

IN THE INCOME TAX APPELLATE TRIBUNAL "K" BENCH, MUMBAI

BEFORE SHRI PRASHANT MAHARISHI, AM
AND
SHRI SANDEEP SINGH KARHAIL, JM

ITA No. 5029/MUM/2017
(Assessment Year 2013-14)

Crisil Ltd. (In the Matter of
Erstwhile Pipal Research
Analytics & Information Services
India Pvt. Ltd. merged with Crisil
Ltd.)

Crisil House, Central Avenue
Road, Hiranndani Business
Park, Powai
Mumbai-400076

(Appellant)

Vs.

ACIT 9(2)(2)
Aaykar Bhavan, M. K. Road,
Mumbai-400020

(Respondent)

PAN No. AAICS2386Q

Assessee by : Ms. Chandani Shah, AR
Revenue by : Shri. Vachaspati Tripathi, DR

Date of hearing: 18.07.2023
Date of pronouncement : 20.07.2023

ORDER

PER PRASHANT MAHARISHI, AM:

01. This appeal is filed by CRISIL Limited in the matter of erstwhile Pipal Research Analytics and Information Services India Pvt. Ltd. for A.Y. 2013-14 against the assessment order passed on 22nd May, 2017, under Section 143 (3) read with section 144C(13) of the Income-tax Act, 1961 (the Act), wherein the total income of the assessee is determined at ₹7,82,79,466/-, against the return filed on 23rd November, 2013 declaring

total income of ₹5,12,58,980/-. The only adjustment/ addition made to the total income is adjustment on account of Arm's Length Price of the international transactions amounting to ₹2,70,20,486/-.

02. The brief fact of the case shows that Pipal Research Analytics and Information Services India Pvt. Ltd. was a wholly owned subsidiary of CRISIL Limited. The business of the assessee was providing back end supports for corporate research activities to CRISIL UK. According to the scheme of merger approved by the Hon'ble Bombay High Court, the Pipal Research Analytics and Information Services India Pvt. Ltd. merged with CRISIL Limited with effective date of 1st April, 2016.
03. For A.Y. 2013-14, assessee filed return of income on 23rd November, 2013, at ₹5,12,58,980/-. Subsequently, the Hon'ble Bombay High Court sanctioned the scheme of merger of Pipal Research Analytics and Information Services India Pvt. Ltd. with CRISIL limited with effect from 1st April, 2016, as per order dated 8th September, 2016, which was communicated to the learned Assessing Officer by letter dated 22nd September, 2016. Further on 21st December, 2016, assessee also filed a letter before the learned Assessing Officer by CRISIL Limited requesting the learned Assessing Officer to cancel the Permanent Account Number (PAN) of Pipal Research Analytics and Information Services India Pvt. Ltd. as it has been merged with CRISIL Limited. The learned Transfer Pricing Officer on a reference on 30th September, 2016, passed an order u/s 92 CA (3) of the Act in the name of Pipal Research Analytics and Information Services India Pvt. Ltd., as there is no evidence whether Assessee intimated merger before him or not. But, despite the above intimation to the learned Assessing Officer on 22nd September, 2016 and 21, December, 2016, the learned Assessing Officer passed the draft assessment order on 26th December, 2016 in the name of Pipal Research Analytics and Information Services India Pvt. Ltd. The assessee preferred the objection before the learned Dispute Resolution Panel by filing form no.35A duly signed by managing director of CRISIL Limited and in Appendix-1, in the first paragraph itself pointing out once



again the merger of Assessee Company with CRISIL India Limited with effective date from 1st April, 2016. The objections were filed on 20th day of January, 2017. The learned Dispute Resolution Panel despite information, passed direction on 31st March, 2017, in the name of Pipal Research Analytics and Information Services India Pvt. Ltd. on 23rd March, 2017, assessee once again filed a letter before the learned Assessing Officer address by CRISIL Limited intimating that Pipal Research Analytics and Information Services India Pvt. Ltd. has already merged with CRISIL Limited. The assessment order passed on 22nd May, 2017, in the name of non-existent entity i.e. Pipal Research Analytics and Information Services India Pvt. Ltd.

