

INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH " C+SMC": NEW DELHI
BEFORE SHRI PRASHANT MAHARISHI, ACCOUNTANT MEMBER
AND
SHRI K.N.CHARY, JUDICIAL MEMBER

ITA No.1010/Del/2018
(Assessment Year: 2013-14)

Matra Kaushal Enterprses Ltd, Flat No. 702-E, AI Karim Trade Centre Ranigunj, Securderabad PAN: AACCP8660	Vs.	ACIT, Central Circle-3, New Delhi
(Appellant)		(Respondent)

Assessee by :	None
Revenue by:	Ms. Rakhi Ulmal, Sr. DR
Date of Hearing	14/10/2019
Date of pronouncement	15/10/2019

O R D E R

PER PRASHANT MAHARISHI, A. M.

1. This appeal is filed by the assessee against the order of the ld CIT(A)-4, Hyderabad dated 03.06.2016, wherein, the addition of Rs. 25 lakcs made by the ld AO u/s 68 of the Act on account of amount invested as share capital in the assessee company by another company.
2. The brief facts of the case shows that the assessee is a company engaged in trading of Voltage Stablizer. It filed its return of income on 28.09.2013 declaring Nil income. It is assessed u/s 143(3) on 31.03.2016 @Rs. 25,00,000/-.
3. The ld AO noted that M/s. Kaushalya Global Limited amalgamated with the assessee company by the order of Hon'ble High Court w.e.f 16.09.2012. The share capital of the amalgamated company got increased and the details were asked from the assessee. The investor company M/s. Gawaraja Merchants Pvt. Ltd having address of P-27, Prince Street, 3rd Floor, Kolkata invested Rs. 25 lacs in the share capital of the assessee company. On enquiry, it was found that at the address given, investor is not available. The assessee also admitted before the ld AO that they are not in a position to file any confirmation. Thus, the addition of Rs. 25 lacs was made by the

ld AO and the assessment order u/s 143(3) of the Act was passed determining the total income of the assessee at Rs. 25 lacs.

4. Assessee aggrieved with the order preferred appeal before the ld CIT(A). Before him also the assessee did not furnish any confirmation. However, the assessee pleaded that at the time of amalgamation Hon'ble High Court.. has passed the order, therefore, the identity, creditworthiness and genuineness of the transaction is satisfied. The ld CIT(A) found that the assessee itself is a penny stock company as per list provided by the Bombay Stock Exchange to the DIT(Investigation), Kolkata and noted that addition deserved to be confirmed. However, he also gave a finding that the years in which money is received, the addition is to be made. Thus he confirmed the addition. The assessee is in appeal before us.
5. At the time of hearing the assessee requested for adjournment. However, it was noted that on earlier occasion also the assessee has sought adjournment and which was liberally granted by the coordinate bench. Repeated adjournment sought by the assessee is merely an attempt to keep the appeals pending. Therefore, we proceed to decide the issue on the merits as per information available on record.
6. The ld DR vehemently supported the order of the lower authorities.
7. We have carefully considered the contentions and also perused the orders of the lower authorities. Apparently in this case the assessee has received share capital of Rs. 25 lacs from one company for which the assessee could not establish the identity, creditworthiness and genuineness of the transaction. Therefore, the lower authorities have made the addition u/s 68 of the Act. The assessee could not furnish the confirmation of the depositor. Therefore, the assessee has failed to discharge initial onus cast upon it. Further the order of the ld CIT(A) also noted that assessee itself is an entity which is a penny stock company. Merely because there is an order of the Hon'ble High Court of amalgamation, the identity, creditworthiness and genuineness of the depositors cannot established. In view of above facts we do not find any infirmity in the order of the lower authorities. Thus, the addition made by the ld AO of Rs. 25 lacs u/s 68 with respect to the share capital is confirmed. Ground No. 1 to 7 of the are dismissed.

8. In the result appeal of the assessee is dismissed.

Order pronounced in the open court on 15/10/2019.

-Sd/-
(K.N.CHARY)
JUDICIAL MEMBER

-Sd/-
(PRASHANT MAHARISHI)
ACCOUNTANT MEMBER

Dated:15/10/2019
A K Keot

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1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi