It is further submitted that the Applicant, being a statutory authority, was expected to exercise due diligence and had actual or constructive knowledge of the CIRP and liquidation proceedings through GST returns, the public announcement and the records of the Corporate Debtor. It is contended that the rejection of the claim was in accordance with the statutory provisions governing liquidation.

3.7 The Respondents have submitted that the Applicant's claim is founded upon the adjudication order dated 21.02.2026, which came into existence after the liquidation commencement date. It is contended that Regulations 12 and 16 of the IBBI (Liquidation Process) Regulations, 2016 contemplate only claims existing on the liquidation commencement date and do not permit consideration of subsequent claims.

3.8 In support of the above contention, the Respondents have relied upon *SBS Holdings Inc. v. Mohan Lal Jain, Liquidator of SBS Transpole Logistics Pvt. Ltd., Company Appeal (AT) (Insolvency) No.624 of 2024, decided on 18.09.2024 [(2024) ibclaw.in 587 NCLAT], Central Board of Trust, Employees Provident Fund v. Corporate Power Ltd. & Anr., IA (IB) No.1262/KB/2024 in CP(IB) No.23/KB/2019, decided on 18.05.2026 [(2026) ibclaw.in 1701 NCLT], EPFO v. Chandra Prakash Jain, Liquidator of Mekastar Engineering Ltd., (2024) ibclaw.in 657 NCLAT, and Employees Provident Fund Organisation, Nashik v. Girish Siriram Juneja & Anr., (2025) ibclaw.in 441 NCLAT,* to submit that claims arising after the liquidation commencement date are not maintainable.

3.9 The Respondents have further submitted that the adjudication proceedings initiated under Section 74 of the CGST/KGST Acts after the liquidation order are contrary to Section 33(5) of the Insolvency and Bankruptcy Code, 2016. It is also contended that, by virtue of Section 238 of the Code, the provisions of the Code prevail over the provisions of the GST enactments.

3.10 It is submitted that the present Application amounts to a second attempt after dismissal of IA No.680(AHM)/2025, since the Applicant was aware of the Section 74 proceedings when the earlier application was filed. It is contended that filing successive applications arising from the same assessment period constitutes an abuse of the process of the Tribunal.

3.11 The Respondents have further submitted that the order passed by the Hon'ble NCLT, Mumbai Bench in IA No.945/2025 is distinguishable and not binding. Without prejudice, it is also contended that no tax liability is payable by the Corporate Debtor, as the alleged discrepancy arose only due to the accounting of turnover in different financial years and the demand itself is disputed.

3.12 In view of the above facts, the Respondents have sought dismissal of the present Interlocutory Application by upholding the rejection communication dated 02.05.2026, refusing condonation of the 896 days delay, declining admission of the Applicant's claim in the liquidation process, and granting such other reliefs as may be considered appropriate in accordance with law.

4. The Applicant has have also filed an affidavit in **Rejoinder** to reply filed by the Respondents, on 09.07.2026 vide inward diary No. D-5553, denying contentions raised by the Respondent in his reply. The contents of the Rejoinder are reproduced as follows: -

4.1 The Applicant has submitted that the facts relating to initiation of CIRP, commencement of liquidation of the Corporate Debtor and appointment of Respondent No.2 as the Liquidator are matters of record. The Applicant has denied the objections on maintainability and delay raised in the Reply and has contended that the present Application is maintainable in law and on facts.

4.2 It is submitted that sufficient cause has been explained for filing the claim after the statutory liability attained finality. The Applicant has stated that the proceedings under Section 74 of the CGST/KGST Acts commenced on 12.08.2024, culminated in the adjudication order dated 21.02.2026, the rectification proceedings concluded on 24.03.2026, and the Proof of Claim was submitted on 22.04.2026.

4.3 The Applicant has contended that the Respondents have selectively relied upon the judgment of the Hon'ble Supreme Court in *Sundaresh Bhatt,* Liquidator of *ABG Shipyard v. Central Board of Indirect Taxes and Customs,* Civil Appeal No.7667 of 2021, while overlooking the principle that statutory authorities are entitled to determine tax liabilities during insolvency or liquidation proceedings and thereafter submit their claims before the Liquidator.

4.4 It is further submitted that the length of delay by itself is not decisive and that the explanation offered for the delay is the relevant consideration. In support of this contention, the Applicant has relied upon *N. Balakrishnan v. M. Krishnamurthy, (1998) 7 SCC 123,* to submit that delay should be considered in the light of the reasons assigned and the interests of justice.

4.5 The Applicant has submitted that IA No.680(AHM)/2025 and IA No.870(AHM)/2025 arose from proceedings under Section 73 of the GST enactments and are distinct from the present proceedings under Section 74. It is further stated that no coercive recovery proceedings have been initiated and that the authorities relied upon by the Respondents are distinguishable on facts.

4.6 It is submitted that the proceedings initiated under Section 74 of the CGST/KGST Acts are statutory adjudicatory proceedings for determination of tax liability and do not amount to institution of legal proceedings against the Corporate Debtor in violation of Section 33(5) of the Insolvency and Bankruptcy Code, 2016. The Applicant has reiterated that only determination of liability has been undertaken without seeking recovery.

4.7 The Applicant has denied that the present proceedings constitute a second attempt or abuse of process. It is submitted that the present cause of action arose only upon passing of the adjudication order dated 21.02.2026 and that proceedings under Sections 73 and 74 of the GST Acts are distinct. In support thereof, reliance has been placed upon *PEI Industries v. Union of India, [2026] 187 taxmann.com 9 (Delhi),* decided on 29.05.2026.

4.8 The Applicant has further submitted that the order passed by the Hon'ble NCLT, Mumbai Bench in IA No.945/2025 has persuasive value in recognising that where statutory dues crystallise after the liquidation commencement date and no prejudice is caused to stakeholders, delay in filing the consequential claim deserves consideration. The Applicant has denied that the said decision is per incuriam.

4.9 It is submitted that although the Liquidator has no power to condone delay, this Adjudicating Authority is empowered under Section 60(5) read with Section 42 of the Insolvency and Bankruptcy Code, 2016 to grant appropriate relief. The Applicant has contended that rejection of the claim by the Liquidator cannot restrict the jurisdiction of this Adjudicating Authority.

4.10 In view of the above facts, the Applicant has sought rejection of the objections raised in the Reply, setting aside of the rejection communication dated 02.05.2026, condonation of the delay in submission of the statutory claim arising from the adjudication order dated 21.02.2026, and a direction to Respondent No.2/Liquidator to verify, admit and process the claim in accordance with the Insolvency and Bankruptcy Code, 2016 and the applicable Regulations.

5. We have heard the arguments of Ld. Counsel for the Applicant as well as Ld. Counsel for the Respondents and perused the material available on record.

6. Upon consideration of the pleadings in the present Interlocutory Application, Reply, Rejoinder and documents placed on record, The short question arising for consideration is whether the Applicant is entitled to condonation of delay of 896 days in filing its claim before the Liquidator and consequential directions for verification and admission of the claim arising from the adjudication order dated 21.02.2026 passed under Section 74(9) of the CGST/KGST Acts.

7. It is not in dispute that the Corporate Debtor was admitted into CIRP on 31.08.2021 and was ordered to be liquidated on 03.10.2023. Pursuant to the public announcement in Form B dated 11.10.2023, the last date for submission of claims before the Liquidator expired on 08.11.2023. The Applicant submitted its claim only on 22.04.2026, after a delay of 896 days.

8. The Applicant has contended that the delay deserves to be condoned as the tax liability crystallised only upon passing of the adjudication order dated 21.02.2026 under Section 74(9) of the CGST/KGST Acts and that the claim was submitted within a reasonable period thereafter. It has also relied upon the judgment of the Hon'ble Supreme Court in Sundaresh Bhatt v. Central Board of Indirect Taxes and Customs and the order of the NCLT, Mumbai Bench.

