

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
KOCHI BENCH**

**MA(IBC)/02/KOB/2026**

**IN**

**IA(IBC)/215/KOB/2023**

**IN**

**CP(IB)/05/KOB/2021**

*(Under Rule 11, NCLT Rules, 2016*

*read with Section 60(5) of the IBC, 2016)*

***Date of Institution: 13.03.2026***

***Order delivered on: 08.06.2026***

***In the matter of:***

***Samson and Sons Builders and Developers  
Pvt. Ltd.***

**MEMO OF PARTIES:**

**M/s. Orchid Valley Apartment Buyers  
Association**

(Reg no. TVM/TC/1288/2017)

Santhosh Nagar, Muttada PO,  
Thiruvananthapuram-695025.

Functioning at TC/24/244(Old 4/505),

D4, Sreenivasa Lane, Kowdiar,  
Thiruvananthapuram-695003

**... Applicant**

**-Vs-**

**ASSISTANT COMMISSIONER OF INCOME  
TAX CIRCLE 1(1)**

Aayakar Bhawan, Kowdiar,  
Trivandrum - 695003

**... Respondent No.1**

**Mr. K. Parameswaran Nair,**  
Resolution Professional, Samson and  
Samson Builders and Developers Pvt.Ltd,  
37/1736 E, Kripasagaram, K Murali Road,  
Kadavantra, Ernakulam, Kerala-682020

**...Respondent No.2**

***Coram:***

**Hon'ble Member (Judicial): Shri. Vinay Goel**

**Hon'ble Member (Technical): Shri. Ravichandran Ramasamy**

***Appearances:***

For the Applicant : Mr. Bijoy P Pulipra, Adv;

For the Respondent No.1 : Mr. Cyriac Tom, Adv;

For the Respondent No.2 : Mr. Vinod P V, Adv.

**ORDER**

**Per Coram**

1. This is an Application filed under Rule 11 of NCLT Rules, 2016, read with Section 60(5) of the Insolvency and Bankruptcy Code, 2016, by Orchid Valley Apartment Buyers Association, who is the Successful Resolution Applicant in the matter of M/s Samson and Sons Builders and Developers Private Limited seeking the following reliefs: -

- a. *Pass appropriate orders directing Respondent No.1 - b. Assistant Commissioner of Income Tax, Circle 1(1) to accept the settlement amount of ₹1,38,341/- (Rupees One Lakh Thirty Eight Thousand Three Hundred and Forty One only) as provided under the approved Resolution Plan dated 14.08.2024 passed in IA (IBC)/215/KOB/2023 in CP (IB)/05/KOB/2021, and to issue appropriate acknowledgement / No Objection Certificate in confirmation of such settlement;*
- b. *Declare that the claim of the Income Tax Department stands fully satisfied and extinguished in terms of the approved Resolution Plan, and that no further claim, demand or proceeding shall survive against the Corporate Debtor or the project in respect of the period before approval of the Resolution Plan;*
- c. *Direct Respondent No.1 to forthwith withdraw/lift the attachment dated 14.02.2020 (Gahan No. F29/2020, Vol. 130, Pages 227-230) recorded in the office of the Sub Registrar, Pattom over the properties comprised in Sy. No. 584 (Re. Sy. No. 547/11), Sy. No. 584/2 (Re. Sy. No. 547/22) and Sy. No. 584/2 (Re. Sy. No. 547/9) of Kudappanakunnu Village, and to issue 'necessary communication to the SubRegistrar Office for removal of the encumbrance;*
- d. *Direct Respondent No.1 to communicate the mode and account details for remittance of the plan amount within a time-bound period, preferably within two weeks, to enable implementation of the approved Resolution Plan;*
- e. *Pass such other order(s) as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the case.*

The Brief facts of the case are as follows:

2. The Applicant, Orchid Valley Apartment Buyers Association, is the Successful Resolution Applicant (SRA) in the Corporate Insolvency Resolution Process of M/s Samson and Sons Builders and Developers Private Limited, pursuant to the Order dated 14.08.2024 passed by this Tribunal in IA (IBC)/215/KOB/2023 in CP (IB)/05/KOB/2021. The Applicant is a Homebuyers' Association registered under the provisions of the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955, bearing Registration No. TVM/TC/1288/2017, and is represented by its Secretary, Mr. Shaju Thomas, who is duly authorised to represent the Applicant in these proceedings in terms of the resolution passed at the meeting of the Association held on 19.08.2024.

