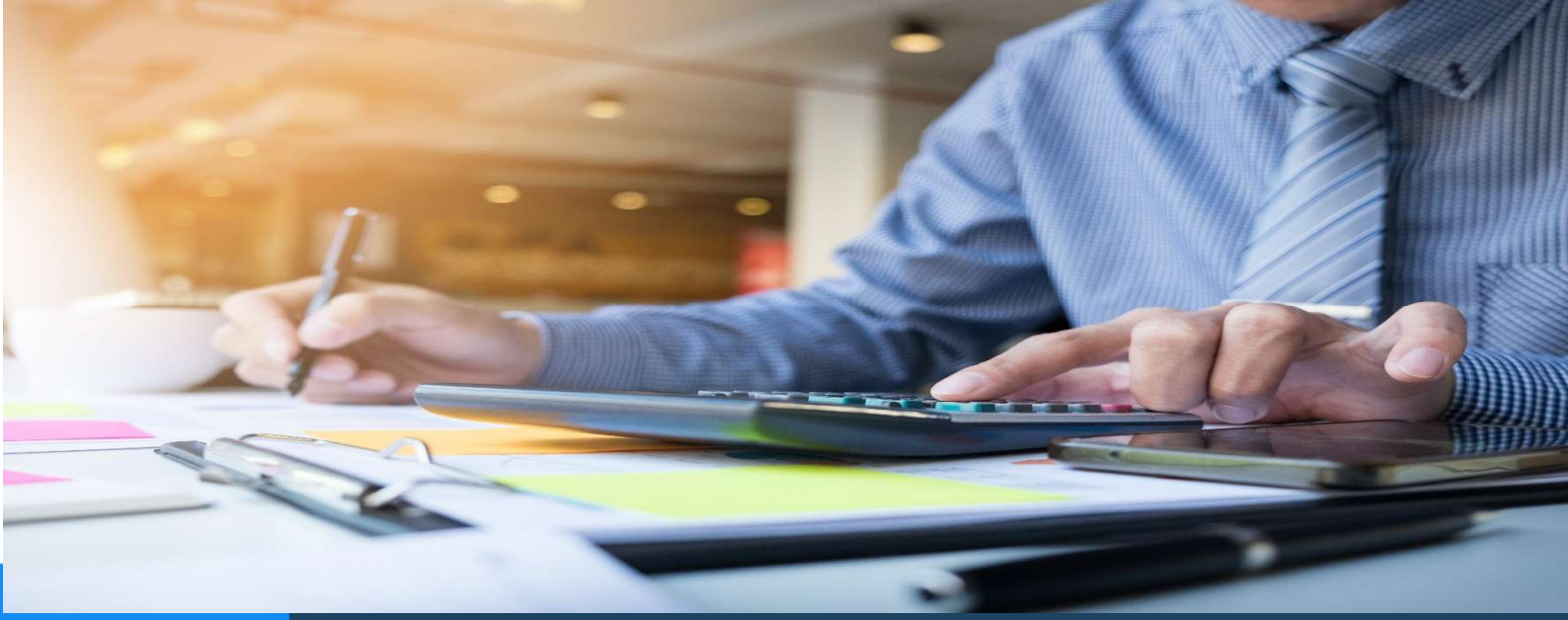

# Indirect Tax Update

## Summary of legal updates pronounced in March 2022

### Key Highlights:

- ✓ Registration cannot be cancelled by merely describing a firm as 'bogus'
- ✓ Amendment in West Bengal Tax on Entry of Goods into Local Area Act, 2012 is unconstitutional
- ✓ Any dispute concerning an exemption cannot be equated with dispute in relation to rate of duty SC
- ✓ Calculation of the limitation period for refund applications

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## 1. Registration cannot be cancelled by merely describing a firm as 'bogus'

*[Apparent Marketing Private Limited Vs State of UP, 2022 (3) TMI 493 – Allahabad High Court]*

The petitioner was a registered person under the GST Act. The GST officer visited the petitioner's business premises which were found closed. The GST officers visited again, where no adverse material was discovered.

Post this, the petitioner received a notice from the department alleging a cancellation of registration because the firm was "***bogus"***. Apart from this, the notice did not disclose any other reason warranting the cancellation of registration.

