

# GRC BULLETIN

APRIL - 2025, VOLUME: I

## Case Law

Supreme Court quashes IT demands post-resolution plan: a win for insolvent companies"

[Click Here to Read Full Bulletin](#)



## JUDICIAL INSIGHT

### Case Title

*[Vaibhav Goel vs  
Deputy Commissioner of  
Income Tax on 20 March  
2025]*

# SUPREME COURT QUASHES IT DEMANDS POST-RESOLUTION PLAN: A WIN FOR INSOLVENT COMPANIES"

## FACTS OF THE CASE

- In accordance with the Insolvency and Bankruptcy Code (IBC), 2016, Vaibhav Goel & Anr. (Appellants) filed a Resolution Plan for M/s. Tehri Iron and Steel Casting Ltd. (Corporate Debtor - CD).
- This Resolution Plan was authorized by the National Company Law Tribunal (NCLT) on May 21, 2019.
- The plan classified the ₹16.85 crore in income tax dues for the 2014–15 assessment year as contingent liabilities.
- Even though these claims were not presented to the Resolution Professional during CIRP, the Income Tax Department (ITD) issued further demand notifications for assessment years 2012–13 and 2013–14 on December 26 and 28, 2019, following the approval of the Resolution Plan.
- On September 17, 2020, the NCLT rejected the Monitoring Professional's objection, costing the appellants ₹1 lakh.
- On November 25, 2021, the National Company Law Appellate Tribunal (NCLAT) affirmed the NCLT's ruling.
- Infuriated, the appellants invoked Section 62 of the IBC to petition the Supreme Court (SC).

## ISSUE

- If past-due claims were not covered by the authorized Resolution Plan, can tax authorities make new demands for them (before CIRP approval)?

## SUPREME COURT VERDICT

- The demand notifications issued by the Income Tax Department for the assessment years 2012–13 and 2013–14 were declared unlawful and unenforceable by the Supreme Court.
- It reiterated that, in accordance with Section 31(1) of the IBC, all claims that are not covered by a Resolution Plan are deemed extinguished once it is approved.
- According to the Court's historic decision in *Ghanashyam Mishra and Sons Pvt. Ltd. v. Edelweiss ARC (2021)*, all debts—including statutory debts—that are not included in the Resolution Plan are considered eliminated.



# JUDICIAL INSIGHT

## Case Title

*[Vaibhav Goel vs  
Deputy Commissioner of  
Income Tax on 20 March  
2025]*

- It chastised NCLAT for incorrectly rejecting the appeal and disregarding legally binding precedents.
- Allowing such late tax claims would endanger the business debtor's comeback and go against the IBC's clean slate premise, the Court reaffirmed.
- It declared that it was unfair to reject the application without cause, and it set aside the ₹1 lakh fee that the NCLT had imposed.

### *CASE TITLE:*

*[Vaibhav Goel vs Deputy Commissioner of Income Tax on 20 March 2025]*



### Head Quarters:

Vasudha, 2nd Floor, No. 2, 38th Main Rd,  
Rose Garden, JP Nagar Phase 6, J. P. Nagar,  
Bengaluru, Karnataka 560078

Ph: 080 41673023

Email: [info@ricago.com](mailto:info@ricago.com)

Website: [www.ricago.com](http://www.ricago.com)

*Subscribe to the Newsletter:*

Subscribe

Disclaimer: This newsletter is prepared by Clonect Solutions Pvt. Ltd. and contains information about the statutory compliance updates for general information only. No claim is made as to warrant or represent that the information contained in this document is correct. Also, it should not be considered as legal or financial advice and under no circumstances Clonect Solutions Pvt. Ltd. shall be held responsible for any kind of damages arising there to.

***#Trusted Compliance Partner***