

**IN THE INCOME TAX APPELLATE TRIBUNAL “RANCHI” BENCH, RANCHI**  
**VIRTUAL HEARING AT KOLKATA**

**Before Shri Sonjoy Sarma, Judicial Member  
and Shri Ratnesh Nandan Sahay, Accountant Member**

**I.T.A. No.177/Ran/2023**

Assessment Year: 2012-13

**The Singhbhum District Central Cooperative Bank, Chaibasa.....Appellant**

Represented by JSBS, Madhubazar,

Chaibasa, Jharkhand – 833201.

[PAN: AAAJT2036K]

vs.

**ACIT, NFAC, Delhi.....Respondent**

**Appearances by:**

Shri Devesh Poddar, Advocate appeared on behalf of the appellant.

Md. Shadab Ahmed, Sr. CIT, DR, appeared on behalf of the Respondent.

Date of concluding the hearing : June 26, 2025

Date of pronouncing the order : June 30, 2025

**ORDER**

**Per Sonjoy Sarma, Judicial Member:**

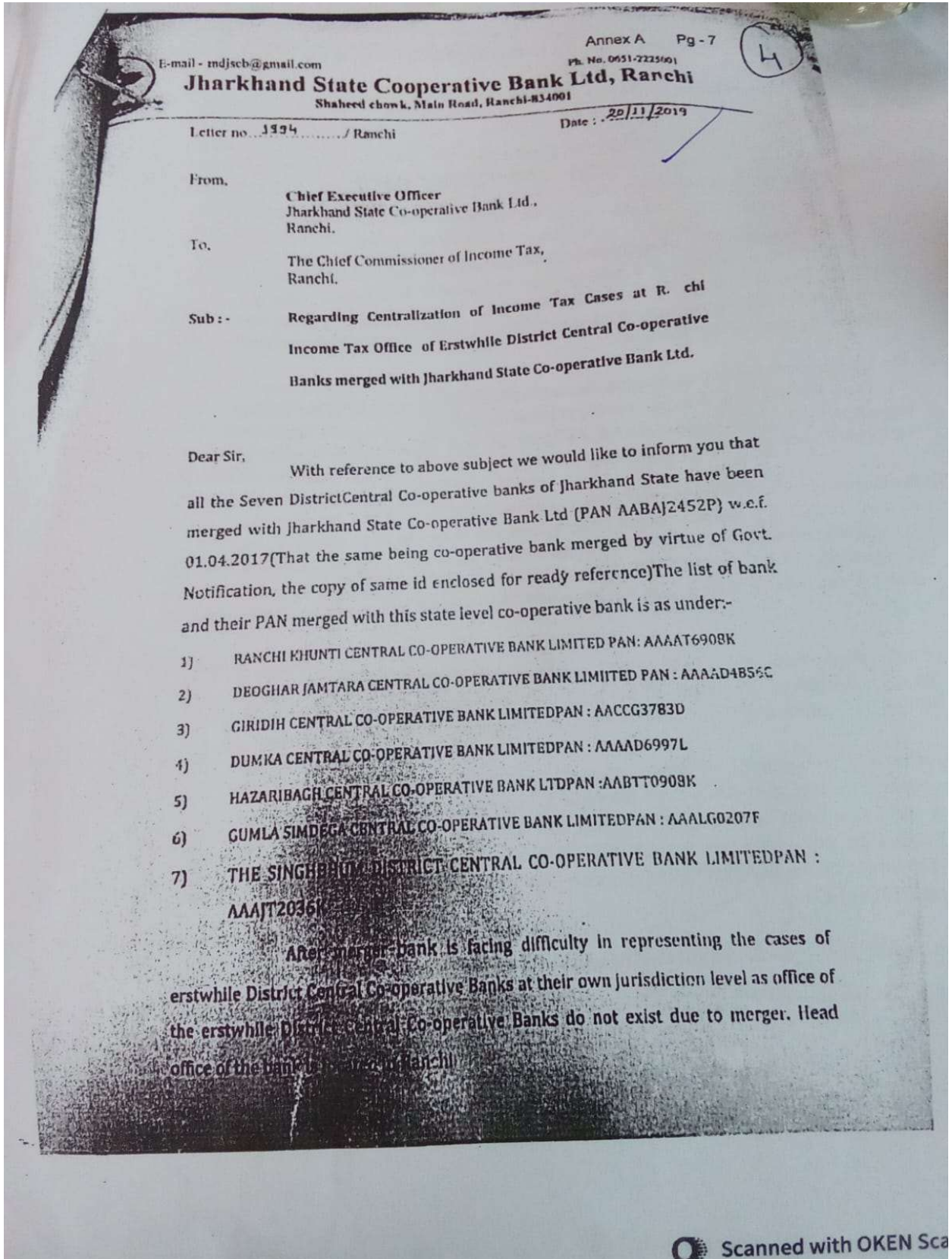
The present appeal has been preferred by the assessee against an order dated 13.06.2023 of the National Faceless Appeal Centre [hereinafter referred to as ‘CIT(A)’] passed u/s 250 of the Income Tax Act (hereinafter referred to as the ‘Act’).

2. Brief facts of the case are that in the case of the assessee, assessment order u/s 143(3) r.w.s. 147 of the Act dated 26.12.2018 was passed determining total income of Rs.5,49,82,710/- by disallowing claim of deduction of Rs.5,15,43,257/- u/s 80P of the Act. On examination of assessment record, it was observed that the assessee made provision of Rs.11,46,24,925/- for bad & doubtful debts against non-performing assets in P & L A/c. As per provision of section 36(1)(vi) of the Act, the assessee is eligible to claim deduction of Rs.9,61,28,062/-, the assessee claimed Rs.11,46,24,925/- on account of bad & doubtful debts against NPAs. Hence, as per order u/s 263 dated 18.03.2021,

assessment order passed u/s 143(3) r.w.s. 147 dated 26.12.2018 was cancelled and set aside with a direction to the Assessing Officer to frame de novo assessment by making fresh enquiries and verifications regarding the assessee's claim of provision of bad & doubtful debts against NPAs. Subsequently, notice u/s 142(1) was issued and the assessee filed its response. After considering the assessee's submission, the Assessing Officer viewed that the assessee was eligible to claim only Rs.961,28,062/- which was added to the total income of the assessee.

3. Aggrieved by the order passed by the Assessing Officer, the assessee preferred an appeal before the Id. CIT(A). However, the assessee could not succeed there and the appeal of the assessee was dismissed by the Id. CIT(A) by sustaining the order of the Assessing Officer.

4. Dissatisfied with the above order, the assessee is in appeal before this Tribunal raising various grounds. However, the primary contention of the assessee is that assessment order dated 28.03.2022 was bad in law since it was passed against the merged entity. In this regard, the Id. AR stated that the original assessee namely Singhbhum District Central Co-op Bank vide order dated 13.03.2017 issued by RBI, the assessee bank along with six other banks were merged with Jharkhand Central Co-Op Bank w.e.f. 01.04.2017. The contention of the Id. AR is that the above fact was brought to the knowledge of the revenue-department vide letter 20.11.2019, a copy of the same is enclosed herewith for ready reference:



E-mail - mdjseb@gmail.com  
Annex A Pg - 7  
Ph. No. 0651-2225601  
**Jharkhand State Cooperative Bank Ltd, Ranchi**  
Shaheed chowk, Main Road, Ranchi-834001

