

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“DB” BENCH, AGRA**

**BEFORE HON’BLE SHRI SATBEER SINGH GODARA, JM AND  
HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM**

**आयकरअपील सं. / ITA No. 17/Agr/2015**  
**(निर्धारणवर्ष / Assessment Year:2010-11)**

<b>K.S. City Pvt. Ltd.</b> 301, Silver Arc Plaza, 20/1, New Palasia, Indore.	<b>बनाम/ Vs.</b>	<b>ACIT, Circle-2,</b> Gwalior
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. <b>AACCK-8217-C</b>		
(अपीलार्थी/ <b>Appellant</b> )	:	(प्रत्यर्थी / <b>Respondent</b> )

अपीलार्थीकीओरसे/ <b>Appellant by</b>	:	Sh. Sanjay Kumar, CA – Ld. AR
प्रत्यर्थीकीओरसे/ <b>Respondent by</b>	:	Dr. Arun Kumar Yadav – Ld. CIT-DR

सुनवाईकीतारीख/ <b>Date of Hearing</b>	:	19-02-2025
घोषणाकीतारीख / <b>Date of Pronouncement</b>	:	22.04.2025

**आदेश / O R D E R**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeal by assessee for Assessment Year (AY) 2010-11 arises out of an order passed by Ld. Commissioner of Income Tax (Appeals), Gwalior [CIT(A)] on 23-12-2014 in the matter of an assessment framed by Ld. AO u/s 143(3) of the Act on 22-11-2011. The sole grievance of the assessee is confirmation of addition u/s 68 for Rs.25 Lacs. Having heard rival submissions, the appeal is disposed-off as under.

2. Pursuant to search action on assessee group on 11-03-2010, Ld. AO, during the course of assessment proceedings, noted that the assessee issued share capital of Rs.25 Lacs (including share premium of Rs.24.95 Lacs) to Smt. Alka Bansal. The Ld. AO added the same u/s 68 for want of sufficient documentary evidences.

3. During first appeal, the assessee drew attention to the fact that the shareholder was regularly assessed to tax and the assessee furnished PAN of the shareholder. The assessee also furnished financial statement of the shareholder and referred to the decision of Hon'ble Apex Court in the case of Lovely Exports (319 ITR 5) to assail the impugned addition. The assessee also drew attention the fact that the assessment of shareholder was completed by same Ld. AO wherein no such addition were made. Another pertinent fact brought to the notice was that Shri Ramesh Chand of assessee-group, owned up the bank transactions of the shareholders which ultimately stood settled before Hon'ble Income Tax Settlement Commission (ITSC). However, Ld. CIT(A) confirmed the impugned addition against which the assessee is in further appeal before us.

4. The fact that the bank account of shareholder was owned up by Shri Ramesh Chand Garg which ultimately stood settled before ITSC, remain uncontroverted before us. Secondly, the assessment of the shareholder has been completed without making any such addition. Considering both these facts, we would hold that no such addition could be sustained in the hands of the assessee. Therefore, by deleting the same, we allow the appeal of the assessee.

5. The appeal stand allowed.

*Order pronounced u/r 34(4) of Income Tax (Appellate Tribunal) Rules, 1963.*

Sd/-

**(SATBEER SINGH GODARA)**

**न्यायिक सदस्य / JUDICIAL MEMBER**

Sd/-

**(MANOJ KUMAR AGGARWAL)**

**लेखा सदस्य / ACCOUNTANT MEMBER**

Dated: 22.04.2025

**आदेश की प्रतिलिपि ढ ग्रेषित/Copy of the Order forwarded to :**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF

ASSISTANT REGISTRAR

ITAT AGRA