

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई
**IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH, CHENNAI**

श्री महावीर सिंह, उपाध्यक्ष एवं श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष
**BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT AND
SHRI MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA Nos.: **70/CHNY/2022 & 736/CHNY/2020**
निर्धारण वर्ष/Assessment Years: 2013-14 & 2014 - 15

Chandan Credits Ltd.,
No.6/13, North Avenue,
Kesavaperumalpuram,
Chennai - 600 028.

The ACIT,
Vs. Central Circle - 2(3),
Chennai.

PAN : AAACC 6074D
(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

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आयकर अपील सं./ITA Nos.: **71/CHNY/2022 & 735/CHNY/2020**
निर्धारण वर्ष/Assessment Years: 2013 - 2014 & 2014-15

**Gugnani Leasing & Hire Purchase
Pvt. Ltd.,**
No.6/13, North Avenue,
Kesavaperumalpuram,
Chennai - 600 028.

The ACIT,
Vs. Central Circle - 2(3),
Chennai.

PAN : AAACG 5972C
(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

&

आयकर अपील सं./ITA Nos.: **128 & 129/CHNY/2022**
निर्धारण वर्ष/Assessment Years: 2012-13 & 2013-14

**Growell Hire & Purchase Finance
Ltd.,**
No.6/13, North Avenue,
Kesavaperumalpuram,
Chennai - 600 028.

The ACIT,
Vs. Central Circle - 2(3),
Chennai.

PAN : AAACG 4983H
(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

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आयकर अपील सं./ITA No.: 3080/CHNY/2019

निर्धारण वर्ष/Assessment Year: 2011-12

Shantananda Steels Pvt. Ltd.,
403, Thiruvottiyur High Road,
Thiruvottiyur,
Chennai – 600 019.

The Income Tax Officer,
Vs. Ward - 6(2),
Chennai.

PAN : AAACS 5070K

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

&

आयकर अपील सं./ITA No.: 72/CHNY/2022

निर्धारण वर्ष/Assessment Year: 2013-14

Ojasvi Motor Finance Pvt. Ltd.,
No.6/13, North Avenue,
Kesavaperumalpuram,
Chennai – 600 028.

The Income Tax Officer,
Vs. Ward - 6(2),
Chennai.

PAN : AAACO 2343M

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by
प्रत्यर्थी की ओर से/Respondent by

: Shri B. Ramakrishnan, FCA
: Shri Guru Bashyam, CIT

सुनवाई की तारीख/Date of Hearing

: 15.11.2022

घोषणा की तारीख/Date of Pronouncement

: 25.11.2022

आदेश / O R D E R

PER MAHAVIR SINGH, VP:

These 8 appeals by the 5 different assesseees are arising out of different orders of the CIT(A)-18 / CIT(A)-19 / CIT(A)-15, Chennai

of different dates. The assessments were framed by the ACIT, Central Circle 2(3), Chennai u/s.143(3) of the Income Tax Act, 1961, (hereinafter 'the Act') vide orders of different dates. Since the issue is common in all these appeals, they are heard together and are disposed off by this common order.

2. At the outset, it is noticed that the appeal filed by the assesseees in ITA No.735/Chny/2020 & ITA No.736/Chny/2020 are barred by limitation by 140 days. The orders of CIT(A) dated 30.01.2020 was received by assesseees on 30.01.2020 as per Form 36. The appeals have to be filed on or before 01.04.2020 but were filed only on 20.08.2020. The Id. AR for the assesseees stated that the delay was due to Covid-19 pandemic and nationwide lockdown imposed by the Central Government from 25.03.2020. We noted that the Hon'ble Supreme Court in Miscellaneous Application No.665 of 2021 vide order dated 23.03.2020 has given directions that the delay are to be condoned during this period 15.03.2020 to 14.03.2021 and they have condoned the delay up to 28.02.2022 in Miscellaneous Application No.21 of 2022 vide order dated 10.01.2022. In term of the directions of Hon'ble Supreme Court, we condone the delay in filing of these appeals by assesseees and admit the appeals for adjudication.

