

**IN THE INCOME TAX APPELLATE TRIBUNAL
PATNA 'DB' BENCH AT KOLKATA**

[Virtual Court]

Before

**SHRI SONJOY SARMA, JUDICIAL MEMBER
&
SHRI RAKESH MISHRA, ACCOUNTANT MEMBER**

**ITA No(s): 459/PAT/2025
Assessment Year(s): 2017-18**

Erstwhile Bihar Kshetriya Gramin Bank	Vs.	ACIT, Circle-1, Patna
(Appellant)		(Respondent)
PAN: AACCB7804J		

Appearances:

Assessee represented by : Nishant Maitin, CA.

Department represented by : Md. A H Chowdhury, CIT (DR).

Date of concluding the hearing : 06-January-2026

Date of pronouncing the order : 19-February-2026

ORDER

PER RAKESH MISHRA, ACCOUNTANT MEMBER:

This appeal filed by the Assessee is against the order of the Commissioner of Income Tax (Appeals)-NFAC, Delhi [hereinafter referred to as Ld. 'CIT(A)'] passed u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') for AY 2017-18 dated 30.09.2025.

2. The Assessee is in appeal before the Tribunal raising the following grounds of appeal:

"1. That the order passed by the ld. Commissioner of Income-tax (Appeals), NFAC, Delhi is unjust, unwarranted and bad in law.

2. That the ld. Commissioner of Income-tax (Appeals), NFAC, Delhi erred in not appreciating the fact that appellant had since ceased to exist owing to its amalgamation with Bihar Gramin Bank and that proceedings u/s 147 of the act cannot be initiated on the non-existent entity.

3. That the ld. Commissioner of Income-tax (Appeals), NFAC, Delhi erred in not adjudicating the appeal on merits rather than the ld. Commissioner of Income-tax (Appeals), NFAC, Delhi dismissed the appeal on account of delay in filing the appeal.



4. *For any other ground that may be urged at the time of hearing.*”

3. Brief facts of the case are that the assessee is a company. An information was received from the Insight portal indicating that the income chargeable to tax had escaped assessment on account of cash deposits of ₹181,82,89,500/- in the two bank accounts during the demonetization period. Accordingly, a notice u/s 147 of the Act was issued and the information received was analysed but the assessee failed to avail the opportunities of being heard, nor any response was received to the show cause notice issued to the assessee or to the notices u/s 133(6) of the Act to the bank. As no submission of whatsoever nature was furnished by the assessee in the course of assessment proceedings, therefore, the Assessing Officer (hereinafter referred to as Ld. 'AO') assessed the total income on the basis of information available and the total income was assessed at ₹473,66,99,582/- after considering the various issues mentioned in the assessment order. Aggrieved with the assessment order, the assessee filed an appeal before the Ld. CIT(A) and it was stated in the statement of facts that the bank had amalgamated and was not in existence at the time of initiation of proceedings u/s 147 of the Act vide notice dated 27.03.2024. The Ld. CIT(A) noted that there was a delay of 40 days. The assessee had submitted that the delay of 40 days occurred due to the fact that the assessee bank was not in existence since long and the notices were served on email to which the appellant had no access and as such no information regarding initiation of proceedings as well as passing of order was available. It was only on telephonic information received from the Department regarding payment of demand, that the fact of the assessment order being made was known and accordingly the appeal was filed. This reason was not found to be a sufficient cause by the Ld. CIT(A) and the appeal was dismissed on account of delay.



4. Aggrieved with the order of the Ld. CIT(A), the Assessee has filed the appeal before the Tribunal.

5. Rival contentions were heard and the submissions made have been examined. Relying upon the decision in the case of Pr. CIT v. Maruti Suzuki India Ltd. [2019] 107 taxmann.com 375/265 Taxman 515/416 ITR 613 (SC), it was contended by the Ld. AR that Bihar Kshetriya Gramin bank (RRB) and Samastipur Kshetriya Gramin Bank had amalgamated into a single regional rural bank called as “Bihar Gramin Bank” vide notification No. S.O. 2971(E) dated 21.12.2012 and was not in existence on the date of issue of the notice. However, it has been held in the case of **Principal Commissioner of Income-tax vs. Mahagun Realtors (P.) Ltd. [2022] 137 taxmann.com 91 (SC)** that whether corporate death of an entity upon amalgamation per se does not invalidate assessment order passed in the name of amalgamating company cannot be determined on a bare application of section 481 of Companies Act, 1956 but would depend upon terms of amalgamation and facts of each case. It is interesting to note that though the assessee contends that it had amalgamated with the other RRB - to form Bihar Gramin Bank with effect from 21.12.2012 vide Government of India Notification No. 2971(E) dated 21.12.2012 and the said Bihar Gramin Bank even further amalgamated with Madhya Bihar Gramin Bank with effect from 01.01.2019 vide Government of India Notification No. 5014 dated 21.12.2018 to form Dakshin Bihar Gramin Bank and Dakshin Bihar Gramin Bank and Uttar Bihar Gramin Bank further amalgamated to form Bihar Gramin Bank and the assessee was not in existence at the time of initiation of proceedings u/s 147 of the Act for AY 2017-18 vide notice dated 27.03.2024; however, the appeal has not been filed by the amalgamated bank in existence now i.e. Bihar Gramin Bank but



has been filed in the name of Erstwhile Bihar Kshetriya Gramin Bank which is not in existence. Since no compliance was made before the Ld. AO and the Ld. CIT(A) dismissed the appeal on account of delay without considering the merits, although the reasons for the delay were justified, therefore, in the interest of justice and fair play, we set aside the order of the Ld. CIT(A) and remand the issue before him as the delay had occurred on account of sufficient cause and the appeal should have been decided on merits after condoning the delay. The Ld. CIT(A) shall grant an opportunity of being heard to the assessee and to decide the issue in accordance with law and also grant an opportunity of being heard to the Ld. AO as the assessment was made u/s 147/144 of the Act. The assessee shall furnish all evidences that the deposits in the bank account had duly been considered in the amalgamated entity as applicable for the year under consideration and no addition was called for. The assessee shall be at liberty to raise all the legal issues which shall be decided as per law. Hence, the grounds of appeal are partly allowed for statistical purposes.

6. In the result, the appeal filed by the Assessee is partly allowed for statistical purposes.

Order pronounced in the open Court on 19th February, 2026.

Sd/-

[Sonjoy Sarma]
Judicial Member

Sd/-

[Rakesh Mishra]
Accountant Member

Dated: 19.02.2026

Bidhan (Sr. P.S.)



Copy of the order forwarded to:

1. **Erstwhile Bihar Kshetriya Gramin Bank, C/o Dakshin Bihar Gramin Bank, Shri Vishnu Commercial Complex, NH 30, Asochak, Patna, Bihar, 800030.**
2. **ACIT, Circle-1, Patna.**
3. CIT(A)-NFAC, Delhi.
4. CIT-
5. CIT(DR), Patna Benches, Patna.
6. Guard File.

// True copy //

By order

Assistant Registrar
ITAT, Kolkata Benches
Kolkata