



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

(Company formed by ICAI under Section 8 of the Companies Act 2013)

IBC Case Law Capsule

Number 269

(March 30, 2026)

**Income Tax Officer, Jaipur Vs. Solar Voltaic Power LLP & Anr.
Company Appeal (AT) (Ins.) No. 286 of 2025
Date of NCLAT, New Delhi Judgment: 13th March 2026**

Facts of the Case: -

The present appeal has been filed by the Income Tax Officer, Ward 1(3), Jaipur (Appellant) under Section 61 of the Insolvency and Bankruptcy Code, 2016 (IBC), aggrieved by the order dated 11.12.2024 passed by the NCLT, Jaipur Bench (Adjudicating Authority). By the said order, the Adjudicating Authority (AA) approved the Resolution Plan of M/s Solar Voltaic Power LLP (Corporate Debtor), which provides only ₹1,50,000/- towards the appellant's statutory dues against a claim of ₹3,11,11,442/- for various assessment years.

The Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor (CD) commenced on 19.09.2023 upon admission of a petition under Section 7 of the IBC by the AA. Pursuant to the public announcement, the Appellant filed its claim on 08.10.2023 in Form B for ₹3,11,11,442/-, representing outstanding income tax dues, along with a notice of demand under Section 156 of the Income Tax Act, 1961. The Resolution Professional (RP) sought additional documents on 29.11.2023 and again on 20.05.2024, which were duly furnished by the Appellant on 01.12.2023 and 30.05.2024, respectively. However, by email dated 06.06.2024, the RP rejected the claim, stating that the Resolution Plan submitted by M/s Valente Lifespace Creators Pvt. Ltd. had been approved by the CoC in its meeting held on 25.04.2024, and that the claim could not be considered under Regulation 13(1B) of the CIRP Regulations. The Appellant also alleged that this email had gone to the spam folder and was not seen by the Income Tax Officers. The Resolution Plan was subsequently approved by the AA in which the Appellant was allocated only ₹1,50,000/.

The Appellant contended that its claim, duly supported by documents, was repeatedly submitted but rejected by the RP without cogent reasons. The RP, however, argued that the claim was not part of the approved Resolution Plan and thus stands extinguished in law, further submitting that demand notices lack independent existence unless backed by subsisting assessment orders, which, despite several reminders, were furnished only after CoC approval of the Resolution Plan. Further, the RP also alleged that the Appellant did not raise this issue during pendency of the Resolution Plan before the AA.



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NCLAT's Observations:

After considering the submissions of both parties and the documents, the NCLAT framed two issues: (i) whether the RP erred in not considering the IT Department's claim; and (ii) whether such non-consideration resulted in a reduction of the amount receivable by the IT Department under the Resolution Plan.

The NCLAT observed that the Appellant and the RP were in regular email correspondence regarding the IT Department's claim, with the RP repeatedly seeking assessment orders to crystallize the claim. However, the assessment orders were first furnished only on 30.05.2024, after the CoC had approved the Resolution Plan and the RP had already filed an application for its approval before the Adjudicating Authority on 28.05.2024. Further, the NCLAT observed that the appellant failed to approach the AA due to its own delay; no irregularity or lapse is attributable to the RP.

Regarding the Appellant's allegation of receiving lesser amount in the Resolution Plan compared to what they would have received if the claim was admitted, the NCLAT observed that the size of the Resolution Plan was ₹20 lakh and it involved upfront one-time payment to all stakeholders. The Resolution Plan provides three categories of payments from the resolution proceeds, with CIRP costs having first priority under Section 53(1)(a) and being payable in full. Thereafter, unsecured financial creditors and operational creditors were provided their dues. The NCLAT further noted that considering their lower priority, operational creditors typically receive a nominal share. However, in this case, the SRA and CoC allocated about 46% to government (IT) creditors and retained 54% for the CoC member, despite its higher priority under Section 53(1) of the Code. Based on its proportionate share within the category, the IT Department has been allotted twice the amount it would have received if its claim had been admitted. Therefore, the NCLAT held the view that no injustice has been done to the appellant and there is no infirmity in the impugned order. The Court put on record that the present case exemplifies a waste of valuable public resources in pursuing frivolous litigation by public agencies. The NCLAT further noted that such appeals waste valuable governmental and judicial resources amid heavy caseloads and directed that the matter be brought to the notice of the Chairperson, CBDT, for appropriate policy action to curb frivolous litigations.

Order/Judgement: NCLAT Court did not find any infirmity in the impugned order of AA. Pending IAs, if any, stand closed.

Case Review: *Appeal Dismissed.*