The petitioner failed to submit a reply to the notice. The petitioner also failed to appear before the authorities on the appointed date. Thereafter, the GST department confirmed the cancellation of registration by issuing an order. The order was confirmed by the Appellate Authority as well.

In the light of these facts, the petitioner filed a writ petition and the Hon'ble High Court held that: -

- If a person is registered under GST, then a presumption does exist as to such registration having been granted upon due verification of necessary facts.
- Thus, if the respondent proposed to cancel the registration, then a heavy burden lay on the authorities to establish the existence of facts requiring the cancellation of registration.
- A registration once granted could be cancelled only if one of the five statutory conditions provided under Section 29 of the GST Act was found present. Per se, no registration may be cancelled by merely describing the firm as "bogus".
- For proposing a cancellation of registration, the respondent had to first specify the reason as to why it proposed to cancel the registration and why it was attempting to treat the assessee firm as "bogus" and whether the reference was being made to Section 29(2)(c) or Section 29(2)(d) of the Act.
- Thus, for cancellation of registration, two aspects are noteworthy viz. [1] the facts as may give rise to the charge of cancellation and [2] unless the supporting material giving rise to that charge was referred to in the notice, it remained defective in material aspect.

**H & A Comments: -** The statute specifically provides that registration would be cancelled only after following the principles of natural justice i.e., providing an opportunity of being heard by the registered person. However, this process is often ignored by the department. An

order issued in violation of the principles of natural justice is fatal to judicial scrutiny. Accordingly, in such cases, writ courts should be approached for relief.

## 2. Goods in transit cannot be detained without proving that the petitioner has an intention to evade tax

*[Ashok Kumar Sureka Vs Assistant Commissioner, 2022 (3) TMI 445-Calcutta High Court]*

The goods in transit of the petitioner were detained by the officer on the ground that the e-way bill had expired the preceding day. The respondents initiated detention proceedings under the GST Act and demanded the amount payable under Section 129 of the CGST Act. The petitioner paid the amount and filed an appeal for the refund of the amount so paid because the lapse was not deliberate & wilful therefore the detention proceedings under Section 129 of the GST Act were erroneous. The Appellate Authority rejected the petitioner's appeal and confirmed the demand. In light of these facts, the petitioner filed a writ petition. In this regard, the Hon'ble High Court held that there is nothing for the revenue to show that the violation was wilful and deliberate or with specific material that the petitioner intended to evade tax. Therefore, the Order in Appeals is liable to be set aside and the petitioner should be given a full refund of tax and penalty.

**H & A Comments: -** It has been observed that the mobile squads are initiating detention proceedings under Section 129 of the GST Act in all and every scenario in a mechanical manner for every petty non-compliance. In this regard, it is noteworthy that detention proceedings need not be invoked in cases [1] wherein the consignment is being transported under the cover of valid documents and [2] there is no non-payment of taxes and [3] in cases wherein the non-compliance is venial. Accordingly, if the mobile squads initiate detention proceedings and issue an order demanding penalty then, such order should be contested in appellate proceedings.

## 3. The period from 15.03.2020 till 28.02.2022 shall stand excluded from the calculation of the limitation period for refund applications

*[Gamma Gaana Ltd. Vs UOI & 3 Others 2022 (3) TMI 578 – Allahabad High Court]*

The petitioner claimed a refund for April to June 2018, July to September 2018, and October to December 2018 on 31 March 2021 which was rejected because the period for filing the refund application was expired in September 2020. The petitioner, being aggrieved by this order, filed a writ petition.

In light of these facts, the Hon'ble High Court held that as per the **Hon'ble Supreme Court's order dated 10.01.2022**, the period from 15.03.2020 till 28.02.2022 shall stand excluded for calculation of the limitation period for filing of a refund application.

Thus, the refund application filed by the petitioner could not have been rejected by the respondent ignoring the order of the Hon'ble Supreme Court.