3. The only common issue in these appeals of assessees is that the assessees had challenged the addition of investment made in share capital of SBQ Steels Ltd., by AO as unexplained income u/s.68 of the Act:-

Assessee	Appeal No.	Assessment year	Addition made by AO as unexplained income u/s 68
Chandan Credits Ltd.	70/CHNY/2022	2013-14	5,00,000/-
	735/CHNY/2020	2014-15	1,30,000/-
Gugnani Leasing & Hire Purchase Pvt. Ltd.	71/CHNY/2022	2013-14	10,00,000/-
	736/CHNY/2020	2014-15	3,40,000/-
Growell Hire & Purchase Finance Ltd.	128/CHNY/2022	2012-13	4,59,960/-
	129/CHNY/2022	2013-14	10,00,000/-
Shantananda Steels Pvt. Ltd.	3080/CHNY/2019	2011-12	3,50,50,000/-
Ojasvi Motor Finance Pvt. Ltd.	72/CHNY/2022	2013-14	17,92,33,000/-

4. We have heard rival contentions and gone through facts and circumstances of the case. We noted a search action u/s.132 of the Act was carried out in the case of assessees and its group companies, in connection with the search in the case of other concerns of Kolkata companies on 26.09.2012. The AO noted that the assessees have made investments in share capital of its group companies i.e., SBQ Steels Ltd., and RKKR Steels Ltd., out of the alleged claim of sale proceeds of its share investments. The AO after considering the enquiry conducted by the investigation wing and that these investments are out of sale proceeds of alleged share from

shell companies of Kolkata, providing accommodation entries on commission basis, the AO noting the following facts confirmed the addition:-

- (i) The assessee did not have the share capital and share premium. Their existence was not proved beyond doubt.
- (ii) The assessee did not have the capacity to command share premium as it did not have any asset backing of any kind and income of scale.
- (iii) The existence of share investments were not proved beyond doubt. Hence, the claimed sale proceeds are receipts originated from unknown sources. The only evidences were photo copies of self-made computer printed invoices whose genuineness was not proved.
- (iv) The erstwhile Directors were never produced before this office. No contact particulars, communication details were furnished. Hence, these so called Directors are only name lenders who could not be traced.
- (v) The assessee as well as its group companies did not explain how they came to know each other. Only vague replies were furnished. Hence, genuineness of the claimed business transactions, was not proved.
- (vi) Further No capital gains were ever offered. If these companies were really dealing in share investments, particularly as unquoted equities were not exempt from tax, the requisite evidences to prove the cost as well as sale price valuations must have been kept. Lack of them only point to the fact such activities were not carried out in reality.
- (vii) Complete financial documents for earlier years (beyond A.Y:2007-08) were not furnished to evidence the scale of the activities of the assessee and other similar companies.
- (viii) The alleged share holder companies as well as companies whose share investments were statedly held were all un-listed companies based at Kolkata and many share the same address.

Aggrieved, assessee preferred appeal before CIT(A). The CIT(A) also confirmed the action of the AO. Aggrieved, assessee came in appeal before the Tribunal.

5. Now before us, nothing was produced to prove that the investments in shares of SBQ Steels Ltd., by the assesseees are out of the explained investment. Since the assesseees could not produce anything before us, we dismiss this issue of the assesseees and the orders of the lower authorities are confirmed.

6. In the result, the appeals filed by the assesseees in ITA Nos.70, 71, 72, 128 & 129/CHNY/2022, ITA Nos. 735 & 736/CHNY/2020 and ITA No.3080/CHNY/2019 are dismissed.

Order pronounced in the open court on 25th November, 2022 at Chennai.

Sd/-
(मनोज कुमार अग्रवाल)
(MANOJ KUMAR AGGARWAL)
लेखा सदस्य/ACCOUNTANT MEMBER

Sd/-
(महावीर सिंह)
(MAHAVIR SINGH)
उपाध्यक्ष /VICE PRESIDENT

चेन्नई/Chennai,
दिनांक/Dated, the 25th November, 2022

RSR

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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|------------------------|--------------------------|------------------------------|
| 1. अपीलार्थी/Appellant | 2. प्रत्यर्थी/Respondent | 3. आयकर आयुक्त) अपील(/CIT(A) |
| 4. आयकर आयुक्त /CIT | 5. विभागीय प्रतिनिधि/DR | 6. गार्ड फाईल/GF. |