

**IN THE INCOME TAX APPELLATE TRIBUNAL, 'G' BENCH  
DELHI**

**BEFORE: SHRI KUL BHARAT, JUDICIAL MEMBER  
&  
SHRI M.BALAGANESH, ACCOUNTANT MEMBER**

**ITA No.8297/Del/2019  
(Assessment Year: 2012-13)**

M/s Sky Event Management Pvt. Ltd., 701, RG Trade Tower, Netaji Subhash Place, Pitampura, Delhi 110034	Vs.	ITO Ward-23(4), New Delhi
<b>PAN/GIR No. AANCS 3451 K</b>		
<b>(Appellant)</b>	..	<b>(Respondent)</b>

Assessee by	None
Revenue by	Shri Subhra Jyoti Chakraborty, Sr.DR
<b>Date of Hearing</b>	<b>18/10/2023</b>
<b>Date of Pronouncement</b>	<b>23/10/2023</b>

**ORDER**

**PER M. BALAGANESH (A.M):**

This appeal in ITA No.8297/Del/2019 for A.Y. 2012-13 arises out of the order by the Id. Commissioner of Income Tax (Appeals)-15, Delhi in appeal No.14/17-18 dated 13.07.2019 (hereinafter referred to as Id. CIT(A) in short) against the order of assessment passed u/s.143(3) of the Income Tax Act, 1961 (hereinafter referred to as Act) dated 18.03.2015 by the Id. Income Tax Officer, Ward-23(4), Delhi (hereinafter referred to as Id. AO).

2. None appeared on behalf of the assessee right from the inception of this appeal. On 14.6.2022, the bench had directed the Ld. DR to serve the

assessee and accordingly the matter was adjourned to 21.9.2022. The Id. DR was able to serve the notice on the assessee by affixture through the Inspector of Income Tax, but none appeared on behalf of the assessee on 21.9.2022. Thereafter, several notices issued by the registry to the assessee were returned back by the postal authorities with remarks 'left'. Further yet another opportunity was given to the assessee by the bench to serve the notice on the assessee in the email mentioned in the website of Ministry of Corporate Affairs containing details of the assessee company. No response was made even for this email by the assessee. Hence it could be safely concluded that the assessee is not interested in prosecuting this appeal before this tribunal. Hence we proceed to dispose of this appeal on hearing the Id. DR and based on materials available on record.

3. The only effective issue to be decided in this appeal is as to whether the Id. CIT(A) was justified in confirming the addition made by the Id. AO in the sum of Rs 22,44,00,000/- on account of receipt of share capital and share premium and Rs 10,00,00,000/- on account of share application money pending allotment, as unexplained cash credit u/s 68 of the Act in the facts and circumstances of the instant case.

4. We have heard the Id DR and perused the materials available on record. The assessee company is engaged in event management business and real estate development. The return of income for the Asst Year 2012-13 was filed declaring total income of Rs 26,806/-. During the course of assessment proceedings, the Id. AO noticed that the assessee company had received share capital of Rs 24,740/- , share premium of Rs 24,93,75,060/- and share application money pending allotment amounting to Rs 10,00,00,000/-. The assessee was asked to file confirmed copy of account, copy of bank pass book and copy of acknowledgement of return of income with balance sheet, profit and loss account of the persons who had given those amounts to the

assessee company. In response thereto, the assessee furnished details of share holders, amount of share capital, share premium received during the year but did not submit the full details called for by the Id. AO. Subsequently notices u/s 133(6) of the Act were issued by the Id. AO to examine the veracity of the amounts invested by the following investors in the assessee company :-

- a) M/s Avance Technologies Ltd
- b) M/s Aadhar Venture India Ltd
- c) M/s Dhanush Technologies Ltd
- d) M/s Yantra Natural Resources Ltd
- e) M/s Speciality Papers Ltd
- f) M/s Empower India Ltd

5. The notices sent to the aforesaid persons were returned back undelivered except the notice sent to M/s Speciality Papers Ltd from whom no reply was received and M/s Empower India Ltd who filed the reply to the said notice before the Id. AO. These facts were confronted to the authorized representative of the assessee by the Id. AO to provide the latest address of the investor companies. The case was accordingly adjourned to 19.12.2014 but no details were furnished by the assessee. Later vide letter dated 13.2.2015, the assessee was provided with one more opportunity to file necessary details by 20.2.2015 and also show cause as to why the receipt of share capital, share premium and share application money be not treated as bogus receipt and added to the total income of the assessee. This show cause notice also was not complied with by the assessee. Finally one more opportunity was also given to the assessee vide letter dated 26.2.2015 to furnish the requisite details by 9.3.2015 which also remained uncomplished. Under these circumstances, the Id. AO proceeded to complete the assessment as it was getting barred by limitation by 31.3.2015. The Id AO observed that

