CNR No: PHHC010720772026

2026:PHHC:190374-DB

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-13782-2026 (O&M)
Reserved on 21.09.2026
Date of decision 14.10.2026

Union Bank Of India
(Erstwhile Andhra Bank, merged with Union Bank of India)
..PETITIONER

V/s.

Excise And Taxation Department, Chandigarh ***...RESPONDENT***

1	The date when the judgment is reserved	21.09.2026
2	The date when the judgment is pronounced	14.10.2026
3	The date when the judgment is uploaded on the website	14.10.2026
4	Whether only operative part of the judgment is pronounced or whether the full judgment is pronounced	Full
5	The delay, if any, of the pronouncement of full judgment, and reasons thereof.	N.A.

CORAM:- HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE SANJIV BERRY

Present: Mr. Shiva Kumar, Advocate and
Mr. Gaurav Goel, Advocate for the petitioner.

Mr. Sourabh Goel, Additional Standing Counsel,
Ms. Geetika Sharma, Advocate and
Ms. Himanshi Gautam, Advocate
for the respondent-UT, Chandigarh.

*****

ASHWANI KUMAR MISHRA, C.J.

1. Union Bank of India (Erstwhile Andhra Bank) is the petitioner in the present writ petition, filed with the prayer to quash an order dated 30.04.2024 (Annexure P-7), passed by the Excise and Taxation Department, UT, Chandigarh, whereby a demand of GST has been raised against M/s Andhra Bank. The challenge is primarily grounded on the fact that Andhra Bank stood amalgamated with Union

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Bank of India, it had consequently ceased to exist on the date when the notice was issued or the order impugned was passed. Consequently, as per the petitioner, the order impugned is against a non-existent entity and hence, nullity in the eyes of law.

Relevant facts

2. The facts of the case are that M/s Andhra Bank was issued a registration certificate under the CGST Act on 28.07.2018 w.e.f. 01.07.2017. Its principal place of business, as per the registration certificate, was Sector-17, Chandigarh. A notification later came to be issued on 04.03.2020 under Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970), and Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980), for the amalgamation of Andhra Bank and Corporation Bank into Union Bank of India. This scheme came into force on 01.04.2020. The registration under GST issued to M/s Andhra Bank accordingly came to be cancelled on 28.07.2022 w.e.f. 31.05.2022.

3. A notice under Section 73 of the Union Territory Goods and Services Tax/Central Goods and Services Tax Act, 2017 (for brevity, the '***Act of 2017***'), came to be issued to M/s Andhra Bank for the Financial Year 2018-19 on 28.12.2023 proposing to impose a liability of Rs.75,46,59,569/- against M/s Andhra Bank. Form GST DRC-01 also came to be issued to M/s Andhra Bank. It is thereafter that the impugned order dated 30.04.2024 came to be passed against M/s Andhra Bank, which, by then, stood amalgamated with Union Bank of India pursuant to

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the scheme for amalgamation of Andhra Bank and Corporation Bank into Union Bank of India dated 01.04.2020.

Petitioner's case

4. On behalf of the petitioner, it is argued that M/s Andhra Bank was registered under the GST regime during the relevant period, i.e. 2018-2019, but on the date when notices were issued under Section 73 of the Act of 2017, it stood amalgamated with Union Bank of India and, therefore, the notice itself was issued to a non-existent entity. The learned counsel submits that the Show Cause Notice under Section 73 of the CGST Act, raising demands pertaining to credit notes, exempt turnover and Reverse Charge Mechanism, was issued in the name of the non-existent entity, namely, Andhra Bank, vide Form DRC-01 dated 28.12.2023, along with a detailed show cause notice. Both these documents were uploaded on the GST Portal under the registration of the erstwhile Andhra Bank, which had already ceased to exist upon its amalgamation with the petitioner.

5. The petitioner further submits that no intimation was given to it, being the post-amalgamation entity, regarding the uploading of the aforesaid documents on the GST registration of the erstwhile Andhra Bank. Consequently, the petitioner was deprived of any opportunity to respond to the demands raised in the Show Cause Notice (SCN). Despite the same, the respondent-Department proceeded to pass the adjudication order dated 30.04.2024, confirming the demands raised therein. It is further submitted that the rectification application, Annexure P-8, filed by

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the petitioner was also rejected by the respondent authorities *vide* order, Annexure P-9, on the ground of limitation and observing that no error apparent on the fact of the record was established. Learned counsel for the petitioner, accordingly, prays for quashing of the impugned order dated 30.04.2024 (Annexure P-7).

Respondent's contention

6. It was argued on behalf of the respondent-Department that the SCN dated 28.12.2023 for the period 2018-2019 was issued to Andhra Bank, requiring it to submit its reply by 28.01.2024, and a personal hearing was also proposed on 16.01.2024 but none appeared.

7. As per the respondent, for the period prior to the effective date of amalgamation, M/s Andhra Bank was a separate entity under the Act of 2017, and all proceedings initiated in respect of its GST liabilities for the relevant period were legally valid and maintainable. The learned counsel brought to our attention Section 87(2) of the Act of 2017, in support of his contention which is reproduced.

> ***Section 87. Liability in case of amalgamation or merger of companies.-***
>
> *(1) When two or more companies are amalgamated or merged in pursuance of an order of court or of Tribunal or otherwise and the order is to take effect from a date earlier to the date of the order and any two or more of such companies have supplied or received any goods or services or both to or from each other during the period commencing on the date from which the order takes effect till the date of the order, then such transactions of supply and receipt shall be included in the turnover of supply or*

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> *receipt of the respective companies and they shall be liable to pay tax accordingly.*
>
> *(2) Notwithstanding anything contained in the said order, for the purposes of this Act, the said two or more companies shall be treated as distinct companies for the period up to the date of the said order and the registration certificates of the said companies shall be cancelled with effect from the date of the said order."*

8. Learned counsel for the respondent department further relied upon Section 29(3) of the Act of 2017, which provides that the cancellation of registration under section 29 shall not affect the liability of the person to pay tax, and other dues, under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation, whether or not such tax and other dues are determined before or after the date of cancellation. Therefore, in the present case, mere cancellation of registration in the year 2022 will not wipe out the liability of Andhra Bank for the period prior to the date of cancellation of registration.

9. Submission, therefore, is that the applicable provision makes it clear that proceedings against Andhra Bank are valid as per the Section 29(3) of the Act of 2017, even if the tax and other dues are determined after the date of cancellation. The Section does not differentiate between the entities on the ground of reason for cancellation. Section 29(3) of the Act is reproduced:

> ***"Section 29. Cancellation [or suspension] of registration.-***
>
> *(3) the cancellation of registration under this section shall not affect the liability of the person to pay tax and other*

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> *dues under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation."*

10. Further, it is contended that as per Section 160(1) of the Act of 2017, the impugned proceedings shall not be invalidated merely on ground of some mistake, defect or omission therein due to procedural infirmities, i.e. that the SCN was served upon the taxpayer's cancelled registration, and not upon the GST registration of the amalgamated entity; the same does not render the SCN and adjudication process invalid. Section 160 of the Act of 2017, clearly says that no adjudication order or notice passed or issued, initiated in pursuance of any of the provisions of this Act shall be invalid or deemed to be invalid merely by reason of any mistake, defect or omission therein, if such order or notice are in substance and effect in conformity with or according to the intents, purposes and requirements of this Act or any existing law. Section 160 is, thus reproduced:

> ***Section 160.***
> ***Assessment proceedings, etc., not to be invalid on certain grounds.-***
> *(1) No assessment, re-assessment, adjudication, review, revision, appeal, rectification, notice, summons or other proceedings done, accepted, made, issued, initiated, or purported to have been done, accepted, made, issued, initiated in pursuance of any of the provisions of this Act shall be invalid or deemed to be invalid merely by reason of any mistake, defect or omission therein, if such assessment, re-assessment, adjudication, review, revision,*

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> *appeal, rectification, notice, summons or other proceedings are in substance and effect in conformity with or according to the intents, purposes and requirements of this Act or any existing law.*
>
> *(2) The service of any notice, order or communication shall not be called in question, if the notice, order or communication, as the case may be, has already been acted upon by the person to whom it is issued or where such service has not been called in question at or in the earlier proceedings commenced, continued or finalized pursuant to such notice, order or communication."*

11. According to respondent, when Sections 29(3), 87(2), and 160 of the Act of 2017 are read together, it is clear that the act of the respondent-Department is legal and well within the domain of the statutory provisions.

