

Digitally
signed by
VINA
ARVIND
KHADPE
Date:
2025.10.16
15:59:25
+0530

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
WRIT PETITION NO.4964 OF 2024

Reliance Projects and Property Management
Services Limited
(As successor to Reliance Infratel Ltd.)

.. Petitioner

Versus

Assistant Commissioner of Income-tax,
Circle 8(1)(1), Mumbai & ors.

.. Respondents

Mr. Madhur Agarwal, with *Mr. P.C. Tripathi, Mr. Ketan Dave and Mr. Pratik Shah i/b. A. S. Dayal and Associates, Advocates for the Petitioner.*

Mr. Dhananjay B. Deshmukh, Advocate for the Respondents.

CORAM: B. P. COLABAWALLA &
AMIT S. JAMSANDEKAR, JJ.

DATE: OCTOBER 14, 2025

P. C.

1. Rule. Respondents waive service. With the consent of the parties, Rule made returnable forthwith and heard finally.

2. In this Petition, the Petitioner is challenging the (i) impugned initial notice u/s. 148A(b) of the Income Tax Act, 1961 ('Act') dated 1st June, 2022; (ii) impugned order u/s. 148A(d) dated 29th August, 2022; (iii) impugned notice u/s. 148 dated 30th August, 2022; and (iv) impugned order passed

under section 143(3) r/w section 147 dated 26th March, 2023 of the Income Tax Act, 1961. The Assessment Year in question is A.Y. 2014-15. The primary ground of challenge by the Petitioner is that the impugned notices and orders are contrary to law and the provisions of the Insolvency and Bankruptcy Code, 2016 ('IBC').

3. From the facts of this case, we find that the Petitioner had undergone a Corporate Insolvency and Resolution Process ('CIRP') under the IBC, and the National Company Law Tribunal has approved the Resolution Plan vide order dated 3rd December, 2020. As per the Resolution Plan, the amount payable to the Respondents for a period prior to the effective date is treated as 'NIL' and stands extinguished. The impugned order is for A.Y. 2014-15 pertaining to Financial Year 2013-14. The period of Financial Year 2013-14 is clearly prior to the effective date which is 22nd December, 2022. The counsel for the Petitioner correctly submitted that the impugned notices and order were passed after the approval of the Resolution Plan by the NCLT on 3rd December, 2020, and are for a period prior to the effective date of the Resolution Plan. Therefore, the impugned notices and order passed for a period prior to the effective date and after the commencement of CIRP is required to be quashed and set aside.

4. We find that the issue in the above Writ Petition stands concluded by the decision of this Court in ***Alok Industries Ltd. Vs. ACIT [161 taxmann.com 285 (Bom)]*** wherein the Court held as under:

"11. Considering the contentions of the parties, averments in the Petition, the affidavit in reply and the statement of learned ASG :-

(a) issue of notice under section 148 of the Act to Petitioner company after the approval of the resolution plan for a period prior to closing is invalid and bad in law, having been issued contrary to the provisions of the Code and the Resolution Plan. Section 31 of the Code provides that the resolution plan which is approved under the Code is binding on the Corporate Debtor, its employees, members, creditors including the Central Government, State Government and any local authority to whom a debt or a statutory due is owned. Further, section 238 of the Code provides that the Code shall have effect notwithstanding anything inconsistent therein contain in any other law for the time being in force. Therefore, the resolution plan approved under section 31 of the Code will be applicable even if the department contends that the same is inconsistent with the provisions of the Act. Hence, proceedings cannot be initiated contrary to the resolution plan. It is to be noted that as per paragraph 3.3.5 of the resolution plan, the value of all dues including income tax dues is treated as nil and is deemed to have been fully discharged and settled for any period prior to the closing date irrespective of whether final or contingent, whether disputed or undisputed, whether or not the Government authority was aware of such claim. Further para 3.3.3 of the Resolution Plan also provides that all proceedings initiated before any forum by the operational creditors (including the central government) shall stand withdrawn and abated. It is also noted that the Income-tax Department had challenged the order of the NCLT approving the resolution plan before the NCLAT, which appeal was rejected on account of delay and, hence, the resolution plan has become final.

*(b) The Apex Court in ***Ghanashyam Mishra & Sons (P.) Ltd. v. Edelweiss Asset Reconstruction Company Ltd. [2021] 9 SCC 657/[2021] 126 taxmann.com 132/166 SCL 237*** after considering the provisions of the Code has finally concluded in paragraph 102 that all dues including statutory dues owed to the Central Government, 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 a period prior to the date on which the Adjudicating Authority grants its approval under Section 31 of the Act could be continued.*

- (c) Further, section 156A of the Act which has been inserted by the Finance Act, 2022 w.e.f. 1-4-2022 provides that if any amount payable by an assessee for which notice of demand has been issued, is reduced as a result of an order by the Adjudicating authority under the Code, the Assessing Officer shall modify the demand payable in conformity with such order. This section further makes it clear that effect of the resolution plan is required to be given to by the Assessing Officer.
- (d) The argument of the revenue that, proceedings under section 148 of the Act initiated for collection of evidence in respect of third parties, ex-promoters, etc. is not within the scope and ambit of section 147/148 of the Act, as reassessment proceedings under the said section can only be initiated for bringing to tax income which has escaped assessment, is correct. Further, petitioner's present management is ex-facie not aware of the relevant facts in respect of the period sought to be reopened and may well be incapable of property participating in reassessment proceedings. In this view of the matter the proposed reassessment proceedings (no matter what the purpose) would be a futile endeavour.
- (e) Insofar as the contention / submission of the revenue regarding the possible liability of previous management, the Revenue may take whatever steps are available to them in law to take action, if any, against ex-promoter, other third parties, but the same cannot be done by issuing notice under section 148 of the Act which requires petitioner to file the return of income, and thereafter in response to such notice participate in further proceedings.
- (f) In view of the aforesaid, the notice dated 27th February 2021 issued by respondent no.1 under section 148 of the Act, the order dated 6th December 2021, rejecting the objections of petitioner, the assessment order dated 18th February 2022 passed under section 144 r.w.s. 147 of the Act and the penalty notice dated 23rd March, 2022 issued under section 274 r.w.s. 271(1)(c) of the Act for the assessment year 2013-14 are quashed and set aside.
- (g) Petitioner undertakes to withdraw / apply to withdraw within two weeks the appeal against the order of assessment date 18th February 2022 filed before the Commissioner of Income Tax (Appeal). Undertaking accepted.

12. Petition disposed."

5. Further, the decision of *Alok Industries Ltd Vs. ACIT (supra)*, has been followed in the Petitioner's own case in ***Reliance Projects & Property***

Management Services Ltd. Vs. ACIT & Ors [WP(L) No.3362 of 2024 dated 6th May, 2024 and WP(L) No.29578 of 2023 dated 15th April, 2024] and this Court has quashed and set aside notices / assessment order which were for a period prior to the implementation of the Resolution Plan. The Respondents had challenged the said orders dated 6th May, 2024 and 15th April, 2024 before the Hon'ble Supreme Court vide Diary No.32190 of 2025 and Diary No.60843 of 2024. By orders dated 25th July, 2025 and 21st April, 2025, the Hon'ble Supreme Court has dismissed the Respondent's SLPs both on delay as well as on merits.

6. In these circumstances, it is held that the Petitioner's case is covered by the decisions of Co-ordinate benches, and therefore, the (i) impugned initial notice u/s. 148A(b) dated 1st June, 2022; (ii) impugned order u/s. 148A(d) dated 29th August, 2022; (iii) impugned notice u/s. 148 dated 30th August, 2022; and (iv) impugned order passed under Section 143(3) r/w section 147 dated 26th March, 2023 are quashed and set aside. All the consequential notices, if any, are also quashed and set aside.

7. Rule is accordingly made absolute and the Writ Petition is also disposed of in terms thereof. There shall be no order as to costs.

8. This order will be digitally signed by the Private Secretary/ Personal Assistant of this Court. All concerned will act on production by fax or email of a digitally signed copy of this order.

[AMIT S. JAMSANDEKAR , J.]

[B. P. COLABAWALLA, J.]