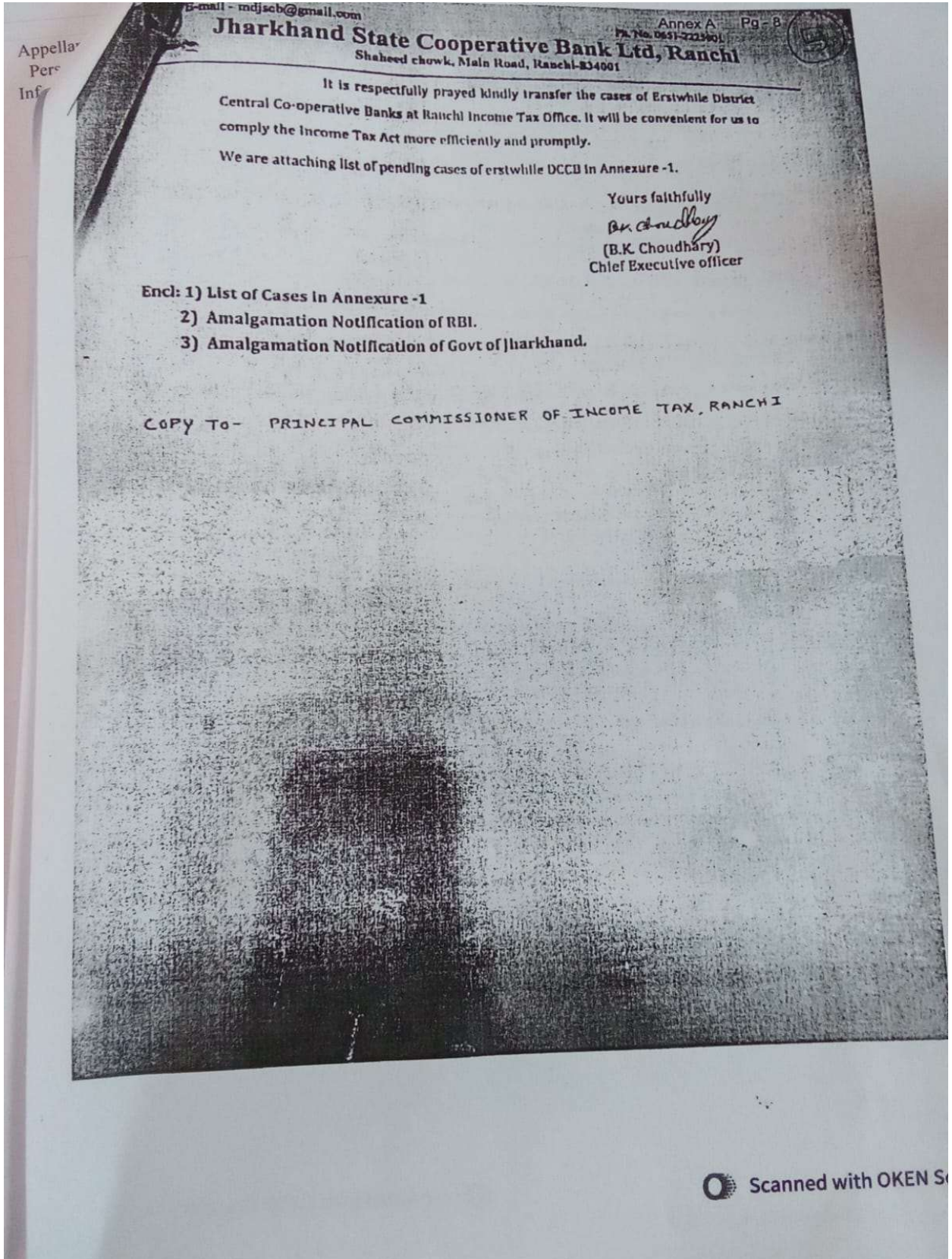
Letter no. 1994 / Ranchi  
Date : 20/11/2019

From, Chief Executive Officer  
Jharkhand State Co-operative Bank Ltd.,  
Ranchi.  
To, The Chief Commissioner of Income Tax,  
Ranchi.  
Sub :- Regarding Centralization of Income Tax Cases at R. chi  
Income Tax Office of Erstwhile District Central Co-operative  
Banks merged with Jharkhand State Co-operative Bank Ltd.

