

**IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD BENCHES "B" : HYDERABAD  
(THROUGH VIDEO CONFERENCE)**

**BEFORE SHRI S.S.GODARA, JUDICIAL MEMBER  
AND  
SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER**

**I.T.A. No. 474/HYD/2018**

Assessment Year: 2012-13

Medchem International Limited, HYDERABAD [PAN: AAECM7360A]	Vs	Income Tax Officer, Ward-16(4), HYDERABAD
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(Appellant)

(Respondent)

For Assessee : Shri S.Rama Rao, AR  
For Revenue : Shri Rohit Mujumdar, DR

Date of Hearing : 13-05-2021  
Date of Pronouncement : 23-06-2021

**ORDER**

**PER S.S.GODARA, J.M. :**

This assessee's appeal for AY.2012-13 arises from the CIT(A)-4, Hyderabad's order dated 23-11-2017 passed in case No.0201 / 2016-17 / ITO, W-16(4) / CIT(A)-4 / Hyd / 17-18, in proceedings u/s.143(3) of the Income Tax Act, 1961 [in short, 'the Act'].

Heard both the parties. Case file perused.

2. It transpires at the outset that this assessee's instant appeal suffers from 15 days delay stated to be attributable to the reason(s) beyond its control as per condonation

petition/affidavit. No rebuttal has come from the departmental side. The impugned delay is condoned therefore.

3. The assessee's sole substantive ground pleaded in the instant appeal challenges correctness of both the lower authorities' action treating its share application money of Rs.2,12,76,400/- as un-explained cash credits u/s.68 of the Act.

4. We have given our thoughtful consideration to the rival pleadings against and in support of the correctness of the impugned addition. The assessee's sole substantive argument raised during the course of hearing; as per its balance sheet as on 31-03-2011 and 31-03-2012, is that the share capital of Rs.2,50,00,000/- has remained same as on 31-03-2010, 31-03-2011 and 31-03-2012 thereby ruling out any fresh introduction in FY.2011-12 relevant to the impugned AY.2012-13 before us.

5. The Revenue's case is that assessee has raised altogether a new plea which deserves to be examined by the learned lower authorities.

We find no force in the Revenue's arguments since it has come on record that the impugned share capital had not been introduced in assessee's books of accounts in the relevant accounting period from 01-04-2011 to 31-03-2012. Hon'ble Bombay high court's (Goa Bench) recent decision in Ivan Singh Vs. ACIT & CIT, Goa Tax Appeal No.29 of 2013, dt.14-02-2020 hold that the clinching statutory expression 'previous year' used in Section 68 of the Act has to be taken as that relevant to the impugned assessment year in issue only. We go by this

precise reason alone and direct the Assessing Officer to delete the impugned addition.

All other pleadings on merits are rendered infructuous.

6. This assessee's appeal is allowed in above terms.

*Order pronounced in the open court on 23<sup>rd</sup> June, 2021*

Sd/-  
**(LAXMI PRASAD SAHU)**  
**ACCOUNTANT MEMBER**

Sd/-  
**(S.S.GODARA)**  
**JUDICIAL MEMBER**

Hyderabad,  
Dated: 23-06-2021

TNMM

*Copy to :*

*1. Medchem International Limited, Sy.No.592, Dundigal, Quthbullapur Mandal, Hyderabad.*

*2. The Income Tax Officer, Ward-16(4), Hyderabad.*

*3. CIT(Appeals)-4, Hyderabad.*

*4. Pr. CIT-4, Hyderabad.*

*5. D.R. ITAT, Hyderabad.*

*6. Guard File.*