

। आयकर अपीलीय अधिकरण न्यायपीठ, कोलकाता ।
IN THE INCOME TAX APPELLATE TRIBUNAL
"C" BENCH, KOLKATA

BEFORE SHRI RAJPAL YADAV, HON'BLE VICE PRESIDENT
AND SHRI GIRISH AGRAWAL, HON'BLE ACCOUNTANT MEMBER

I.T.A. No. 1762/Kol/2018
Assessment Year: 2012-13

Singal Pipe Fittings Pvt. Ltd. Tirupati Apartment 322, G.T. Road Kolkata - 711202 PAN : AAMCS1508C	Vs	I.T.O., Ward - 13(4), Kolkata
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अपीलार्थी/ (Appellant)		प्रत्यर्थी/ (Respondent)
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Assessee by :	None
Revenue by :	Smt. Ranu Biswas, Addl. CIT D/R

सुनवाई की तारीख/Date of Hearing : 15/12/2022
घोषणा की तारीख /Date of Pronouncement: 16/12/2022

आदेश/ORDER

PER SHRI RAJPAL YADAV, VICE PRESIDENT:

The present appeal is directed at the instance of the assessee against the order of the Learned Commissioner of Income Tax (Appeal) - 5, Kolkata (hereinafter the "Id. CIT(A)") dt. 06/04/2018, passed u/s 250 of the Income Tax Act, 1961 ("the Act"), for Assessment Year 2012-13.

2. The assessee has taken eight (8) grounds of appeal. However, its substantial grievance is pleaded Ground No. 5, wherein it has been submitted that the Id. CIT(A) has erred in confirming the addition of Rs.3,96,34,604/-, which was added by the Assessing Officer on the ground that the assessee has received share capital and share premium which it failed to prove the genuineness of the transactions, creditworthiness of the applicants and identity of the share subscribers. In relation to the other grounds, the assessee has raised supporting arguments with the main ground.

3. Brief facts of the case are that the assessee has filed its return of income on 28/09/2012 declaring total income of Rs.57,316/-. The case of the assessee was selected for scrutiny assessment and notice u/s 143(2) of the Act was issued and served upon the assessee. Thereafter, the Assessing Officer had issued notice u/s 142(1) of the Act and directed the assessee to explain the identity, creditworthiness and genuineness of the transactions of fresh share application money amounting to Rs.3,96,34,604/-. The assessee did not reply to the notices issued by the Assessing Officer and accordingly an *ex-parte* assessment order was passed where addition of this amount has been made with the help of Section 68 of the Act.

4. Dissatisfied with this, the assessee carried the matter in appeal and its consultant appeared. She submitted the list of applicants who had subscribed the shares of the assessee. The Id. First Appellate Authority after making reference to a large number of decisions including *CIT vs. N.R. Portfolio Pvt. Ltd.* reported in (2014) 2 ITR 68 (Delhi) and *CIT vs. Navodaya Castles Pvt. Ltd.* reported in (2014) 367 ITR 306 (Delhi), and held that the assessee is engaged in providing of bogus entry system. It has not possessed any real financial worth. All the share applicants have received same kind of share capital as well as share premium that has been infused in the assessee. In other words, according to the Id. CIT(A) it is a circulated transaction. The Id. First Appellate Authority reproduced the details of share applicant company and how they have arranged the money and thereafter, the Id. First Appellate Authority has held that it is highly improbable that somebody would pay a premium of Rs.990/- for subscribing a Rs.10/- value share of such company which is not doing any business.

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5. In response to the notice of hearing, no one has come present. The notice issues through registered post has returned back unserved. On due consideration of the findings of the revenue authorities, we do not find any merit in this appeal because the assessee has failed to submit any requisite details exhibiting the identities of the share applicants, their creditworthiness and genuineness of the transactions. The Id. CIT(A) has rightly confirmed the addition and we uphold the same. Accordingly the appeal of the assessee is dismissed.

6. In the result, appeal of the assessee is dismissed.

Order pronounced in the Court on 16th December, 2022 at Kolkata.

Sd/-

**(GIRISH AGRAWAL)
ACCOUNTANT MEMBER**

Kolkata, Dated 16/12/2022

**SC S.P.S*

Sd/-

**(RAJPAL YADAV)
VICE-PRESIDENT**

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent
3. संबंधित आयकर आयुक्त / Concerned Pr. CIT
4. आयकर आयुक्त (अपील) / The CIT(A)-
5. विभागीय प्रतिनिधि, अधिकरण अपीलीय आयकर , कोलकाता/DR,ITAT, Kolkata,
6. गार्ड फाईल /Guard file.

आदेशानुसार/ BY ORDER,
TRUE COPY

Assistant Registrar
आयकर अपीलीय अधिकरण
ITAT, Kolkata