

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCHES : F : NEW DELHI

BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER
AND
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER

ITA No.927/Del/2025
Assessment Year : 2013-14

Emerald Lands India Pvt. Ltd.,
15, Major Shivdev Singh Marg,
Civil Lines,
Punjab – 141 001.

Vs. ACIT,
Central Circle-7,
Delhi.

PAN: AABCE6773E

Assessee by : Shri Ashish Agarwal, CA &
Shri Tejinder Singh, Advocate
Revenue by : Ms Amisha S. Gupt, CIT-DR
Date of Hearing : 13.10.2025
Date of Pronouncement : 31.10.2025

ORDER

PER ANUBHAV SHARMA, JM:

This appeal has been preferred by the Assessee against order dated 20.12.2024 of the learned Commissioner of Income Tax (Appeals)-24, New Delhi, in Appeal No.CIT(A), Delhi-24/10397/2016-17, arising out of order dated 22.04.2021 passed u/s 143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') by the ACIT, Central Circle-07, Delhi (hereinafter referred to as 'the AO', for short) pertaining to Assessment Year 2013-14.

2. On hearing both the sides, we find that the assessee has raised a ground No.1 that the ld. tax authorities have ignored the fact that a Resolution Plan stands approved by the NCLT and, thus, no claim for AY 2017-18 of the Department is in existence.

3. It comes up from the submissions and the material on record that the assessee company was admitted for Corporate Insolvency Resolution Process under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC) vide order dated 2nd January, 2020 of NCLT, New Delhi and Malhotra Realty Pvt. Ltd. (MRPL) was a successful Resolution Applicant whose Resolution Plan was approved by the Committee of Creditors and finally by the NCLT, New Delhi, on 24.05.2023. Now the assessee company is a wholly owned subsidiary of MRPL.

4. It comes up from the copy of Resolution Plan approved by the NCLT at pages 11-32 of the paper book and relevant page 24 that during the insolvency proceedings, the tax authorities had claimed an amount INR 16,45,17,661/- which was not admitted and no challenge in respect of the same has been filed by the Income-tax Department. At page 155 of the paper book, copy of Form B which is filed with regard to the claim by operational creditors is made available and the same shows that in regard to AY 2016-17 and 2017-18 this claim was made. The copies of assessment orders were part of this form.

5. Thus, there is no doubt left that the Department had raised the claim during insolvency proceedings, which was not accepted and, thus, based on the clean slate theory as approved by Hon'ble Supreme Court in the case of Ghanashyam Mishra and Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Company Ltd. & Ors. (2021) ibclaw.in 54 SC, (p94-95) and in CoC of Essar Steel India Ltd. v. Satish Kumar Gupta & Ors. (2019) ibclaw.in 07 SC, the successful Resolution Applicant cannot be burdened with any tax liability.

6. In the light of the aforesaid, we allow ground No.1 of the appeal of the assessee and quash the assessment and consequent demands in regard to the present AY. The appeal of the assessee is allowed.

Order pronounced in the open court on 31.10.2025.

Sd/-

(AMITABH SHUKLA)
ACCOUNTANT MEMBER

Dated: 31st October, 2025.

dk

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Sd/-

(ANUBHAV SHARMA)
JUDICIAL MEMBER

Asstt. Registrar, ITAT, New Delhi