

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“B” BENCH : BANGALORE**

BEFORE SHRI PRASHANT MAHARISHI, VICE PRESIDENT  
AND  
SHRI SANDEEP SINGH KARHAIL, JUDICIAL MEMBER

ITA No.1540/Bang/2025
Assessment year : 2012-13

World Resorts Ltd. [MRG Hotels Pvt. Ltd. before amalgamation], 501 A, 5 <sup>th</sup> Floor, Narain Manzil, 23, Barakhamba Road, New Delhi – 110 001. <b>PAN: AAACW 1584E</b> [old PAN: AADCM 8463D]	Vs.	The Income Tax Officer, Ward 4(1)(4), Bangalore.
APPELLANT		RESPONDENT

Appellant by	:	Shri Neelkanth Khandelwal, CA
Respondent by	:	Shri Subramanian, Jt.CIT(DR)(ITAT), Bengaluru.

Date of hearing	:	13.11.2025
Date of Pronouncement	:	29.01.2026

**ORDER**

*Per Prashant Maharishi, Vice President*

1. This appeal is filed by World Resorts Ltd. (the assessee/appellant) [MRG Hotels Pvt. Ltd. before amalgamation] for the assessment year 2012-13 against the appellate order passed by the National Faceless Appeal Centre, Delhi (NFAC) [Id. CIT(A)] dated 19.6.2025 wherein

the appeal filed by the assessee against the reassessment order passed dated 30.12.2019 by the ITO, Ward 4(1)(4), Bangalore was partly allowed. Therefore, the assessee is in appeal before us.

2. The solitary ground in the appeal filed by the assessee is with respect to reopening the assessment and addition of Rs.1,60,00,000 made u/s. 68 of the Act being loan obtained by the assessee from Royal Mirage Financial Consultants Pvt. Ltd., as the assessee failed to prove the genuineness of the transaction and further interest paid thereon along with commission on the above loan was confirmed by the Id. CIT(A).
3. During the course of hearing the assessee has raised an additional ground stating that the assessment order is passed in the name of non-existent entity and therefore the assessment order is bad in law and deserves to be annulled. In the additional ground, the claim of the assessee is that this is a legal ground which could be raised at any time during the course of pendency of the appeal.
4. The assessee submits that on the facts MRG Hotels Pvt. Ltd. due to merger with World Resorts Ltd. has ceased to exist. This intimation was given to the Id. AO which is recorded in the assessment order itself. The merger happened on 1.4.2018, despite the above facts the assessment order is passed by the Id. AO u/s. 143(2) r.w.s. 147 of the Act on 30.12.2019 in the name of MRG Hotels Pvt. Ltd. He submits that this goes to the root of the jurisdiction and deserves to be admitted.

5. The Id. AR reiterated the above facts and submitted that the issue is squarely covered in favour of the assessee and the additional ground raised deserves to be admitted. The Id. DR vehemently objected to the same.
6. We find that the above ground raised by the assessee is a jurisdictional ground and raised for the first time before us goes to the root of the matter, hence admitted.
7. The facts show that assessee company is engaged in the business of running hotels and resorts which was amalgamated with World Resorts Ltd. w.e.f. 1.4.2018 as approved by the Regional Director, Ministry of Corporate Affairs, Hyderabad on 8.2.2019. This fact is recorded by the Id. AO at para 2 of the assessment order. Despite noting this, the Id. AO passed the reassessment order in the name of MRG Hotels Pvt. Ltd. [merged with World Resorts Ltd.] This order is challenged by the assessee stating that as on the date of the reassessment order, the above company viz., MRG Hotels Pvt. Ltd. was not at all existing, but still the reassessment order is passed in its name and therefore the passing of the reassessment order on a non-existent entity is invalid and deserves to be quashed. The Id. AR referred to the reassessment order stating the above facts. It was further stated that the order of the Id. CIT(A) has been passed in the name of World Resorts Ltd., but the assessment order is passed in the name of non-existent entity. He further stated in the Statement of Facts filed before the Id. CIT(A), these facts are recorded and despite this, the Id. CIT(A) did not quash the assessment order, but

adjudicated on the issue of reopening as well as on the merits of the case.

8. The Id. AR further referred to the decision of the Hon'ble Supreme Court in the case of PCIT v. Maruti Suzuki India Ltd. 416 ITR 613, the decision of the Hon'ble Bombay High Court in the case of PCIT v. Culver Max Entertainment Pvt. Ltd. and Uber India Systems Pvt. Ltd. v. ACIT, 168 taxmann.com 200.
9. The Id. DR vehemently submitted that the assessee though amalgamated, but the Id. AO in the body of the order has clearly recorded that there is an amalgamation of this company i.e., MRG Hotels Pvt. Ltd. with World Resorts Pvt. Ltd., thus there is no infirmity in the assessment order passed.
10. We have carefully considered the rival contentions and perused the orders of the Id. lower authorities. The facts clearly show that the Id. AO has recorded the fact while passing the reassessment order in para 2 as under:-

“2. The assessee company is engaged in the business of running Hotels and Resorts. The said company was amalgamated with M/s.World Resorts Limited with effect from 01/04/2018 as approved by the Regional Directors, Ministry of Corporate Affairs, Hyderabad on 08/02/2019.”
11. Despite knowing this, the reassessment order was passed in the name of MRG Hotels Pvt. Ltd. [merged with World Resorts Ltd.], thus the reassessment order passed on a non-existent company which stood merged with the other company, such reassessment order is invalid and

deserves to be quashed in view of the decision of the Hon'ble Supreme Court in the case of PCIT v. Maruti Suzuki India Ltd. 416 ITR 613. Accordingly we have no hesitation in quashing the order of reassessment passed by the ld. AO. Accordingly this ground raised by the assessee is allowed.

12. In view of the above, all other grounds raised by the assessee do not survive for adjudication.
13. In the result, the appeal filed by the assessee is allowed.

Pronounced in the open court on this 29<sup>th</sup> day of January, 2026.

Sd/-

(SANDEEP SINGH KARHAIL)  
JUDICIAL MEMBER

Sd/-

( PRASHANT MAHARISHI )  
VICE PRESIDENT

Bangalore,  
Dated, the 29<sup>th</sup> January, 2026.

*/Desai S Murthy /*

Copy to:

1. Appellant
2. Respondent
3. Pr. CIT
4. CIT(A)
5. DR, ITAT, Bangalore.

By order

Assistant Registrar  
ITAT, Bangalore.