**H & A Comments: -** The Hon'ble Supreme Court vide its order dated 10.01.2022 directed to exclude the period between 15.03.2020 till 28.02.2022 for counting the limitation period. Thus, if the limitation for appeals, refunds etc. would have expired during the period between 15.03.2020 till 28.02.2022, then such period would be excluded from the counting of the statutory period. Thus, any pending refund applications or appeals should be filed considering the benefit of the above extension order.

## 4. The reasons to be recorded in writing should be communicated to the petitioner for him to object to the provisional attachment

*[Originative Trading Private Limited Vs Union of India, 2022 (3) TMI 262, Bombay High Court]*

The petitioner was searched by the officers of the GST department. During the search, the department recorded the statements of the petitioner's employees. After this, the petitioner was informed by his banks that his bank accounts are being attached per Section 83 of the GST Act. The petitioner challenged the provisional attachment before the Hon'ble High Court by filing a writ petition because the authorities did not communicate the reasons to invoke the provisional attachment in the order. Thus, the petitioner cannot file an objection against such an attachment order. In the light of these facts, the Hon'ble High Court has held that: -

- Per Section 83 of the CGST Act, Commissioner believed that to protect the interest of the Government revenue, it is necessary so to do, he may, by order in writing attach provisionally any property, belonging to the taxable person.

- Thus, a perusal of Section 83 of the GST Act indicates that the remedy provided to an assessee to object can be exercised effectively only if the petitioner knows the reasons or opinion prima facie formed by the Commissioner before exercising the power under Section 83 of the GST Act to enable the petitioner to record the objections to the prima facie opinion formed by the Commissioner.
- Unless such prima facie opinion at least at this stage is communicated to the petitioner, the petitioner would not be able to lodge the objection and canvass that the prima facie opinion formed by the Commissioner was not per Section 83 and there was no threat of loss of revenue to the respondents.
- Further, under Rule 159 of the GST Rules, the Commissioner shall send a copy of the order in Form DRC-22 to the concerned Revenue Authority or Transport Authority or any such Authority to place the encumbrance mentioning therein the details of property which is attached. The copy of such order has to be served to the above authorities and the registered person simultaneously.

**H & A Comments: -** It has now been established that before attaching the property of a registered person, the Commissioner should have reasons to believe that such attachment is necessary to secure the interest of the revenue. However, such reasons to believe should only be recorded in the file, such reasons to believe are required to be mentioned in the order issued for provisional attachment.

This is pursuant to the fact that such a registered person has an opportunity to challenge the provisional attachment by way of filing an objection to the authority as unless the reasons to believe are mentioned in the order, the person would not be able to file an objection.

Thus, if the provisional attachment orders do not contain reasons to believe to file an objection, then such order should be challenged in writ courts.

## 5. Payment made involuntarily is liable to be refunded as Government does not have any authority to collect such taxes

*[The Union of India Vs M/s Bundl Technologies Private Limited, 2022 (3) TMI 625, Karnataka High Court]*

An investigation was initiated by the GST Intelligence Department against the respondent. During the investigation, a sum of INR 15 Crores was deposited by the respondent. Despite a

lapse of 10 months from the initiation of the investigation, no show cause notice was issued to the respondent. The respondent, therefore, sought a refund of the amount deposited by applying to the jurisdictional GST office. However, the department did not submit any response to the request. Accordingly, the respondent filed a petition before the Hon'ble High Court. The single-member bench of the Hon'ble High Court allowed the petition and allowed the refund of the monies deposited by the petitioner. Against this order, the petitioner filed a review petition before the larger bench.

In light of the above facts, the larger bench of the Hon'ble High Court has held that: -

- The respondent had written a letter to the petitioner to the effect that they reserve a right to claim a refund of the amount deposited during the investigation. Thus, it is evident that payments have not been made admitting the liability.
- On the other hand, the company reserved its right to seek a refund and made it expressly clear that payment of the amount should not be treated as an admission of its liability. Besides the aforesaid, there is no material on record to establish that the amount was paid voluntarily under Section 74(5) of the CGST Act.
- Moreover, Article 265 of the Constitution mandates that the collection of tax has to be by the authority of law. If tax is collected without any authority of law, the same would amount to depriving a person of his property without any authority of law and would infringe his right under Article 300A of the Constitution of India as well. In the instant case, the only provision which permits the deposit of an amount during the pendency of an investigation is section 74(5) of the CGST Act, which is not attracted in the fact situation of the case.
- Therefore, it is evident that amount has been collected from Company in violation of Articles 265 and 300-A of the Constitution. Therefore, the contention of the department that deposit be made subject to the outcome of the pending investigation cannot be accepted. The Department, therefore, is liable to refund the amount.