3. It is stated that the Resolution Plan submitted by the Applicant was approved by this Tribunal vide Order dated 14.08.2024. Pursuant to and in furtherance of the implementation of the approved Resolution Plan, the Applicant, being the Successful Resolution Applicant (SRA), is required to regularise and settle the statutory dues in accordance with the terms of the Resolution Plan and obtain the necessary clearances and confirmations from the concerned authorities to ensure the smooth and effective implementation thereof.
4. It is stated that during the Corporate Insolvency Resolution Process, the Income Tax Department had lodged a claim of Rs.5,28,01,920/-, which was duly admitted. Under the approved Resolution Plan, the said claim stands settled for a sum of Rs.1,38,341/- in full and final settlement of the statutory dues pertaining to the Orchid Valley Project.
5. It is further stated that, subsequent to the approval of the Resolution Plan by this Tribunal vide Order dated 14.08.2024, the Income Tax Department, through the Assistant Commissioner of Income Tax, Circle 1(1), has preferred Company Appeal (AT) (Ins.) No. 84/2025 before the Hon'ble National Company Law Appellate Tribunal, Chennai Bench, challenging the approved Resolution Plan and seeking to press an additional claim of Rs.16,40,98,046/-. The said appeal is presently pending consideration before the Hon'ble Appellate Tribunal, and no interim stay of the Resolution Plan has been granted as on date.
6. It is stated that, notwithstanding the approval and binding nature of the Resolution Plan, the Applicant is facing difficulties in remitting the settled amount of Rs.1,38,341/- and in obtaining the consequential acknowledgements and clearances necessary for removal of the attachment/encumbrance over the project properties. The Applicant is ready and willing to remit the aforesaid

amount in terms of the approved Resolution Plan and seeks to obtain the requisite acknowledgement/NOC to facilitate its effective implementation.

7. It is further stated that the Hon'ble Supreme Court, in *Ghanashyam Mishra and Sons Private Limited v. Edelweiss Asset Reconstruction Company Limited & Ors.* (MANU/SC/0273/2021), has categorically held that upon approval of a Resolution Plan under Section 31 of the Insolvency and Bankruptcy Code, 2016, all creditors are bound by the approved plan and any claims not forming part thereof stand extinguished.
8. It is stated that, in view of the absence of any effective response from the Income Tax Department facilitating remittance of the settlement amount and consequential removal of the attachment over the project properties, the Applicant issued a legal notice dated 27.08.2025 calling upon the Department to intimate the mode of payment for remittance of the settled amount of Rs.1,38,341/- and to take necessary steps for lifting the attachment and removing the encumbrance recorded in the Sub-Registrar Office, Pattom. Thereafter, by letter dated 21.10.2025, the Applicant reiterated its readiness and willingness to remit the settled amount in terms of the approved Resolution Plan and requested issuance of an acknowledgement/NOC and consequential removal of the attachment. However, Respondent No. 1 has declined to facilitate the same on the ground that Company Appeal (AT) (Ins.) No. 84/2025 filed before the Hon'ble NCLAT is pending, notwithstanding the fact that no interim stay has been granted in the said appeal.
9. It is stated that the stand adopted by Respondent No. 1 is causing a continuing impediment to the implementation of the approved Resolution Plan, despite the Applicant's readiness and willingness to comply with its terms. In the circumstances, the Applicant seeks appropriate directions from this Tribunal

directing Respondent No. 1 to accept the settlement amount in terms of the approved Resolution Plan and to take all consequential steps, including issuance of the necessary acknowledgement/NOC and lifting/removal of the attachment and encumbrance over the project properties.

**Reply affidavit filed by the Respondent No.1**

10. The Respondent No.1 stated that the Corporate Debtor, M/s Samson and Sons Builders and Developers Private Limited, was an assessee under the Income Tax Act bearing PAN No. AAPCS3087F. In connection with the recovery proceedings initiated against the Corporate Debtor, this Respondent had caused attachment of the properties comprised in Sy. No. 584 (Re. Sy. No. 547/11), Sy. No. 584/2 (Re. Sy. No. 547/22), and Sy. No. 584/2 (Re. Sy. No. 547/9) of Kudappanakunnu Village, Thiruvananthapuram District, and the same were duly recorded in the Sub-Registrar Office, Pattom.
11. It is further stated that, while such recovery proceedings were in progress, the Corporate Debtor was admitted into Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. This Respondent understands that the aforesaid properties formed part of the Orchid Valley Project of the Corporate Debtor and that the Applicant herein emerged as the Successful Resolution Applicant in respect thereof pursuant to the CIRP proceedings.
12. It is stated that, during the Corporate Insolvency Resolution Process, this Respondent had lodged a claim for an amount of Rs.5,28,01,920/-. However, under the approved Resolution Plan, the claim of this Respondent has been admitted and provided for only to the extent of Rs.1,38,341/-, without considering the interest component payable under Section 220(2) of the Income Tax Act. Aggrieved thereby, this Respondent has preferred Company Appeal

(AT) (Ins.) No. 84/2025 before the Hon'ble National Company Law Appellate Tribunal, Chennai Bench, which is presently pending adjudication.

13. The Respondent No.1 stated that, although the Resolution Plan was approved by this Tribunal vide Order dated 14.08.2024 in IA (IBC)/215/KOB/2023, the issue relating to the extinguishment and settlement of the claims of the Income Tax Department is presently under challenge before the Hon'ble National Company Law Appellate Tribunal and, therefore, this Respondent has not taken steps to lift the attachment over the subject land. It is submitted that the present application has been filed seeking directions to this Respondent to accept the settlement amount provided under the approved Resolution Plan and to lift the attachment over the subject property. The Applicant relies upon Sections 31 and 32A of the Insolvency and Bankruptcy Code, 2016, and the "clean slate" principle recognized in judicial precedents to contend that the attachment is liable to be removed.

14. It is stated that, under the approved Resolution Plan, the Resolution Applicant had sought various reliefs, concessions and waivers in relation to liabilities arising under the Income Tax Act, including waiver of tax demands and consequential reliefs for implementation of the Resolution Plan. However, while approving the Resolution Plan, this Adjudicating Authority specifically observed that such reliefs and concessions are matters for consideration by the appropriate authorities. Accordingly, no automatic exemption or waiver was granted in favour of the Resolution Applicant. It is therefore submitted that the reliefs sought in respect of the claims of the Income Tax Department, including withdrawal of attachments and issuance of No Objection Certificate under the applicable provisions of the Income Tax Act, remain subject to the consideration and approval of the Income Tax Department. Consequently, the attachment over

the subject land cannot be treated as extinguished solely on the basis of the approval of the Resolution Plan.

15. It is stated that the Applicant has not furnished a copy of the approved Resolution Plan to the Income Tax Department and, therefore, this Respondent is constrained to rely solely upon the observations contained in the Order dated 14.08.2024 passed by the Hon'ble NCLT. This Respondent reserves its right to make further submissions upon receipt and examination of the Resolution Plan. It is further stated that the Applicant has not challenged the observation of the Hon'ble NCLT that the reliefs, concessions and waivers sought under the Resolution Plan are subject to consideration by the appropriate authorities and, therefore, cannot seek to bypass the requirement of approval from the Income Tax Department.

16. It is further stated that the attachment over the subject land was effected prior to the commencement of the Corporate Insolvency Resolution Process and, in terms of the provisions of the Income Tax Act, including Section 281 thereof, the tax dues cannot be treated as discharged unless the same are fully satisfied. It is stated that this Respondent is merely acting in accordance with the provisions of the Income Tax Act and the observations contained in the order of this Adjudicating Authority, and, therefore, there is no violation of Section 31 of the Insolvency and Bankruptcy Code, 2016. It is further stated that Section 32A of the Code pertains to liability arising from offences and has no application to the statutory tax liabilities involved in the present case.

17. It is stated that the "clean slate" principle laid down by the Hon'ble Supreme Court in *Ghanashyam Mishra & Sons Private Limited* is applicable only to the extent contemplated under the approved Resolution Plan and cannot be construed as granting an unconditional extinguishment of all liabilities. The said

principle remains subject to the terms and conditions of the Resolution Plan and the mandate of Section 31 of the Insolvency and Bankruptcy Code, 2016, which binds statutory authorities only in accordance with the approved Plan and the order of this Adjudicating Authority.

18. It is stated that the Resolution Applicant has not complied with the requirements contemplated under the Resolution Plan, including obtaining necessary approval from the Income Tax Department in respect of reliefs sought under Section 281 of the Income Tax Act, and therefore cannot seek enforcement of the claimed exemptions as a matter of right. This Respondent further submits that the Applicant is seeking to bypass the conditions incorporated in the approved Resolution Plan and, on that ground alone, the present application is liable to be dismissed. Without prejudice to the foregoing, it is stated that the present application also suffers from non-joinder of necessary parties, inasmuch as the Tax Recovery Officer who issued the attachment order has not been impleaded as a party to the proceedings.

