

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH “A”: NEW DELHI**

**BEFORE SHRI M. BALAGANESH, ACCOUNTANT MEMBER
AND
SHRI ANUBHAV SHARMA, JUDICIAL MEMBER**

**ITA No. 1064 /DEL/20
Assessment Year: 2014-15**

Income-tax Officer, Ward-2(3), New Delhi.	<u>Vs</u>	M/s Amu Leasing Pvt. Ltd., C/o Babubhai & Co., 152, Office Complex, Jhandewalan Extn., Phase-1, New Delhi-110055. PAN- AAACA0552C
APPELLANT		RESPONDENT
Assessee represented by	Sh. Shantanu Jain, Adv. & Sh. Deepanshu Jain, Adv.	
Department represented by	Sh. Kanv Bali, Sr. DR	
Date of hearing	24.07.2023	
Date of pronouncement	31.07.2023	

ORDER

PER ANUBHAV SHARMA, JM:

The Revenue has come in appeal against the order dated 30.12.2019 passed by the Commissioner of Income Tax (Appeals)-32, New Delhi (hereinafter referred as “learned First Appellate Authority” or in short “FAA”) in Appeal no. 241/2017-18, for the assessment year 2014-15, arising out of the assessment order dated 14.12.2016 u/s 143(3) of the Income-tax Act, 1961 (hereinafter referred as

the “Act”), passed by the Income-tax Officer, Ward 2(3), New Delhi, (hereinafter referred in short as “Ld. AO”).

2. The Revenue has raised following grounds of appeal.

“1. The Ld. CIT(A) has erred in deleting the addition u/s 68 of the IT Act of 1961 which was received in the form of share capital of Rs. 1,80,00,000/- particularly when the assessee company has failed to satisfy the identity, creditworthiness and the genuineness of the transaction.

2. The Ld. CIT(A) has erred in admitting additional evidence in violation of Rule 46A of the Income Tax Rules, 1962.

3. The appellant craves to leave, modify, add or forgo any ground(s) of appeal at any time before or during the hearing of this appeal.

3. Heard and perused the record.

4. Learned DR submitted that the learned CIT(Appeals) has fallen in error in not appreciating the fact that in response to the show cause notice dated 2.12.2016 the assessee had failed to produce the directors of the two companies and Ms. Meena Gupta and further genuineness and correctness of the transactions were not established. He supported the findings of Ld. AO.

5. Learned AR, however, supported the findings of learned CIT(Appeals).

6. Appreciating the matter on record it can be observed that assessee company filed its ITR for A.Y. 2014-15 on 31.03.2015 declaring income of Rs. 14,253/-. The case was selected for scrutiny under CASS. During the course of assessment proceedings, Ld. AO observed that assessee has shown share capital of Rs.

2,10,00,000/- . Compared to last year there is an increase of Rs. 1,80,00,000/-. Assessee was asked to provide complete details of persons from whom share capital have been received during the year i.e. as on 31.03.2014 along with copy of ITR, confirmations & bank statements. In response, assessee has furnished the following details of persons from whom he has taken share capital during the year.

S. No.	Paty Name	Address	Amount
1	Maharathi Steels Pvt. Ltd.	RR-12, MianWali Nagar, New Delhi-110087	1,00,00,000/-
2	Real Frame Infrastructure Pvt. Ltd.	RR-12, MianWali Nagar, New Delhi-110087	75,00,000/-
3	Meena Gupta	RR-12, MianWali Nagar, New Delhi-110087	5,00,000/-
			1,80,00,000/-

6.1. Ld. AO observed that assessee did not furnish the confirmations from the parties. AO issued notices u/s 133(6) of the Act dated 19.08.2016 to all the three parties, which were responded by them and furnished necessary confirmations and other details. Further, summons u/s 131 was issued to Maharathi Steels Pvt. Ltd., M/s Realframe Infrastructure Pvt. And Meena Gupta, but they neither attended nor any written reply was received. Accordingly, AO made an addition of Rs. 1,80,00,000/- u/s 68 of the Act as unexplained credits.

6.2 It comes further that before the learned CIT(Appeals) assessee had filed the additional evidence and written submissions giving the explanation of credibility

of transaction for which learned CIT(Appeals) had called for remand report from the Ld. AO and having considered the remand report learned CIT(Appeals) observed that before learned AO during the remand proceedings assessee was able to produce directors of M/s Maharathi Steels Pvt. Ltd. and Realframe Infrastructure Private Limited and Statement of Ms. Meena Gupta, Director of M/s Amu Leasing Pvt. Ltd. was also recorded.

6.3 It is established that the two companies M/s Maharathi Steels Pvt. Ltd. and Realframe Infrastructure Private Limited had earned dividend income and learned CIT(Appeals) had also examined ITR and financial statement of M/s Ardent Steel Ltd., as submitted by the assessee, which revealed that said company had total revenue of Rs. 373.5 crores during the assessment year 2014-15 and had declared total income of Rs. 49.13 crores on which it paid Rs. 12.85 crores of taxes. The dividend money was transferred in the bank accounts of these two companies, which was invested in the appellant company as share capital.

6.4 As regards to Ms. Meena Gupta, she explained that source of cash which was withdrawn from bank account prior to investment in the assessee company was by way of amount received from one Mr. Jitin Garg as advance for sale of land at Nizam Pur and confirmation from Mr. Jitin Garg along with relevant detail was filed. She also explained that later on, as deal did not materialize, the amount was

returned to Mr. Jitin Garg out of sale proceeds of the land sold to another buyer Ms. Renu Garg.

6.5 Learned AO had not made any submissions countering these factual aspects in the remand report. Learned CIT(Appeals) primarily relying upon the aforesaid facts, supported with all relevant documents about identity and creditworthiness of the investors of the share capital held the transactions to be genuine. In the light of aforesaid, there is no error in the finding of learned CIT(Appeals). Ground raised has no substance. **The appeal of the Revenue is dismissed.**

Order pronounced in open court on 31.07.2023.

Sd/-
(M. BALAGANESH)
ACCOUNTANT MEMBER

Sd/-
(ANUBHAV SHARMA)
JUDICIAL MEMBER

MP

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI

Draft dictated	25.07.2023
Draft placed before author	25.07.2023
Approved Draft comes to the Sr. PS/PS	
Order signed and pronounced on	
File comes to P.S.	
File sent to the Bench Clerk	
Date on which file goes to the AR	
Date on which file goes to the Head Clerk	
Date of dispatch of Order	
Date of uploading on the website	