

Pr. Commissioner of Income Tax, New Delhi v. Maruti Suzuki India Limited

Civil Appeal No. 5409 of 2019

[2019] 9 S.C.R. 799 | 2019-07-25

Whether a scrutiny assessment initiated in the name of SPIL after its amalgamation and despite prior intimation to the Assessing Officer was void, or could be saved by section 292B, references to the successor in the assessment title and the successor's participation.

143(2) | 292B | 2(31) | 170

Two-judge bench | Dr. Dhananjaya Y. Chandrachud, J. | Indira Banerjee, J.

Assessment years: 2012-13

Fact-specific amalgamation ruling; later judicial and statutory limits checked

Mahagun Realtors (5 April 2022) distinguishes Maruti on its facts; it does not overrule it or make participation a universal cure. The later section 170(2A) framework concerns proceedings made or initiated during the defined pendency of succession and requires a separate temporal and conditions check. Do not present Maruti as a blanket rule for every merger or section 170(2A) as a cure for every post-merger assessment.

[paragraphs 33-37; 40-43 / PDF pages 22, 23, 24, 25, 30, 31, 32, 33, 34; paragraphs 35.2-35.3; 35.7 / PDF pages 84, 85; Section 170\(2A\), Explanation and footnote 73; page labelled 2024 \(No. 2\)](#)

01 FACTS OF THE CASE

Suzuki Powertrain India Ltd. (SPIL), formerly Suzuki Metal India Ltd., was a joint venture of Suzuki Motor Corporation and Maruti Suzuki India Ltd. (MSIL). SPIL filed its AY 2012-13 return on 28 November 2012, declaring Rs. 212,51,51,156. At the filing date no amalgamation had yet taken place. On 29 January 2013 the Delhi High Court approved SPIL's amalgamation with MSIL with effect from 1 April 2012. The scheme transferred liabilities, including tax liabilities, and provided for SPIL's dissolution without winding up; it did not grant exemption from taxes otherwise payable (paragraphs 5-7).

MSIL informed the Assessing Officer on 2 April 2013. Nevertheless, the section 143(2) notice dated 26 September 2013 and a subsequent section 142(1) notice were issued to SPIL. A Transfer Pricing Officer order dated 22 January 2016 determined royalty at 3% and proposed an adjustment of Rs. 78.97 crore. The draft assessment dated 11 March 2016 named SPIL with an amalgamated-with-MSIL description. MSIL participated through representatives and approached the DRP as successor; it did not then object to the entity-name defect. The DRP's directions named MSIL as successor, but the final assessment dated 31 October 2016 was again in SPIL's name with the amalgamation description (paragraphs 8-15).

The Tribunal set aside the assessment as void ab initio on 6 April 2017. The Delhi High Court affirmed on 9 January 2018, following the assessee's AY 2011-12 case. Revenue appealed, contending that both company names appeared, participation removed any prejudice, and section 292B cured the defect. The Supreme Court separately considered the earlier-year SLP dismissal and the Spice and Skylight authorities (paragraphs 1-3 and 16-18).

Source: [reported judgment / paragraphs 1-16 / PDF pages 8, 9, 10, 11 / judgment](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court identified the particular chronology as decisive. The tax sought concerned SPIL's pre-amalgamation income, and the scheme transferred its tax liabilities to MSIL. That continuation of liability did not preserve SPIL as a separate person under section 2(31). The approved scheme preceded the jurisdictional notice, and Revenue had already been expressly informed of the amalgamation. Initiating assessment against the extinct entity was therefore void on these facts (paragraph 19).

Spice Entertainment and the related Dimension Apparels, Micron Steels and Micra India decisions treated assessment of an extinct amalgamating company as a substantive defect. The Court explained that dismissal of the civil appeals in Spice attracted merger; the reasoned refusal of special leave in MSIL's preceding-year case did not itself attract merger, but its declaration of law had Article 141 significance under Kunhayammed. These are distinct propositions about appellate disposal, not a rule that every SLP dismissal affirms all reasoning below (paragraphs 20-26).

Skylight Hospitality involved a fact-specific clerical mistake: the material, including the tax-evasion report, reasons and approval, showed that the notice was intended for the successor LLP although it carried the former company name. The Supreme Court's order there was expressly confined to those peculiar facts. Maruti found no conflict with Spice. In the present case both the jurisdictional notice and assessment were directed against the amalgamating company, a substantive illegality outside section 292B's cure for a proceeding otherwise conforming in substance and effect to the Act (paragraphs 27-31).

The Court reproduced the historical section 170 succession framework. It did not decide the separate contention that SPIL had ceased to be an eligible assessee under section 144C(15)(b), or the resulting section 153 limitation argument. Jai Prakash Singh and Maharaja of Patiala, dealing with particular legal-representative and notice-service situations, were distinguished rather than converted into a cure for this amalgamation defect (paragraphs 31-32).

MSIL's participation could not create estoppel against law in the circumstances. The Court also attached weight to consistency with its treatment of the same respondent for AY 2011-12. The holding invalidates the challenged assessment; it does not extinguish transferred tax liabilities or adjudicate the merits of the royalty adjustment (paragraphs 33-35).

Source: [reported judgment / paragraphs 19-26 / PDF pages 18, 19, 20, 21, 22 / judgment](#); [reported judgment / paragraphs 27-32 / PDF pages 23, 24, 25, 26, 27, 28, 29 / judgment](#); [reported judgment / paragraphs 33-34 / PDF pages 29 / judgment](#); [official signed judgment / paragraphs 19; 31; 33-35 / PDF pages 16, 17, 18, 26, 27, 28, 29, 31, 32 / judgment](#)

03 JUDICIAL DECISION

Revenue's appeal was dismissed, with no order as to costs. The Tribunal/High Court result invalidating the AY 2012-13 assessment remained undisturbed. Issuance of the jurisdictional notice to SPIL after notified amalgamation, followed by assessment against it, was a substantive illegality not cured by section 292B or MSIL's participation (paragraphs 31 and 33-35).

Source: [reported judgment / paragraphs 31; 33-35 / PDF pages 26, 27, 29 / judgment](#); [official signed judgment / paragraphs 33-35 / PDF pages 31, 32 / judgment](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Assessee, MSIL as successor to SPIL, on assessment validity

Revenue appeal dismissed; no costs

Final rejection of the challenged assessment's validity; royalty quantum and alternative eligible-assessee/limitation grounds not decided

Historical AY 2012-13 proceedings after approved and communicated amalgamation. It is not immunity for successor tax liability or a blanket rule for all misnomers, mergers or later statutory regimes.

Source: [reported judgment / paragraphs 35 / PDF pages 29 / judgment](#); [official signed judgment / paragraphs 35 / PDF pages 32 / judgment](#)

05 AKHB REVIEW POINT

Build the chronology before characterising a defect: the appointed date, approval and dissolution provisions, date and evidence of intimation, jurisdictional notice, draft assessment, DRP directions and final assessment title. A parenthetical reference to the successor did not repair the jurisdictional defect here; nor did participation. Keep the successor's assumed tax liabilities separate from the validity of this particular proceeding, and do not treat the unexamined limitation or transfer-pricing objections as holdings.

Material later qualification: Mahagun Realtors (2022) distinguished Maruti on the return, disclosure, scheme and assessment facts; it did not overrule it. The later statutory rule under section 170(2A), effective from 1 April 2022, must also be examined before using Maruti for another proceeding. The bounded sources and limits are stated below. Neither development is a universal cure for a notice addressed to an extinct entity.

Use this 25 July 2019 amalgamation decision distinctly from the 7 February 2020 Maruti Suzuki MODVAT/section 43B decision. Confirm the legislation and subsequent treatment applicable to the proceeding; no automatic Income-tax Act, 2025 carryover is made.

Source: [reported judgment / paragraphs 7-16; 19; 27-35 / PDF pages 9, 10, 11, 18, 19, 23, 24, 25, 26, 27, 28, 29 / judgment](#)

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

143(3); 142(1); 92CA(3); 144C; 144C(15)(b); 153(1); 153(4); 147; 148; 260A

PROVISION-SPECIFIC SCOPE

1.

Act: Income-tax Act, 1961

Section: 143(2); 2(31)

Role: Jurisdictional scrutiny notice and identity of the assessable person

Basis: Notice issued to SPIL after its legal extinction and after advance intimation of amalgamation was the decisive defect, paragraphs 19 and 33.

2.

Act: Income-tax Act, 1961

Section: 292B

Role: Curability provision quoted and applied

Basis: The substantive defect in this assessment was not a mere technical or procedural naming error, paragraph 31.

3.

Act: Income-tax Act, 1961

Section: 170(1)-(4)

Role: Historical succession provisions reproduced as context

Basis: Paragraph 31 reproduces the then version; the later section 170(2A) was not part of this 2019 judgment.

4.

Act: Income-tax Act, 1961

Section: 92CA(3); 144C; 153(1); 153(4)

Role: Transfer-pricing/procedural background and unadjudicated alternative objections

Basis: The royalty adjustment supplied the factual setting. Paragraph 31 expressly declines to examine the eligible-assessee and limitation arguments.

5.

Act: Companies Act, 1956

Section: 394

Role: Approved amalgamation and loss of transferor identity

Basis: SPIL was dissolved without winding up and its liabilities passed under the scheme.

JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Dr. Dhananjaya Y. Chandrachud, J.

ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

SPECIFIED LATER JUDICIAL TREATMENT AND ITS LIMITS

Status: bounded original verified

Authority: Principal Commissioner of Income Tax (Central)-2 v. Mahagun Realtors (P) Ltd., 5 April 2022

Relationship: distinguished on facts not overruled

Summary: Mahagun distinguished the earlier notified-amalgamation cases. Its return and conduct failed to disclose the relevant amalgamation for the assessment in question, the order named the transferor as represented by the transferee, and the scheme transferred liabilities and proceedings. Paragraph 42 made the result dependent on the scheme and facts; paragraph 43 remitted the remaining merits to ITAT, excluding nullity. This is not a holding that participation alone cures every jurisdictional defect.

Source url: [Open cited source](#)

Paragraphs: 33-37; 40-43

Pdf pages: 22; 23; 24; 25; 30; 31; 32; 33; 34

LATER STATUTORY QUALIFICATION AND TEMPORAL LIMITS

Status: bounded sources verified not current law certificate

Summary: Finance Act 2022 inserted section 170(2A), effective 1 April 2022. In the inspected official 2024 (No. 2) text it deems assessments, reassessments or other proceedings made or initiated on the predecessor during pendency of succession to be made or initiated on the successor. Pendency runs from the specified succession application or insolvency admission until the competent order is received by the Principal Commissioner or Commissioner. Circular 23/2022 explains the intervening-period problem. Check the statutory conditions and temporal application separately; this note does not validate every post-amalgamation proceeding or revisit Maruti's concluded result.

Sources

1.

Source url: [Open cited source](#)

Paragraphs: 35.2-35.3; 35.7

Pdf pages: 84; 85

2.

Source url: [Open cited source](#)

Location: Section 170(2A), Explanation and footnote 73; page labelled 2024 (No. 2)

ORIGINATING PROCEEDING

SLP (C) No. 4298 of 2019

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(official signed judgment\)](#)

Identified source rendition: 32 PDF pages; SHA-256

92c8450a66728d5e39dbde0e2725081ef58140ad973aa938d5e06188c7d36064. Original bytes preserved.

One judgment, paragraphs 1-35 on physical pages 1-32; signatures and date on page 32.

Cover, case number, author, signatures/date and selected substantive passages checked against the fully read reported judicial text. No full independent reread of the separate official rendition is claimed; cryptographic signature validity was not tested.

[Open cited source rendition](#)

This is the 25 July 2019 amalgamation judgment, not the 7 February 2020 Maruti Suzuki MODVAT/section 43B decision.

The DRP order named MSIL but the jurisdictional notice and final assessment were directed against SPIL. The note preserves that distinction rather than reducing the case to a typographical error.

The section 144C eligible-assessee and section 153 limitation arguments were expressly left undecided; royalty quantum was not adjudicated.

Reported paragraph 28 reproduces a passage with internally reversed amalgamating/amalgamated labels. Analysis follows the Court's own explanation in paragraphs 19, 31 and 33 and does not silently alter the source.

Paragraph 33 uses appellant when discussing participation, although Revenue is the appellant and the factual participation is MSIL's. The note identifies the actors from the factual chronology.

Mahagun is a bounded distinguishing later decision, not an overruling entry. Section 170(2A) requires a separate temporal and pendency analysis; neither source establishes all present-law consequences.

Reported citation verified on the cover. The catalogue neutral citation 2019INSC815 is not independently verified from the inspected renditions and is not adopted.

AY 2012-13 is the assessment under appeal. AY 2011-12 is the separate preceding-year proceeding used for consistency; it is not an additional appeal decided here.

STATUTORY SCOPE

Sections 2(31), 143(2), 292B and the pre-section-170(2A) succession framework applied to the historical AY 2012-13 proceedings. A separately bounded later check covers section 170(2A), not a current statutory audit.

No automatic Income-tax Act, 2025 crosswalk, comprehensive later-treatment audit or present-law certification.

LATER TREATMENT

Source checked 2026-10-04. Subsequent judicial treatment and later statutory changes have not been comprehensively verified. Any separately identified later authority or amendment is a bounded check, not a citator or current-law certificate.

IDENTIFIED SOURCE LINKS

[official signed judgment - PDF pages: 32](#)

SHA-256: 92c8450a66728d5e39dbde0e2725081ef58140ad973aa938d5e06188c7d36064

[reported judgment - PDF pages: 29](#)

SHA-256: 40d1cadb9dab56074c46fbbba7a89cd1c49adc15c6588e185d71af867eebbb8cd

[official later judgment bounded review - PDF pages: 34](#)

SHA-256: e21a26ae5628495ad0cd681558d2a11a3e413696f8c4172d96c2829c4b90437c

[official CBDT explanatory circular - PDF pages: 94](#)

SHA-256: 0588a574afe765a7eb2d17040698008625726dfb01dc50f3a2a3233b15710b24

[official statutory webpage bounded review](#)

SHA-256: 493df5f1492888b3d19e5f460a9ac1241423668e98ceea6496cc2306eb58c3de

[Related note: Principal Commissioner of Income Tax \(Central\) - 2 v. M/s. Mahagun Realtors \(P\) Ltd.](#)

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.