12. Learned counsel for the petitioner in rejoinder submits that *pari materia* provision existed in the Income Tax Act similar to Section 160 of the Act of 2017 to hold that notices issued to a non-existent entity on account of its amalgamation would be invalid.

13. We have heard learned counsel for the parties and have perused the materials appended with the instant writ petition.

Effect of amalgamation

14. The factual scenario as placed on record remains undisputed. M/s Andhra Bank was registered under the GST regime and came to be amalgamated with Union Bank of India on 01.04.2020. However, for the period for which proceedings were initiated against M/s Andhra Bank, the registered entity, i.e. M/s Andhra Bank, was in existence.

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15. It is equally true that M/s Andhra Bank was not in existence and stood amalgamated into Union Bank of India on the date when notices were issued under Section 73 of the Act of 2017 or when the Order-in-Original came to be passed.

16. Once M/s Andhra Bank was not in existence on the date when notices were issued to it under Section 73 of the Act of 2017, there is no hesitation in coming to the conclusion that the notice issued to M/s Andhra Bank, as well as the orders ultimately passed under Section 73 of the Act of 2017 determining its liability, are against a non-existent entity. Even if the liability against Andhra Bank stood protected by virtue of Section 29 (3) of the Act of 2017, still the amalgamated entity was entitled to be served with the notice of these proceedings, which did not happen. This has resulted in denial of opportunity to the amalgamated entity to object to the show cause notice rendering the adjudication bad in law for violation of principles of natural justice as well. The passing of Order-in-Original against non-existent entity without service of notice upon the amalgamated entity, thus, cannot be sustained. There is no serious challenge to this conclusion of ours even from the side of the respondent.

Further submissions on behalf of the respondent

17. However, on behalf of the respondent, it is urged that, at best, it can be said that the notice was served on the wrong GST registration. The same, however, cannot have the effect of wiping out the liability of the company, which, even according to the petitioner, survives

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upon amalgamation. The GST registration continued to stand in the name of Andhra Bank and was never amended pursuant to the amalgamation.

18. It is further submitted that even after amalgamation, any notice under the provisions of the Act of 2017 in respect of the GST registration of Andhra Bank could have been issued online only against the said registration. At best, a copy of such notice may have been served upon the amalgamated entity, namely, Union Bank of India, to enable it to contest the proceedings. Learned counsel for the respondent, therefore, submits that mere non-service of a copy of the notice upon the amalgamated company, namely, Union Bank of India, would not, by itself, render the entire proceedings null and void, as contended by learned counsel for the petitioner and the respondent be given liberty to proceed afresh, in the matter, in accordance with law.

19. Learned counsel for the petitioner, however, contends that the proceedings are now liable to be dropped as being barred by limitation and no liberty can be reserved in favour of the respondent, as is urged on their behalf. The respondent cannot be permitted to initiate any proceedings against the present petitioner, now, as such proceedings would be barred by the law of limitation.

Limitation and judicial precedents

20. In support of its contention, learned counsel for the petitioner has placed reliance upon the judgment of the Hon'ble Supreme Court in ***Pr. CIT v. Maruti Suzuki India Ltd., 2020 (18) SCC 331***, wherein the Supreme Court held that once an amalgamation has taken effect and the

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earlier company ceases to exist, assessment proceedings cannot validly be initiated or completed in the name of non-existent company. A notice issued to such an entity is a jurisdictional defect, and the resulting assessment is without jurisdiction and nullity. The Supreme Court in ***Maruti Suzuki India Ltd.*** (supra) has held as under:

> *"**33** In the present case, despite the fact that the assessing officer was informed of the amalgamating company having ceased to exist as a result of the approved scheme of amalgamation, the jurisdictional notice was issued only in its name. The basis on which jurisdiction was invoked was fundamentally at odds with the legal principle that the amalgamating entity ceases to exist upon the approved scheme of amalgamation. Participation in the proceedings by the appellant in the circumstances cannot operate as an estoppel against law. This position now holds the field in view of the judgment of a co-ordinate Bench of two learned judges which dismissed the appeal of the Revenue in Spice Enfotainment on 2 November 2017. The decision in Spice Enfotainment has been followed in the case of the respondent while dismissing the Special Leave Petition for AY 2011-2012. In doing so, this Court has relied on the decision in Spice Enfotainment.*
>
> ***34.*** *We find no reason to take a different view. There is a value which the court must abide by in promoting the interest of certainty in tax litigation. The view which has been taken by this Court in relation to the respondent for AY 2011-12 must, in our view be adopted in respect of the present appeal which relates to AY 2012-13. Not doing so will only result in uncertainty and displacement of settled expectations. There is a significant value which must attach to observing the*

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> *requirement of consistency and certainty. Individual affairs are conducted and business decisions are made in the expectation of consistency, uniformity and certainty. To detract from those principles is neither expedient nor desirable."*

21. In ***Vodafone Idea Ltd v. Union of India, 2026 SCC OnLine Bom 3453***, the Bombay High Court in a matter arising out of GST Act has held that a SCN cannot be issued to, or an assessment order passed against a company which stood amalgamated and thus, ceased to exist pursuant to amalgamation. The relevant paragraphs of the judgment of the Bombay High Court in ***Vodafone Idea Ltd*** (supra) reads as under:-

> *"**11**. On a plain reading of the aforesaid provisions, it is clear that the same is applicable on fulfillment of the below mentioned conditions/ingredients:-*
>
> *i. When two or more companies have amalgamated or merged in pursuance of an order of court or of a tribunal or otherwise, and the order of amalgamation or merger is to take effect from a date earlier to the date of order of amalgamation or merger, and if in that intervening period, the two companies have supplied or received any goods or services or both to or from each other, then such transaction of supply and receipt shall be included in the turnover of supply or receipt of the respective companies and they will be liable to pay tax accordingly.*
>
> *ii. The two companies which have amalgamated/ merged will be treated as distinct companies for the period upto the date of the order and the registration certificate of the said companies would stand cancelled from the date of the order of amalgamation/merger.*
>
> ***12**. These conditions, to our mind, are only in respect of the intervening period from the date on which the order takes effect till the date of the order, and in no way affect or give the Department the authority to issue a show-cause notice on a*

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> *non-existent entity post merger/amalgamation. This in view of the fact that post merger/amalgamation the merged entity has no status in the eyes of law, and therefore no proceedings can be initiated against it. We are therefore inclined to reject the submissions made on behalf of Respondent No.2 that the provisions of Section 87 of the CGST Act are applicable to the facts of the present case."*

22. Learned counsel for the petitioner has also placed reliance upon the judgment of the Delhi High Court in ***HCL Infosystems Ltd v. Commissioner of State Tax, 169 taxmann.com 82 (Delhi)***. The Division Bench of the Delhi High Court has held that Section 87 cannot be read as enabling the Department to "continue to place a non-existent entity on notice" or to pass an assessment order under Section 73 against such entity. The relevant paras reads thus:

> *"**16**. As is manifest from the above, Section 87 essentially seeks to preserve and identify the transactions which may have occurred between two or more companies which ultimately amalgamate and merge. In order to fix the liabilities that would accrue under the CGST Act and to avoid a contention being raised that the Amalgamating Company and transactions undertaken with it would no longer be subject to tax, the Legislature, ex abundanti cautela, has come to place Section 87 on the statute book and which bids us to bear in mind that notwithstanding an order of amalgamation or a scheme of merger coming to be approved, for the purposes of the CGST Act, the two entities would be treated as a distinct companies for the period up to the date of the order of the competent court or tribunal approving the scheme and the registration certificate of the companies being cancelled.*
>
> ***17**. We thus find ourselves unable to read Section 87 as enabling the respondent to either continue to place a non-*

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> *existent entity on notice or for that matter to pass an order of assessment referable to Section 73 against such an entity. In fact, in terms of Section 87, the liabilities of the non-existent company would in any case stand transposed to be borne by the amalgamated entity. This is, therefore, not a case where the Revenue would stand to lose or be deprived of their right to subject transactions to tax."*

23. Lastly, learned counsel for the petitioner placed reliance upon the judgment of the Madras High Court in ***M/s Larsen and Toubro Limited v. Commissioner of CGST, 2025 (5) TMI 546*** wherein, the Court held that the proceedings initiated against a company after it had ceased to exist pursuant to amalgamation cannot be sustained merely because the successor company participated in the proceedings. The Court held that issuance of notice in the name of the non-existent entity was a jurisdictional defect, not a mere procedural irregularity. The respondent-Department was, however, left at liberty to proceed against the amalgamated/successor company in accordance with law.