**Reply affidavit filed by the Respondent No.2**

19. The Respondent No.2 filed its reply and stated that the Corporate Debtor, incorporated on 27.07.2009, was engaged in the business of real estate development and had undertaken ten projects prior to the commencement of the Corporate Insolvency Resolution Process, of which four projects never commenced construction and resolution plans were received in respect of six projects. This Adjudicating Authority has approved the Resolution Plans in respect of Pearl Crest, Angel Woods, Orchid Valley and Sharon Hill-I, while the Resolution Plans relating to Sanctuary and Nova Castle have been remitted to the Committee of Creditors for reconsideration.

20. It is further stated that the present application pertains to the Orchid Valley Project, for which the Resolution Plan submitted by the Applicant was approved by this Adjudicating Authority vide Order dated 14.08.2024 in IA (IBC)/215/KOB/2023. The Orchid Valley Project was conceived as a residential apartment project comprising 25 flats at Muttada, Thiruvananthapuram; however, despite its commencement in 2014 with a proposed completion schedule in 2016, only piling work was undertaken and all statutory approvals had expired prior to the initiation of CIRP. It is further stated that the project land stood mortgaged in favour of Muthoot Fincorp Limited.

21. It is stated that the Resolution Professional had admitted the claims of 15 homebuyers, who had substantially paid the consideration for their respective apartments during the years 2014–2015. During the CIRP, a project-specific Resolution Plan was submitted by the Applicant, comprising 14 homebuyers of the Orchid Valley Project, which was subsequently approved by this Adjudicating Authority vide Order dated 14.08.2024 in IA (IBC)/215/KOB/2023 in CP (IB)/05/KOB/2021. The approved Resolution Plan envisaged the constitution of a Monitoring Committee consisting of representatives of the Successful Resolution Applicant, the Committee of Creditors and the Resolution Professional for overseeing implementation of the Plan from the date of its approval. It is further submitted that an application filed by the SRA seeking reconstitution of the Monitoring Committee without the Resolution Professional was dismissed by this Adjudicating Authority vide Order dated 14.11.2024 in IA (IBC)/407/KOB/2024, pursuant to which the Committee was reconstituted on 19.11.2024. Thereafter, meetings of the Monitoring Committee were convened from time to time, and Mr. Shaju Thomas, Secretary of the SRA, was appointed as the Monitoring Agent for implementation of the Resolution Plan.

22. It is stated that the Applicant has filed MA (IBC) No. 1/KOB/2026 in IA (IBC)/215/KOB/2023 in CP (IB)/05/KOB/2021 seeking extension of time for implementation of the approved Resolution Plan on the ground that it requires additional time to mobilize funds for completion of construction and discharge of obligations under the Plan. The Applicant has contended that it has been unable to secure project finance due to the continued withholding of original title documents by Muthoot Fincorp Limited and the pendency of various appeals before the Hon'ble NCLAT, including Company Appeal (AT) (CH) (Ins.) No. 465 of 2025 filed by Muthoot Fincorp Limited challenging the approval of the Resolution Plan, Company Appeal (AT) (CH) (Ins.) No. 494 of 2025 filed by the SRA seeking handover of the original sale deeds, and Company Appeal (AT) (Ins.) No. 84 of 2025 filed by the Income Tax Department challenging the approved Resolution Plan. The said application for extension of time is presently pending adjudication before this Adjudicating Authority.

23. It is stated that the total admitted Government dues in the CIRP amount to Rs.13,45,77,264/-, of which the admitted claim of Respondent No. 1 is Rs.5,28,01,920/-. In terms of the approved Resolution Plan, Government dues are payable at 5% and are to be proportionately borne by the respective Resolution Applicants based on their voting share in the class of homebuyers. Accordingly, the liability of the Applicant towards the claim of Respondent No. 1 has been computed at Rs.1,38,341/- under the Resolution Plan.