**H & A Comments: -** Some noteworthy aspects are as follows:

- The department has no right to recover tax dues from a person without following the procedure of issuance of a show cause notice and adjudicating the same unless the liability is self-assessed but has remained unpaid.
- Thus, if during an inquiry or an investigation, the authorities believe that non-recovery of tax dues from a registered person is prejudicial to the interest of the revenue, then

the authorities could only invoke the provisions of provisional attachment of blocking of electronic credit ledger and that too after following the due process prescribed.

- Any tax paid under coercion or involuntarily is liable to be refunded as tax collected without the authority of law cannot be retained by the Government.

In light of the above, if any sum is deposited during investigation, then the person should as early as possible [1] register that such sum was paid under protest and that the person reserves a right to claim the refund and [2] thereafter file a refund application for the amount so paid.

## 6. GST on the amount collected from employees for canteen charges is not leviable

*[M/s Astral Ltd. [2022(3) TMI 1147 – Authority for Advance ruling]*

The Applicant has more than 250 employees, hence there is a liability on them to provide canteen facilities under the Factories Act, 1948. Accordingly, the Applicant has asked for a canteen set up on its business premises. Such canteen is operated by a canteen service provider.

The employees purchase the food from the canteen. For this, part of the consideration is paid by the employees and part of the consideration is paid by the Applicant. The Applicant collects the consideration from the employees by way of deduction from salary and pays 100% consideration to the canteen service provider.

In the light of the above facts, the applicant sought an advance ruling regarding the applicability of GST on canteen expenses recovered from the employees and the AAR held that GST is not leviable on an employee's share of canteen expenses paid to the canteen service provider.

**H & A Comments** – Although the authorities have held that the employee's share of canteen expense is not leviable to GST. However, the ruling may not be a good precedent considering that it is completely devoid of reasoning.

In the past, there have been several rulings wherein it is held that GST cannot be levied on recovery of canteen expenses. See **Emcure Pharmaceuticals Limited [Advance Ruling No. GST-ARA-119/2019-20/B-03].** There have been negative rulings as well wherein it has

been held that recovery from employees is exigible to GST. See **Amneal Pharmaceuticals Pvt Ltd [Advance Ruling No. Guj/GAAR/R/51/2020].**

In our view, these recoveries are in the course of employment and not in the course of furtherance of the business and hence GST is not leviable on such recoveries.

## 7. Any dispute concerning an exemption cannot be equated with dispute in relation to rate of duty: SC

*[M/s Asean Cableship PTE Ltd. [2022-TIOL-22-SC-CUS]*

The petitioner operates a cable-ship such as the vessel AE for purpose of laying, repairs and maintenance of submarine cables. The exemption has been claimed from tax under Section 87 as a foreign going vessel. However, the demand has been confirmed by the Commissioner under Section 111(b) and 111(f). On an appeal, the CESTAT allowed the said appeal and remanded the appeal for determining the extent of applicable duty on the ship's stores consumed by the petitioner during the period of time that the vessel was engaged in operations in Indian territorial waters and for the normal period.

But the revenue has preferred an appeal before High Court under Section 130(1) of the Act wherein the objection was raised by the company on the maintainability of the appeal before the High court as the principal question is determination of rate of duty, against the order passed by the CESTAT thereby the Appeal under Section 130E(b) shall be maintainable to the Hon'ble Supreme Court.

However, Hon'ble High Court has held that that the principal question in the present case is not in relation to the rate of duty but determining whether vessel AE is a foreign going vessel or not and if the vessel AE is a foreign-going vessel, then whether Section 87 of the Act would be applicable or not. Thus, according to the High Court, the principal question is not the determination of the rate of duty but that the exemption under Section 87 of the Act shall be allowable or not.

The present Special Leave Petition is filed against the above referred High Court Order. The Hon'ble Supreme Court after examining the issue held as follows

- The principal question/issue is the exemption claimed under Section 87 of the Act. Whether the assessee is entitled to exemption as claimed or not, such an issue cannot

be said to be an issue relating, amongst other things, to the determination of any question having relation to the rate of duty.

- The submission on behalf of the petitioner that the duty will be NIL and if not, which is the case of the Customs Department, it will be the applicable rate of duty and therefore, such a dispute can be said to be in relation to the rate of duty, has no substance
- The dispute with respect to the exemption claimed and the dispute with regard to the rate of duty are both different, distinct and mutually exclusive thereby the dispute concerning an exemption cannot be equated with a dispute in relation to the rate of duty
- While holding so, the Hon'ble Supreme Court relied on the larger bench decision in case of Commissioner of Customs vs. Motorola (India) Ltd., 2019-TIOL-398-SC-CUS-LB

**H & A Comments:** – This decision has given a clarity on litigation with respect to jurisdiction of High Court in entertaining the appeals involving the exemption notification. However, there are contrary decisions of some High Courts wherein it was held that the High Courts are not having any jurisdiction to entertain the appeals involving the exemption of applicability of exemption notification. The case law relied on by the Supreme Court in case of Commissioner of Customs vs. Motorola (India) Ltd., 2019-TIOL-398-SC-CUS-LB was distinguished by the Bombay High Court in case of Commissioner of Central Excise, Mumbai-V Vs Reliance Media Works Ltd 2020 (372) ELT 220 (Bom).

## 8. The pre-deposit shall be paid in accordance with substituted provision of Section 129E of Customs Act, 1962

*[Chandra Sekhar Jha Vs UOI and ANR 2022-TIOL-20-SC-CUS]*

Aggrieved by the order of the High Court which has rejected the appeal stating that the Appellant has not complied with pre-deposit requirement under Section 129E of the Act, the present appeal has been filed. The argument of the appellant is that the fact that the act relates to the year 2013 (namely on 28.2.2013), the appellant must be governed by Section 129E prior to the substitution. This is for the reason that the substitution of Section 129A was affected on 06.08.2014 which is after the date of the incident (28.02.2013). On the basis

of the same, it is contended that under Section 129E, as it stood, prior to the substitution there was a power available with the Appellate Authority in the matter of demand of pre-deposit.

The Hon'ble Supreme Court has examined the issue and held as follows

- It does not appeal to us that the argument of the appellant that for the incident which triggered the appeal filed by the appellant took place in the year 2013, thereby, the appellant must be given the benefit of waiver of pre-deposit by the Appellate Authority.
- The substitution has affected a repeal and it has re-enacted the provision as it is contained in Section 129E. In fact, the acceptance of the argument would involve a dichotomy in law.
- On the one hand, what the appellant is called upon to pay is not the full amount as is contemplated in Section 129(E) before the substitution. The appellant is called upon to pay the amount in terms of Section 129E after the substitution which is far less than the amount in terms of the fixed percentage as provided in Section 129E.
- The legislative intention would clearly be to not to allow the appellant to avail the benefit of the discretionary power available under the proviso to the substituted provision under Section 129E. When the appellant is not being called upon to pay the full amount but is only asked to pay the amount which is fixed under the substituted provision, we do not find any merit in the contention of the appellant.

**H & A Comments:** – From this decision, we can understand that the provision relating to Pre-deposit shall be applied as on the date of filing of appeal and not the provision that is existent on the date of contravention which gives rise to issuance of Show Cause Notice. Though the intention of the legislature is very clear that a mandatory pre-deposit to be paid for all the appeals filed after the amendment, the petitioner has filed the petition to get the option of waiver of entire pre-deposit. However, the Supreme Court has not accepted the same.

## 9. No service tax on partners share of profit

*[Gautham Bhattacharya Vs Commissioner of Central Tax 2022-TIOL-236-CESTAT-BANG]*

Appellants are the partners of partnership firm namely M/s. Ernst & Young, LLP and has filed their income tax returns showing components such as 'sale of services', against which partners have shown certain amount received from the partnership firm as their income. The department has proposed demand on these amounts and the same were confirmed. The Hon'ble CESTAT held as follows

- The service recipient at the best in this case is only a partnership firm and the partner of a partnership firm and the partnership firm are one and the same, therefore, one would cannot provide service to oneself.
- As there is no recipient of service in this case, no service has been provided by the appellant. In the income tax returns, the figures shown by the appellants as sale of service is just a portion of the profit earned by them from the partnership firm. In that circumstance, on merits itself, the appellants are not liable to pay service tax.
- The CESTAT relied on Hon'ble Mumbai High Court decision in the case of Amrish Rameshchandra Shah vs. Union of India and Others 2021-TIOL-583-HC-MUM-ST

**H & A Comments:** Form this decision, it is clear that the Partner and the Partnership firm are one and the same and the amounts received as share of profits are not leviable to service tax. Since the provisions of service tax and GST are pari materia, we can adopt this decision in GST as well. Further, the same view was taken by Ahmedabad Tribunal in case of Cadila Health Care Ltd Vs CCE, Ahmedabad 2021 (50) GSTL 205 (Tri-Ahm).

## 10. Amendment in West Bengal Tax on Entry of Goods into Local Area Act, 2012 is held unconstitutional

*[TATA Steel Ltd and Others Vs the State of West Bengal and Others 2022-TIOL-___*

West Bengal Tax on Entry of Goods into Local Area Act, 2012 (Entry Tax Act) was introduced w.e.f. 01.04.2012 in purported exercise of the power conferred under Article 246 read with Entry 52 of the list II of the 7th Schedule of the Constitution of India to levy Entry tax on goods imported from outside of state of West Bengal.

The vires of this Act was challenged and the Single Judge Bench struck down this enactment on 24.06.13 which was challenged by the State before the Division Bench and the same is still pending. Subsequently, the Constitution (One Hundred and First amendment) Act 2016

(hereinafter referred as C.A Act, 2016) came into force with effect from 16.09.16 and by virtue of Section 17(b) of this Constitution Amendment Act, the Parliament has omitted Entry no. 52 from the State list II of the Seventh Schedule of the Constitution.

After Constitutional Amendment Act, the State of West Bengal has introduced West Bengal Finance Act 2017 (Amending Act of 2017) w.e.f 6th March, 2017 proposing amendments in the Entry Tax Act with retrospective effect and section 6 of the Amending Act 2017 has purported to validate the said Entry Tax Act. This Amending Act has also amended Rules 6, 7 and 11 of West Bengal Tax on Entry of Goods into Local Areas Rules 2012 retrospectively. The Petitioners have challenged the vires of this Amending Act 2017 on various grounds.

The Hon'ble High Court held as under:

- It is palpably apparent that Entry 52 was dropped permanently so that State Legislature cannot make any law in the field of entry of goods into local area for consumption, use and sale therein. State Legislature has exclusive power to make laws with respect to any matters enumerated in list II of 7th schedule. Entry 52 having been omitted there is no vestige of power left with State Legislature to legislate or amend the law in Entry tax matter and this loss is absolute and final.
- In order to implement uniform tax structure effectively both Union and States had to surrender some its erstwhile exclusive fields of taxation and there was a realignment of legislative power of the Union and the States. Entry 52 of list II was a spoilsport, the presence of which would have obviously marred the successful implementation of GST. It was inconsistent with C.A Act 2016 and for that reason Entry 52 of list II was entirely deleted in C.A Act 2016.
- For existence of an inconsistency there ought to be an apparent conflict or contrary position. In our case Entry 52 has been deleted entirely and, therefore, nothing exists and nothing is left comparable with term 'inconsistent'. It is true that Entry 52 by its nature was not consistent with goal / purpose of C.A Act, 2016 but the word "inconsistent" used in section 19 has lost significance when the Entry 52 was dropped entirely.
- After harmonious construction of section 17 with section 19 of C.A Act 2016, Bench is of the opinion that the word "amended" or "repealed" are to be read disjunctively but distributively and the word "amended" in section 19 is meant for those entries of 7th

schedule which are partially deleted and or substituted like entry 62 and the word 'repealed' is meant for those Entries of 7th schedule which were entirely deleted like Entry 52 of state list. In the instant case the State Legislature has nothing left for amendment of Entry Tax matter and it has no option but to repeal. Section 173 of W.B GST Act 2017 has accordingly repealed the Entry Tax Act 2017 w.e.f 01.07.17 but section 5 & 6 of Amending Act which have been enacted on 06.03.17 dealing in Entry Tax matter ostensibly with the help of section 19 of C.A Act. 2016 is, unconstitutional since section 19 of C.A Act 2016 has not conferred any right to amend the same, be it before expiry of one year