04. The claim of the assessee before us is that the assessment order is invalid as it has been passed in the name of a non-existent entity and therefore, deserves to be quashed. The assessee submitted that only addition is with respect to the transfer pricing adjustment. The draft order itself is in the name of non-existing company, Directions are in the name of non-existing company and final Assessment order is also passed in the name of a non-existent company which is invalid and liable to be quashed. The learned Authorized Representative submitted plethora of judicial precedents to support her case. The leading decision relied upon was of Hon'ble Supreme Court in case of CIT vs. Maruti Suzuki India Ltd. 107 taxmann.com 375, wherein it has been held that where the assessee company is amalgamated with another company and thereby lost its existence, an assessment order passed subsequently in the name of same non-existent entity would be without jurisdiction and was to be set aside. The assessee further submitted that it is not the case of the Revenue that assessee has not informed the learned Assessing Officer or misinformed any of the facts with respect to the merger. Accordingly, the order deserves to be quashed.
05. The learned Departmental Representative vehemently submitted that there is no harm to the assessee as it has been passed in the name of a non-existent company. In substance, same is passed in the hands of



CRISIL Limited and therefore, CRISIL Limited is agitated and has filed this appeal.

06. We have carefully considered the rival contention and perused the orders of the lower authorities.
07. The facts clearly shows that with effect from 1st April, 2016, the Hon'ble High Court vide order dated 8th September, 2016 has approved the merger of Pipal Research Analytics and Information Services India Pvt. Ltd. with CRISIL Limited. Thus from that date of the order Pipal Research Analytics and Information private Limited was not in existence. This fact was intimated to the learned Assessing Officer on 22nd September, 2016. Further, on 21st December , 2016, also the learned Assessing Officer was informed about the merger and requested for cancellation of Permanent Account Number of the merged entity. On 22nd March, 2017, also similar information was given. Before the learned Dispute Resolution Panel also, the assessee has stated the fact of the merger. Despite above facts, the learned Assessing Officer passed the draft assessment order and learned Dispute Resolution Panel issued directions in the name of a non-existent entity. Consequently, the learned Assessing Officer passed final assessment order also in the name of a non-existent entity. Therefore, the issue is squarely covered in favour of the assessee by the decision of Hon'ble Supreme Court in case of Maruti Suzuki Limited (supra). It is not the case of the Revenue that assessee has not given any intimation to the learned Assessing Officer about the merger or has withheld the information or suppressed fact of amalgamation. The conduct of the assessee also does not reflect that fact of amalgamation / merger was not to be disclosed. Therefore, the facts of the present case are distinguishable from the facts decided by the Hon'ble Supreme Court in case of PCIT vs. Mahagun Realtors (P) Ltd. 137 taxmann.com 91. Accordingly, we find that the issue is squarely covered by the decision of the Hon'ble Supreme Court in case of Maruti Suzuki Ltd. (supra). Therefore, we quash the assessment order passed by the learned Assessing Officer against which the appeal is preferred.



08. In view of this all other grounds of appeal becomes merely academic. Accordingly, appeal of the assessee is allowed and the assessment order passed in the name of a non-existent entity is quashed.
09. In the result, the appeal of the assessee is allowed.

Order pronounced in the open court on 20.07.2023.

Sd/-
(SANDEEP SINGH KARHAIL)
(JUDICIAL MEMBER)

Sd/-
(PRASHANT MAHARISHI)
(ACCOUNTANT MEMBER)

Mumbai, Dated: 20.07.2023

Sudip Sarkar, Sr.PS

Copy of the Order forwarded to:

1. The Appellant
2. The Respondent.
3. The CIT(A)
4. CIT
5. DR, ITAT, Mumbai
6. Guard file.

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar
Income Tax Appellate Tribunal, Mumbai