9. Per contra, the Respondents have submitted that the Liquidator has no jurisdiction under the Code or the Liquidation Regulations to entertain claims filed after the prescribed period or to condone such extraordinary delay. It has further been contended that the claim itself is founded upon an adjudication order passed after commencement of liquidation and is therefore not liable to be entertained.

10. We find that Regulations 12 (Public Announcement by Liquidator), 16 (submission of claim) and 30 (verification of claims) of the IBBI (Liquidation Process) Regulations, 2016 contemplates submission of claims as on the liquidation commencement date within the period prescribed in the public announcement. The Liquidator is required to verify claims received within the statutory framework and does not possess any independent power to condone an extraordinary delay in filing claims.

11. The reliance placed by the Applicant upon Sundaresh Bhatt does not advance its case. Although the judgment recognizes the authority of statutory authorities to determine tax liability. However, it simultaneously requires such claims to be dealt with strictly in accordance with the provisions and timelines prescribed under the Insolvency and Bankruptcy Code, 2016.

12. We also find substance in the contention of the Respondents that the Applicant's claim is based upon an adjudication order dated 21.02.2026, which came into existence long after the liquidation commencement date. The statutory scheme governing liquidation contemplates determination and verification of claims existing on the liquidation commencement date and does not envisage admission of claims arising from subsequent adjudication unless otherwise permissible under law.

13. The Respondents have also contended that the proceedings under Section 74 of the CGST/KGST Acts were initiated after the liquidation order and are hit by Section 33(5) of the Code. However, since the present application is liable to be rejected on the ground of delay and non-maintainability of the claim under the statutory framework governing liquidation, we do not consider it necessary to examine the said contention.

14. The Applicant has sought to distinguish the earlier proceedings under Section 73 of the GST Acts from the present proceedings under Section 74. Although both proceedings may arise under different statutory provisions, the distinction by itself does not dispense with the mandatory requirement of complying with the timelines prescribed under the Code for submission of claims before the Liquidator.

15. The judgments relied upon by the Respondents, including The Deputy Commissioner Commercial Taxes (Audit), Raichur v. Surana Industries Ltd., Employees State Insurance Corporation v. Chinnam Poorna Chandra Rao, SBS Holdings Inc. v. Mohan Lal Jain, and other decisions emphasising the time-bound nature of liquidation proceedings, reinforce the legislative objective that delayed claims ought not to unsettle the liquidation process except in circumstances recognised by law.

16. The order relied upon by the Applicant passed by the NCLT, Mumbai Bench has only persuasive value and was rendered on its own facts. The same cannot prevail over the statutory framework under the Code or the binding precedents of the Hon'ble Supreme Court and the Hon'ble NCLAT governing liquidation proceedings.

17. In the facts of the present case, the case of the Applicant is not of condoning the delay in filing the claims that stood determined and crystallised as on the liquidation commencement date but could not be filed within due time but dues that were determined and become due after the commencement of the liquidation proceedings. The explanation furnished by the Applicant does not have any legal basis and does not constitute sufficient ground to condone the extraordinary delay of 896 days in submission of the claim. Entertaining such claim at this stage would be inconsistent with the time-bound mechanism envisaged under the Insolvency and Bankruptcy Code, 2016 and the Liquidation Process Regulations. The Code and Regulations provide for dealing of claims as on the liquidation commencement date.

18. Accordingly, the rejection communication dated 02.05.2026 issued by the Liquidator cannot be faulted. The present Interlocutory Application is devoid of merit and is liable to be dismissed.

19. In view of the foregoing discussion, **IA/800(AHM)2026** stands **dismissed**. The rejection communication dated 02.05.2026 issued by the Liquidator does not call for interference. No order as to costs.

—Sd—

SANJEEV SHARMA
MEMBER (TECHNICAL)
VP

—SD—

SHAMMI KHAN
MEMBER (JUDICIAL)