- Section 19 of C.A Act 2016 is not the source of legislative power. The source of legislative power continues to be Article 245 read with Article 246 further read with seventeenth scheduled. Section 19 does not confer any new or additional power to anybody. It merely identified or recognised the power already inherent in the Competent Legislature. After deletion of Entry 52, the term 'amended' used in section 19 is no longer 'including any matter relating to Entry Tax' and, therefore, the State Legislature is denuded of its plenary power to deal with Entry Tax related matters on and from 16.09.16 when C.A Act 2016 came into effect.
- In the instant case by enacting the Amending Act 2017 with retrospective effect despite having lost its plenary power the State Legislature has infringed the principle as discussed in Ramkrishna Ramnath ((1962) SC. 1073).
- Section 19 of C.A Act 2016 has been enacted only to facilitate a temporary arrangement prescribing a mechanism which the Legislature are required to adopt in order to initiate the implementation of GST effectively. Section 19 has not conferred any power to amend the Principal Act (E.T Act 2012).
- State of West Bengal had no legislative competency to introduce section 5 and 6 of West Bengal Finance Act, 2017 w.e.f 01.07.2017 and the said provisions are hereby declared ultra vires and unconstitutional.

**H & A Comments:** In the context of VAT, a similar decision has been given by Kerala High Court in case of Opac Engineering Pvt. Ltd. vs. The State Tax Officer 2019 (12) TMI 1292 and Gujarat High Court in case of Reliance Industries Ltd Vs State of Gujarat 2020-TIOL-837-HC-AHM-VAT wherein the respective High Courts have held that amendments made to VAT act after Constitutional Amendment is not valid. A similar issue regarding validity of

amendments in Entry Tax Act and the amendments in VAT act are pending before High Court of Telangana.

## 11. Claims which are not part of resolution plan approved by NCLT stand extinguished and proceedings related thereto stand terminated

*[Garden Silk Mills Ltd Vs UOI and Others 2022-TIOL-289-HC-AHM-CX]*

The question that falls for consideration is as to whether the writ application pending adjudication stands infructuous and non- est as well as the respondents claim of Rs.21,41,55,591/- stands extinguished and non-recoverable with the passing of the order dated 19.09.2020 including addendum dated 23.09.2020 passed by the NCLT, Ahmedabad Bench, in case of the writ applicant, declaring the writ applicant company insolvent.

The high Court has examined the issue and held as follows

- Bare reading of Section 31 of Insolvency and Bankruptcy Code, 2016 makes it clear that the Central Government, any State Government or any Local Authority to whom debt in respect of payment of dues arising under any law for the time being in force, then such as the authorities to whom statutory dues are owed falls within the purview of Section 31 of the Code, 2016 with effect from 16.08.2019 by Act No. 26 of 2019.
- After the amendment to section 31(1) of the Code, any debt in respect of the payment of dues arising under any law for the time being in force including the ones owed to the Central Government, any State Government or any local authority, which does not form a part of the approved resolution plan, stand extinguished.
- On the date of approval of resolution plan, 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.
- The legal position as regards the effect of resolution plan once approved by the NCLT vis-a-vis the claim pending adjudication is concerned, is no longer res-integra in view of the recent pronouncement of the Supreme Court in the case of Ghanshyam Mishra & Sons Pvt. Ltd. vs. Edelweiss Asset Reconstruction Company Ltd. reported in (2021) 9 SCC 657

**H & A Comments:** From this decision, it is clear that once the resolution plan is approved, any claim including the ones owed to the Central Government, any State Government or any local authority would 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.


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