24. It is further stated that, while the Applicant has already remitted the amount payable towards the dues of the CGST Department in compliance with the Resolution Plan, the amount payable to Respondent No. 1 remains unpaid. It is stated that the Applicant is required to infuse substantial funds for completion of the project and to take steps for the release of the mortgage and transfer of

proportionate rights in the property to the homebuyers. However, the attachment subsisting over the property comprised in Re. Sy. Nos. 547/11, 547/22 and 547/9 at the instance of Respondent No. 1 is impeding the implementation of the approved Resolution Plan.

25. It is stated that, although Respondent No. 1 has preferred Company Appeal (AT) (Ins.) No. 84 of 2025 before the Hon'ble NCLAT, challenging the Resolution Plan, no order of stay has been granted. Consequently, the approved Resolution Plan continues to remain binding on all stakeholders, including Respondent No. 1, in terms of Section 31 of the Insolvency and Bankruptcy Code, 2016. In the circumstances, Respondent No. 1 is liable to accept the amount payable under the Resolution Plan and take consequential steps for the release of the attachment and encumbrance over the subject property. Alternatively, in the event of refusal by Respondent No. 1 to receive the amount, appropriate directions may be issued for the deposit of the said amount in accordance with law until such time as Respondent No. 1 becomes entitled to receive the same. Therefore, it is prayed that this Adjudicating Authority may be pleased to direct the removal of the attachment and encumbrance over the subject property so as to facilitate effective implementation of the approved Resolution Plan.

### **Analysis and Findings**

26. This Adjudicating Authority has gone through the pleading, documents and record rival submissions made on behalf of the parties. It is a case of home buyers of the Corporate Debtor, M/s Samson and Sons Builders and Developers Private Limited, which is engaged in the development of real estate projects, which was admitted for insolvency under the provisions of IBC, 2016, vide order dated 03.11.2021 in CP(IB)/05/KOB/2021. The Corporate Debtor, before commencement of CIRP, undertook different projects at different stages of

development. This Adjudicating Authority approved the Resolution Plan for four projects, including M/s. Orchid Valley. This Resolution plan was approved vide order dated 14.08.2024 in IA(IBC)/215/KOB/2023. As per the approved Resolution plan, against the admitted claim of Rs. 5,28,01,920/- of the Respondent No.1, the amount of Rs. 1,38,341/- has been proposed to be paid to the Respondent No.1. The Respondent No.1 have come with the plea against the approval of the Resolution plan and the disbursement of the amount on the low side. The Respondent No.1 have preferred an appeal before the Hon'ble NCLAT, and there is no interim protection in favour of the Respondent in the so filed appeal.

27. At this stage, it would be appropriate to refer to Section 31 of IBC, which is read as under:-

*31. Approval of resolution plan.*

*(1) If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub-section (4) of section 30 meets the requirements as referred to in sub-section (2) of section 30, it shall by order approve the resolution plan which shall be binding on the corporate debtor and its employees, members, creditors, [including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed,] guarantors and other stakeholders involved in the resolution plan.*

*[Provided that the Adjudicating Authority shall, before passing an order for approval of resolution plan under this sub-section, satisfy that the resolution plan has provisions for its effective implementation.]*

*(2) Where the Adjudicating Authority is satisfied that the resolution plan does not conform to the requirements referred to in sub-section (1), it may, by an order, reject the resolution plan.*

*(3) After the order of approval under sub-section (1),*

*(a) the moratorium order passed by the Adjudicating Authority under section 14 shall cease to have effect; and*

*(b) the resolution professional shall forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the Board to be recorded on its database.*

*2[(4) The resolution applicant shall, pursuant to the resolution plan approved under sub-section (1), obtain the necessary approval required under any law for the time being in force within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority under sub-section (1) or within such period as provided for in such law, whichever is later:*

*Provided that where the resolution plan contains a provision for combination, as referred to in section 5 of the Competition Act, 2002 (12 of 2003), the resolution applicant shall obtain the approval of the Competition Commission of India under that Act prior to the approval of such resolution plan by the committee of creditors.]*

28. All stakeholders are bound by the terms of the approved Resolution plan, and the plan has provided an amount to the Income Tax Department at the rate of 5% of admitted dues. There is a timeline for the implementation of the Resolution Plan in terms of provisions of the IBC, 2016.

29. As per the Judgment of ***Ghanashyam Mishra and Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Company Ltd. and Ors.***, [\(2021\) ibclaw.in 54 SC](#), the Hon'ble Supreme Court held that on the date of approval of the Resolution Plan by the Adjudicating Authority, all such claims which are not a part of the Resolution Plan, shall stand extinguished, and no person will be entitled to initiate or continue any proceedings in respect to a claim which is not a part of the Resolution Plan. So, the legislature and the higher court have recognised the doctrine of clean slate mechanism to bring and to the claims which have been dealt with in the Resolution Plan, all of such claims which do not form part of the Resolution Plan due to the non-submissions.