the net equity value per share of the assessee company was Rs 6.80 per share as per the balance sheet as on 31.3.2011. Hence it would be inconceivable that the said company could command high premium of Rs 99990 per share from its investors, given the fact that the assessee company does not possess any brand value nor has any past performance history nor any future prospects nor any such assets which would increase the future prospects of the company. Accordingly, the Id. AO proceeded to treat the receipt of share capital and share premium amounting to Rs 22,44,00,000/- as unexplained cash credit u/s 68 of the Act.

6. Similarly the Id AO sought for the details of receipt of share application money pending allotment in the sum of Rs 10,00,00,000/-. The details called for were filed by the assessee company in tapal on 13.3.2015 without attending the proceedings before the Id AO. The Id. AO noticed that the perusal of those details revealed that they pertain to share capital received from various parties and did not pertain to share application money received during the year. Accordingly, the Id AO sought to add the receipt of share application money pending allotment in the sum of Rs 10 crores as unexplained cash credit u/s 68 of the Act.

7. During the course of appellate proceedings before the Id CIT(A), the assessee filed written submissions. The Id. CIT(A) observed that the Id. AO had received information on 15.2.2017 from DCIT Central Circle 2(2), Mumbai wherein it was informed that M/s Sky Event Management Pvt Ltd i.e. assessee in the instant case received accommodation share capital / premium from Aadhar Venture India Ltd formerly known as Prraneta Industries Ltd during FY 2011-12. A search and survey operation was carried out at the various premises of Sh. Shirish C Shah [Prraneta Industries Ltd was one of the companies where search and seizure operation was conducted]. During search operation, statement of Sh. Om Prakash Khandelwal, Promoter of M/s

Prraneta Industries Ltd was recorded. In his statement, Sh. Om Prakash Khandelwal categorically admitted that M/s Prraneta Industries Ltd was engaged in providing accommodation entries of purchase, sale, loan, advances. Assessment order u/s 143(3) r.w.s. 153C of the Act in the case of Aadhar Venture India Ltd formerly known as Prraneta Industries Ltd for the AY 2012-13 has been passed by DCIT Central Circle 2(2), Mumbai on 23.3.2016 wherein the AO had held that the company M/s Aadhar Venture India Ltd formerly known as Prraneta Industries Ltd engaged in providing bogus accommodation entries. Further in the search assessment order framed in the hands of Sh. Shirish C Shah by the DCIT Central Circle 2(2) Mumbai for the AY 2012-13 on 29.3.2016, it was held by the AO that the companies mentioned in the assessment order were controlled by Sh. Shirish C Shah and that those companies were merely engaged in the business of providing bogus accommodation entries. The Id CIT(A) observed that the assessee in the instant case before us had received share capital / share premium/ share application money pending allotment from the said bogus concerns of Sh. Shirish C Shah. The Id CIT(A) observed that he had perused the documentation submitted by the assessee with regard to the investors, wherein the confirmation filed thereon is typical of companies engaged in providing accommodation entries; that their bank accounts as usual records deposits and withdrawals simultaneously. Since identity , creditworthiness of the investors and genuineness of the transactions were not proved by the assessee herein, the three ingredients of section 68 of the Act were not established by the assessee, the Id CIT(A) by placing reliance on various decisions of Hon'ble Jurisdictional High Court and the decision of Hon'ble Supreme Court in the case of NRA Iron & Steel (P) Ltd reported in 103 taxmann.com 48 (SC) upheld the action of the Id. AO. No cogent evidences were submitted by the assessee before us to buttress the findings recorded by

the Id. CIT(A). Hence we do not deem it fit to interfere with the findings of the Id CIT(A). Accordingly, the grounds raised by the assessee are dismissed.

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

Order pronounced in the open court on 23/10/2023.

**Sd/-**  
**(KUL BHARAT)**  
**JUDICIAL MEMBER**

**Sd/-**  
**(M.BALAGANESH)**  
**ACCOUNTANT MEMBER**

Delhi; Dated 23/10/2023

A K Keot

**Copy of the Order forwarded to :**

1. The Appellant
2. The Respondent.
3. The CIT(A), Delhi.
4. CIT
5. DR, ITAT, Delhi
6. Guard file.

BY ORDER,

//True Copy//

(Asstt. Registrar)  
ITAT, Delhi