24. The sheet anchor of the petitioner's case herein is the judgment of the Hon'ble Supreme Court in ***Maruti Suzuki India Ltd. (Supra)***, which arose out of the proceedings under the Income Tax Act, 1961. Section 292 B of the Income Tax Act contained provision *pari materia* to the provision contained under Section 160 in the Act of 2017. In the context of a company that stood amalgamated before assessment was initiated or finalized the Court held that passing of assessment order against a non-existent company was a jurisdictional error which could not be corrected later by proceeding against the amalgamated entity on

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account of expiry of limitation. This judgment is substantially followed by the Bombay High Court in ***Vodafone Idea Ltd.*** (Supra) and Delhi High Court in ***HCL Infosystems Ltd***. (Supra).

Analysis

25. Section 292 B of the Income Tax Act contained provisions similar to Section 160 of the Act of 2017, as per which, proceedings initiated under the Act would not be rendered invalid by reason of any mistake, defect or omission therein if such proceedings are in substance and effect in conformity with or according to the intent purpose and requirement of the Income Tax Act or any other Act. However, there is no *pari materia* provision in the Income Tax Act similar to the provision contained in Section 29 (3) of the Act of 2017. Section 87 of the Act of 2017 also provides that when two or more companies are amalgamated, even then the transaction of supply and receipt shall be included in the turnover of supply or receipt of the respective Company which shall be liable to be taxed accordingly. Sub-section 2 of Section 87 of the Act of 2017 categorically provides that even post-amalgamation, the two distinct companies would not lose its identity till the date of amalgamation.

26. The Income Tax Act is distinct inasmuch as it deals with individual liability to pay tax while, the GST Act determines the liability to pay tax over a chain of transactions and is materially distinct. There is no concept of cancellation of registration in the Income Tax Act. All notices etc. in the GST regime are sent with reference to registration number of the entity which is preserved till the actual amalgamation and resultant cancellation of registration. Liabilities to pay GST for the period

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prior to cancellation of registration is specifically protected under the Act of 2017. The legislation has specifically protected liability of the amalgamated entity for the period prior to the amalgamation and made it recoverable from the erstwhile entity.

27. When Section 160 of the Act of 2017 is read in conjunction with Section 29 (3) and Section 87, it becomes explicit that for the period prior to amalgamation, the liabilities to pay GST would stand protected even if the liability is determined post-amalgamation. The liability of the amalgamated company to pay the GST would continue to remain notwithstanding such amalgamation.

28. The judgement in ***Maruti Suzuki India Ltd. (Supra)*** is clearly distinguishable for the reason that the Court was dealing with the provisions of the Income Tax Act where no provision existed similar to Section 29 (3) and 87 of the Act of 2017. Rather, the Income Tax Act contains no provision protecting the liability of the amalgamated company in the scenario with which we are concerned.

29. So far as, the judgement of the Bombay High Court in ***Vodafone Idea Ltd.*** (Supra) is concerned, it is also clearly distinguishable with the case in hand, since it was not a case where revenue was to lose or be deprived of their rights to subject transactions to tax with which we are concerned here. The judgment in ***Vodafone Idea Ltd.*** (Supra) had relied upon the earlier judgment of the Delhi High Court in ***HCL Infosystems Ltd***. (Supra) wherein the Court recognized that the interest of revenue was not being compromised. The harmonius construction of

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Section 29(3), 87(2) read with Section 160 of the Act of 2017 also escaped the attention of the Court.

Decision

30. In the present case, the Revenue would stand to lose and be deprived of its right to subject transaction to tax, unless liberty is granted to the respondent to initiate fresh proceedings in accordance with law against the Andhra Bank by associating the amalgamated entity i.e. the Union Bank of India.

31. For the reasons record above, we are of the view that though the Order-in-Original, impugned in the present Writ Petition, is liable to be quashed, but a liberty has to be given to the respondent to proceed against the petitioner, afresh, in accordance with law keeping in view the observations made above.

32. The Writ Petition is accordingly ***disposed of***. Costs made easy.

[ASHWANI KUMAR MISHRA]
CHIEF JUSTICE

[SANJIV BERRY]
JUDGE

October 14, 2026
Rahul Joshi/Ess Kay

1. Whether Speaking/reasoned Yes/No
2. Whether Reportable Yes/No

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