30. Further, the Hon'ble Supreme Court has reaffirmed this principle in its judgment ***Electrosteel Steel Ltd. v. Ispat Carrier Pvt. Ltd.***, [\(2025\) ibclaw.in 135 SC](#). The relevant portion of the judgment is reproduced here under:

*“30. An important question arose for consideration in Ghanashyam Mishra [Ghanashyam Mishra and Sons P. Ltd. v. Edelweiss Asset Reconstruction Co. Ltd., (2021) 227 Comp Cas 251 (SC); (2021) 91 GSTR 28 (SC); (2021) 9 SCC*

657; (2021) 4 SCC (Civ) 638; 2021 SCC OnLine SC 313.]. Again a three-judge Bench of this court examined a question as to whether any creditor including the Central Government, State Government or any local authority is bound by the resolution plan once it is approved by the Adjudicating Authority under sub-section (1) of section 31 of the Insolvency and Bankruptcy Code ? A corollary to the above question was the issue as to whether after approval of the resolution plan by the Adjudicating Authority, a creditor including the Central Government, State Government or any local authority is entitled to initiate any proceeding for recovery of any of the dues from the corporate debtor which are not a part of the resolution plan approved by the Adjudicating Authority. In that case, the Bench concluded by holding that once a resolution plan is duly approved by the Adjudicating Authority under sub-section (1) of section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of the resolution plan by the Adjudicating Authority, all such claims which are not a part of the resolution plan shall stand extinguished and no person will be entitled to initiate or continue any proceeding in respect to a claim which is not part of the resolution plan. The Bench declared that all dues including statutory dues owed to the Central Government, any State Government or any local authority if not part of the resolution plan shall stand extinguished and no proceeding in respect of such dues for the period prior to the date on which the Adjudicating Authority grants its approval under section 31 could be continued. Paragraph 102 of the aforesaid decision reads thus

*“In the result, we answer the questions framed by us as under:*

*(i) That once a resolution plan is duly approved by the Adjudicating Authority under sub-section (1) of section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the Adjudicating Authority, all such claims, which are not a part of the resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan...*

*(iii) Consequently all the dues including the statutory dues owed to the Central Government, any State Government or any local authority, if not*

*part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the Adjudicating Authority grants its approval under section 31 could be continued.”*

*31. In Ruchi Soya Industries Ltd., a two-judge Bench of this court referred to the decision in Ghanashyam Mishra and thereafter declared that on the date on which the resolution plan was approved by the National Company Law Tribunal, all claims stood frozen and no claim, which is not a part of the resolution plan, would survive.*

xxx                      xxx                      xxx

*33. In a recent decision, a two-judge Bench of this court decided a contempt application in JSW Steel Ltd. v. Pratishtha Thakur Haritwal. Contention of the petitioner was that the respondents had wilfully disobeyed the judgment of this court in Ghanashyam Mishra by issuing demand notices pertaining to the period covered by the corporate insolvency resolution process. In the above context, the Bench reiterated what was held in Ghanashyam Mishra which has been followed in subsequent decisions and thereafter declared that all claims which are not part of the resolution plan shall stand extinguished. No person will be entitled to initiate or continue any proceeding in respect to a claim which is not part of the resolution plan. Though the Bench did not take any action for contempt in view of the unconditional apology made by the respondents nonetheless the Bench reiterated the proposition laid down in Ghanashyam Mishra clarifying that even if any stakeholder is not a party to the proceedings before the National Company Law Tribunal and if such stakeholder does not raise its claim before the interim resolution professional/resolution professional, the resolution plan as approved by the National Company Law Tribunal would still be binding on him.*

xxx                      xxx                      xxx

*50. In so far the second and third issues are concerned, it is by now well settled that once a resolution plan is duly approved by the Adjudicating Authority under sub-section (1) of section 31, all claims which are not part of the resolution plan shall stand extinguished and no person will be entitled to initiate or continue any proceeding in respect to a claim which is not part of the resolution plan. In fact, this court in Committee of Creditors of Essar Steel India Ltd. [Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta, (2020) 219 Comp Cas 97 (SC); (2020) 8 SCC 531; 2019 SCC*

*OnLine SC 1478.] had categorically declared that a successful resolution applicant cannot be faced with undecided claims after the resolution plan is accepted. Otherwise, this would amount to a hydra head popping up which would throw into uncertainty the amount payable by the resolution applicant. In so far the resolution plan is concerned, the resolution professional, the committee of creditors and the Adjudicating Authority noted about the claim lodged by the respondent in the arbitration proceeding. However, the respondent was not included in the top 30 operational creditors whose claims were settled at nil. This can only mean that the three authorities conducting the corporate insolvency resolution process did not deem it appropriate to include the respondent in the top 30 operational creditors. If the claims of the top 30 operational creditors were settled at nil, it goes without saying that the claim of the respondent could not be placed higher than the said top 30 operational creditors. Moreover, the resolution plan itself provides that all claims covered by any suit, cause of action, arbitration, etc., shall be settled at nil. Therefore, it is crystal clear that in so far claim of the respondent is concerned, the same would be treated as nil at par with the claims of the top 30 operational creditors.*

*50.1. Lifting of the moratorium does not mean that the claim of the respondent would stand revived notwithstanding approval of the resolution plan by the Adjudicating Authority. The moratorium is intended to ensure that no further demands are raised or adjudicated upon during the corporate insolvency resolution process so that the process can be proceeded with and concluded without further complications. The view taken by the High Court cannot be accepted in the light of the clear cut provisions of the Insolvency and Bankruptcy Code as well as the law laid down by this court. In view of the resolution plan, as approved, the claim of the respondent stood extinguished. Therefore, the Facilitation Council did not have the jurisdiction to arbitrate on the said claim. Since the award was passed without jurisdiction, the same could be assailed in a proceeding under section 47 of the Code of Civil Procedure. The view taken by the High Court that because the appellant did not challenge the award under section 34 of the 1996 Act, therefore, it was precluded from objecting to execution of the award at the stage of section 47 of the Code of Civil Procedure is wholly unsustainable.*

*51. Consequently, the view taken by the High Court that notwithstanding approval of the resolution plan by the National Company Law Tribunal, the Facilitation Council did not lose jurisdiction to proceed and pronounce the arbitral award, is erroneous and contrary to the law laid down by this court.*

*52. In that view of the matter, we have no hesitation to hold that upon approval of the resolution plan by the National Company Law Tribunal, the claim of the respondent being outside the purview of the resolution plan stood extinguished. Therefore, the award dated July 6, 2018 is incapable of being executed. Consequently, the order dated March 3, 2023 passed by the Presiding Officer, Commercial Court/District Judge-1, Bokaro in Commercial Execution Case No. 21 of 2022 (Execution Case No. 77 of 2018) is hereby set aside. Execution proceedings in Commercial Execution Case No. 21 of 2022 (Execution Case No. 77 of 2018) pending in the Court of Presiding Officer, Commercial Court/District Judge-1, Bokaro, are hereby quashed. Resultantly, impugned order of the High Court dated July 17, 2023 is also set aside.”*

31. Thus, it is clear that all such claims, which are not a part of the Resolution Plan on the date of approval, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect of claims, which are not part of the Resolution Plan and so much so this would apply to the statutory dues owed to Central/State Governments, local bodies etc.

32. Further, the Legislature, in its wisdom, has given statutory recognition to the principles underlying the Insolvency and Bankruptcy Code, 2016 by inserting Section 156A in the Income-tax Act, 1961. The said provision finds its corresponding place in Section 290 of the Income-tax Act, 2025, which reads as under:

*Modification and revision of notice in certain cases.*

*290. (1) Where,-*

*(a) any tax, interest, penalty, fine or any other sum in respect of which a notice of demand has been issued earlier under section 289; and*

*(b) such tax, interest, penalty, fine or any other sum is reduced as a result of an order of the Adjudicating Authority as defined in section 5(1) of the Insolvency and Bankruptcy Code, 2016 (31 of 2016),*

*the Assessing Officer shall serve on the assessee a modified notice of demand specifying the sum payable, if any, and such notice shall be treated as a notice under section 289 and the provisions of this Act shall accordingly apply in relation to such notice.*

*(2) The modified notice of demand as referred to in sub-section (1) shall be revised where the order referred to in sub-section (1)(b) is modified by the National Com-pany Law Appellate Tribunal or the Supreme Court.*