Dear Sir,  
With reference to above subject we would like to inform you that  
all the Seven District Central Co-operative banks of Jharkhand State have been  
merged with Jharkhand State Co-operative Bank Ltd (PAN AABAJ2452P) w.e.f.  
01.04.2017(That the same being co-operative bank merged by virtue of Govt.  
Notification, the copy of same id enclosed for ready reference)The list of bank  
and their PAN merged with this state level co-operative bank is as under:-

- 1) RANCHI KHUNTI CENTRAL CO-OPERATIVE BANK LIMITED PAN: AAAAT6908K
- 2) DEOGHAR JAMTARA CENTRAL CO-OPERATIVE BANK LIMITED PAN : AAAAD4856C
- 3) GIRIDIH CENTRAL CO-OPERATIVE BANK LIMITED PAN : AACC3783D
- 4) DUMKA CENTRAL CO-OPERATIVE BANK LIMITED PAN : AAAAD6997L
- 5) HAZARIBAGH CENTRAL CO-OPERATIVE BANK LTD PAN : AABTT0908K
- 6) GUMLA SIMDEGA CENTRAL CO-OPERATIVE BANK LIMITED PAN : AAALG0207F
- 7) THE SINGHBHUM DISTRICT CENTRAL CO-OPERATIVE BANK LIMITED PAN :  
AAAJT2036K

After merger bank is facing difficulty in representing the cases of  
erstwhile District Central Co-operative Banks at their own jurisdiction level as office of  
the erstwhile District Central Co-operative Banks do not exist due to merger. Head  
office of the bank is located at Ranchi



5. Therefore, the impugned proceedings u/s 263 and subsequent impugned order dated 11.03.22 in the name of non-existence entity is

invalid and bad in law, therefore, the entire assessment proceedings should be quashed by allowing the appeal of the assessee.

6. On the other hand, the ld. DR stated that no such notice was formally forwarded to the revenue department, therefore, receiving of such letter was denied by the ld. DR. On this context, the ld. AR further stated that if it is assumed that notice was not served to the revenue then also it is clearly reflected in public domain by official gazette notification of Govt. of Jharkhand dated 30.03.17 that the assessee, a cooperative bank merged with Jharkhand Cooperative Bank w.e.f. 01.04.17 which cannot be denied since it is in public domain, therefore, the objection raised by the ld. DR is not tenable. In view of the judgment of the Hon'ble Supreme Court as in the case of PCIT vs. Marutiy Suzuki India Ltd. (2019) 107 taxmann.com 375 (SC) where it was held that jurisdictional notice and assessment order thereafter passed in name of non-existing company is a substantive illegality and not a procedural violation of nature adverted to in section 292B and it is clearly said that when assessee company merged with another company thereafter lost its existence, assessment order passed subsequently in name of said non-existing entity would be without jurisdiction and was to be set aside by making a judgment in favour of the assessee.

7. We have heard the rival submissions and gone through the materials on record. We find that the primary issue is here whether notice issued to a non-existent assessee and framing of assessment order when the assessee was merged with another entity which was clearly reflected by official gazette notification of Govt. of Jharkhand dated 30.03.17 that the assessee, a cooperative bank merged with Jharkhand Cooperative Bank w.e.f. 01.04.17, which is clearly reflected that the assessee was merged with another cooperative bank namely Jharkhand Cooperative Bank as such the impugned order dated

11.03.2022 passed against the non-existent entity is bad in law which is clearly held by the judgment of the Hon'ble Supreme Court as in the case of PCIT vs. Marutiy Suzuki India Ltd. (supra), therefore, the impugned addition as made in the hands of the assessee is not sustainable and the appeal of the assessee is allowed with a direction to delete the addition as made by the Assessing Officer.

8. In the result, the appeal of the assessee is allowed.

***Kolkata, the 30<sup>th</sup> June, 2025.***

Sd/-  
**[Ratnesh Nandan Sahay]**  
**Accountant Member**

Sd/-  
**[Sonjoy Sarma]**  
**Judicial Member**

Dated: 30.06.2025.

RS

*Copy of the order forwarded to:*

1. Appellant
2. Respondent
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches