

**IN THE INCOME TAX APPELLATE TRIBUNAL  
Hyderabad 'B' Bench, Hyderabad**

**Before Shri Rama Kanta Panda, Accountant Member  
AND  
Shri K.Narasimha Chary, Judicial Member**

ITA Nos.588/Hyd/2016  
Assessment Year: 2008-09

M/s. Sirpur Paper Mills Ltd. Vs DCIT,Circle-2(3)  
5-9-22/1/1, 1<sup>st</sup> floor . Hyderabad  
Adarsh Nagar  
Opp. New MLA Quarters Gate,  
Hyderabad-500 063

PAN : AA ACT7970R  
(Appellant)

(Respondent)

&

ITA No. 735/Hyd/2016  
Assessment Year: 1979-80

M/s. Sirpur Paper Mills Ltd. Vs. ACIT,Circle-2(3)  
5-9-22/1/1, 1<sup>st</sup> floor Hyderabad  
Adarsh Nagar  
Opp. New MLA Quarters Gate,  
Hyderabad-500 063

PAN : AA ACT7970R  
(Appellant)

(Respondent)

Assessee by: Shri Ch.G.Murali Krishna Murthy &  
Rajesh Kumar Ghai, CA

Revenue by: Shri Y.V.S.T.Sai, CIT-DR

Date of hearing: 04.08.2022

Date of pronouncement: 04 .08.2022

## **ORDER**

### **Per Bench:**

The above two appeals filed by the assessee are directed against the separate orders dated 18.01.2016 of the Learned Commissioner of Income tax (Appeals)-9, Hyderabad relating to the AY 2008-09 & 1979-80 respectively. For the sake of convenience both these appeals were heard together and are being disposed-of by this common order.

2. At the outset, both the counsel submitted that the assessee underwent the corporate insolvency resolution proceedings and such proceedings came to an end by order dated 19/7/2018 approving the resolution plan to be found at page numbers 1 to 40 of the paperbook. On a perusal of the resolution plan we find that the relevant portion of the plan is at paragraph No. 7.5 (c) at page No. 21 of the plan. For the sake of completeness and ready reference we deem it just and necessary to refer the relevant portion hereunder,-

*“ Upon approval of this Resolution Plan by the NCLT, all dues under the provisions of Income Tax Act, 1961, including taxes, duty, penalties, interest, fines, cesses, unpaid tax deducted at source/tax collected at source, whether admitted or not, due or contingent, whether part of above claim of income tax authorities or not, asserted or unasserted, disputed or undisputed, present or future in relation to any period prior to the completion Date, shall stand extinguished and the Corporate Debtor shall not be liable to pay any amount against such demand. All, assessments/appellate or other proceedings pending in case of the Corporate Debtor, on the date of the order of NCLT relating to the period prior to that date, shall stand terminated and all consequential liabilities, if any, stand abated and should be considered to be not payable by the Corporate Debtor. All notices proposing to initiate any proceedings against the Corporate Debtor in relation to the period prior to the date of NCLT order and pending on that date, shall stand abated and should not be proceeded against. Post the order of the NCLT,*

*no re-assessment/revision or any other proceedings under the provisions of the Income Tax Act shall be initiated on the corporate Debtor in relation to period prior to acquisition of control by the Resolution Applicant and any consequential demand should be considered non-existing and as not payable by the Corporate Debtor. Any proceedings which were kept in abeyance in view of the insolvency process or otherwise shall not be revived post the order of NCLT.”*

3. In Ghanashyam Mishra And Sons ... vs Edelweiss Asset Reconstruction (2021) 126 taxmann.com 132 (SC), it was held that, (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 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; (ii) 2019 amendment to Section 31 of the I&B Code is clarificatory and declaratory in nature and therefore will be effective from the date on which I&B Code has come into effect; and (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.

4. In the circumstances, we are of the considered opinion that the parties are bound by the resolution plan as approved by the competent adjudicating authority and nothing needs to be done in these appeals. We, accordingly, while placing the facts on record, allow these appeals for statistical purpose.

5. In the result, both the appeals are allowed for statistical purpose.

Order pronounced in the Open Court on this the 04<sup>th</sup> day of August, 2022.

**Sd/-**  
**(RAMA KANTA PANDA)**  
**ACCOUNTANT MEMBER**

**Sd/-**  
**(K.NARASIMHA CHARY)**  
**JUDICIAL MEMBER**

Hyderabad, dated 04 August, 2022.  
Thirumalesh/sps

Copy to:

S.No	Addresses
1	M/s. Sirpur Paper Mills Ltd. 5-9-22/1/1, 1 <sup>st</sup> floor Adarsh Nagar Opp. New MLA Quarters Gate, Hyderabad-500 063
2	DCIT,Circle-2(3) Hyderabad / ACIT, Circle-2(3),Hyderabad
3	CIT(A)-9, Hyderabad
4	Pr.CIT-2, Hyderabad
5	DR, ITAT Hyderabad Benches
6	Guard File

By Order