33. The statutory provisions contained in Section 290 of the Income-tax Act, 2025, which correspond to erstwhile Section 156A of the Income-tax Act, 1961, provide that where any tax, interest, penalty, fine, or any other sum in respect of which a notice of demand has been issued is reduced as a consequence of an order passed by the Adjudicating Authority, as defined under clause (1) of Section 5 of the Insolvency and Bankruptcy Code, 2016, the Assessing Officer shall modify the demand in conformity with such order and shall thereafter serve upon the assessee a revised notice of demand specifying the sum payable, if any. Such revised notice shall be deemed to be a notice of demand under the provisions of the Income-tax Act, 2025, and the provisions of the Act shall apply accordingly.
34. So, upon approval of the Resolution Plan, it is incumbent upon the Tax Authority to reduce its demand in synchronization with the orders of this Adjudicating Authority. The commercial wisdom of the Committee of Creditors has been recognized by the Court as well as under the provisions of IBC to a greater extent, barring a few exceptions.
35. The contention of Counsel for the Respondent No.1 that, in the approved Resolution Plan, while giving relief and concessions, it is mentioned that 'the appropriate authority to consider', cannot be read in isolation, rather it would be read in synchronization with the entire order in total.
36. Paragraph 21 of the order dated 14.08.2024 approving the Resolution Plan, which reads as under: -

*21. We are further relying on Ghanshyam Mishra and Sons Private Limited v/s Edelweiss Asset Reconstruction Company Limited (2021 SCC online SC 313) where the Hon'ble Supreme Court held that on the*

*date of approval of the Resolution Plan by the Adjudicating Authority, all such claims which are not a part of Resolution Plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim which is not a part of the Resolution Plan.*

37. Therefore, Column No.1 of relief and concessions, in the order dated 14.08.2024 approving the Resolution Plan to be read in synchronization with the entire order and the Income Tax department, as a statutory authority, is well aware of its rights and statutory provisions, should refrain from adopting a hyper-technical approach in interpreting its purported claim and attachment. The right, if any, prior to CIRP stands extinguished automatically by operation of law upon approval of the resolution plan, subject to terms and conditions set out and approved by CoC and this Adjudicating Authority.

38. Further, the attachment effected by Respondent No.1 cannot be sustained in view of the settled legal position governing the effect of an approved Resolution Plan under the Insolvency and Bankruptcy Code, 2016. Upon approval of the Resolution Plan, the claims and rights of all stakeholders stand crystallized in terms thereof, and the Respondent No.1 is bound by the treatment accorded to its claim under the approved Plan. Since the claim of the Respondent No.1 has been settled in terms of the approved Resolution Plan, it is not open to Respondent No.1 to continue or enforce the attachment dated 14.02.2020 over the properties comprised in Sy. No. 584 (Re. Sy. No. 547/11), Sy. No. 584/2 (Re. Sy. No. 547/22) and Sy. No. 584/2 (Re. Sy. No. 547/9) of Kudappanakunnu Village for recovery of its pre-CIRP dues. The continuance of such attachment would be contrary to the binding effect of the approved Resolution Plan and would impede its effective implementation. It would also amount to permitting Respondent No.1 to enforce a claim beyond the treatment accorded to it under the approved Resolution Plan, which is impermissible in law. Accordingly,

Respondent No.1 is liable to withdraw and lift the aforesaid attachment and issue the necessary communication to the concerned Sub-Registrar for removal of the encumbrance recorded over the subject properties, thereby facilitating effective implementation of the approved Resolution Plan.

39. Further, no specific directions are required as sought for in prayer 'd' as the Respondent department in amended provisions of the Income Tax Act is required to modify the demand in terms of the approved resolution plan and certainly the department will specify how to deposit the amount in terms of the said demand notice.

40. In view of the foregoing discussion and the law laid down by the Hon'ble Supreme Court, this Adjudicating Authority is satisfied that the Applicant is entitled to the reliefs sought in the present application.

41. Accordingly, the application, **MA(IBC)/02/KOB/2026**, is **allowed** and disposed of.

42. Let *the* certified copy of this order be issued upon compliance with requisite formalities.

43. File be consigned to records.

**Sd /-**

**RAVICHANDRAN RAMASAMY  
(MEMBER TECHNICAL)**

**Sd /-**

**VINAY GOEL  
(MEMBER JUDICIAL)**

Signed on this the 8<sup>th</sup> day of June, 2026.

*At\*R steno*