

# In case concerning S Kumars Nationwide, NCLAT rules that liquidator is not required to prepare balance sheet, P&L a/c 'No TDS on Buying Property Under Liquidation'

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**Mumbai:** Liquidation of companies is set to get easier with the National Company Law Appellate Tribunal throwing out taxman's claims that the liquidator has to get tax deducted at source while liquidating a bankrupt company.

In the case between S Kumars Nationwide and Chief Commissioner of Income Tax, the NCLAT ruled the liquidator is not required to prepare a balance sheet and profit & loss account and get it audited during the liquidation process.

"We are of the view that the liquidator of a company in liquidation under the Code is not required to file Income tax return, then there is no question of claiming refund of TDS deducted," a two-judge bench

of Jarat Kumar Jain and Ashok Kumar Mishra said in its order.

The order was passed on Monday stating that any buyer of property from a liquidator under Insolvency and Bankruptcy Code, 2016 shall not be required to deduct and pay 1% TDS from the sale consideration under Section 194-IA of the Income-tax Act, 1961.

**The landmark case will set a precedent, making the liquidation process easy, said CA who appeared for submissions on behalf of the liquidator**

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process easy," said Anil Goel, a chartered accountant who appeared before NCLAT for submissions on behalf of the liquidator. Om Prakash Agarwal



ANIRBAN BORA

"Tax deducted at source (TDS) was

detrimental to the interest of creditors, adversely impacting the recovery from the liquidation process. This order has permanently removed this difficulty," Goel said. Income tax authority not to de-

other documents.

"It is clear that when the company is wound up under the orders of court or otherwise, the return shall be verified by the liquidator," the court said.

Aya Anand

**Bengaluru:** executives held shares, some return months ago market.

Executive (LTT), L& (LTTSS), Y tent Syste sultancy; Tech are disposed employee accordin res to the Land Fel prices of hitnew Kesha tor and LTTSS, nearly