

IN THE INCOME TAX APPELLATE TRIBUNAL "RANCHI" BENCH, RANCHI
(VIRTUAL HEARING AT KOLKATA)

SHRI SONJOY SARMA, JUDICIAL MEMBER
SHRI RATNESH NANDAN SAHAY, ACCOUNTANT MEMBER

I.T.A. No. 97/RAN/2025
Assessment Year : 2013-2014

&

I.T.A. No. 98/RAN/2025
Assessment Year : 2013-2014

Kross Limited,

M-4, Phase-VI, Gamharia,
Adityapur Industrial Area,
Jamshedpur - 832108
[PAN: AABCK5855D]

..... **Appellant**
vs.

DCIT, Circle-1, Jamshedpur,

47, Circuit House Area, Jamshedpur,
Jharkhand-831001

..... **Respondent**

Appearances by:

Assessee represented by : Amit Agarwal, AR
Department represented by : Khubchand T.Pandya, Sr. DR

Date of concluding the hearing : 07.11.2025
Date of pronouncing the order : 20.11.2025

ORDER

PER SONJOY SARMA, JUDICIAL MEMBER:

Both these appeals, ITA Nos. 97 & 98/RAN/2025, are filed by the assessee against the separate orders of the learned Commissioner of Income-tax (Appeals), dated 17.02.2025 and 18.11.2022, respectively. Since the issues involved in both appeals are common, except for variation in figures and assessment years, they were heard together and are being disposed of by this consolidated order for the sake of convenience.

For sake of convenience, we first take up ITA No. 98/RAN/2025 (Assessment Year 2013-14).

2. Brief facts of the Case are that the assessee is a company engaged primarily in the business of manufacturing auto components. In this case, reassessment proceedings under Section 147 of the Income-tax Act, 1961 were initiated based on information received by the Department regarding share application money pending allotment of ₹2,00,00,000/-, which was being carried forward from Financial Year 2011-12 relevant to Assessment Year 2012-13. A notice under Section 148 of the Act was issued, and the Assessing Officer completed the reassessment under Section 147 r.w.s. 144B of the Act on 30.03.2022, determining total income at ₹4,91,63,670/-, after making an addition of ₹2,00,00,000/- crore treating the pending share application money as unexplained under Section 68 of the Act.

3. Aggrieved by the order of Ld. AO assessee went in appeal before the CIT(A) where appeal was dismissed on wrong facts.

4. Dissatisfied with the above order, assessee is in appeal before this Tribunal.

5. The Ld. AR submitted that the CIT(A) erred in facts and in law in sustaining the addition. It was contended that the amount of ₹2,00,00,000/- represents share application money pending allotment, which had been received during the financial year 2011-12, relevant to Assessment Year 2012-13, and not during Assessment Year 2013-14. The reassessment was initiated on an incorrect factual assumption without examining the accounting records. The CIT(A) also proceeded on an erroneous factual footing by relying on another assessment order dated 25.10.2019, which had been settled under the Vivad se Vishwas Scheme and had no connection with the assessment order dated 30.03.2022, presently under challenge. The learned AR placed reliance on the decision of the coordinate bench in ITA No. 163/RAN/2025 for AY 2012-13, Adhunik Akshat Udyog Pvt. Ltd. Vs. ACIT, wherein it was held that section 68 of the Act cannot be invoked when no

fresh credit appears in the books during the relevant year. The assessee also relied on the judgment of the Hon'ble Delhi High Court in CIT v. Usha Stud Agricultural Farms Ltd. 301 ITR 384 (Del), wherein it was held that an addition under section 68 of the Act cannot be made in a year in which no fresh credit has been received.

6. On the other hand, although the learned DR supported the orders of the lower authorities, he could not controvert the factual position that the amount of ₹2,00,00,000/- was received in earlier years and no fresh share application money was received during the year under consideration.

7. We have considered the rival submissions and perused the material placed on record. The contention of the assessee is that the CIT(A) erred both in facts and in law in dismissing the appeal. It was submitted that the addition of ₹2,00,00,000/- pertains to share application money pending allotment, which had been received during the financial year 2011-12 relevant to the assessment year 2012-13 and no part of this amount was received during the assessment year 2013-14. The reassessment proceedings were initiated on an incorrect assumption of facts without verifying the relevant accounting records. On examining the records, we find force in the submissions of the learned AR. The balance sheet and other supporting documents clearly demonstrate that the sum of ₹2,00,00,000/- represents the brought-forward balance of share application money received in financial year 2011-12 relevant to assessment year 2012-13. No fresh share application money was received during the assessment year 2013-14. Hence, the basic condition for invoking section 68 of the Act i.e., receipt of a credit during the relevant previous year is not satisfied.

8. The learned AR placed reliance on the decision of the coordinate bench in ITA No. 163/RAN/2025 for AY 2012-13, Adhunik Akshat Udyog Pvt. Ltd. Vs. ACIT, wherein it was held that section 68 of the act cannot be invoked when no fresh credit appears in the books during the relevant year. The

assessee also relied on the judgment of the Hon'ble Delhi High Court in CIT v. Usha Stud Agricultural Farms Ltd. 301 ITR 384 (Del), wherein it was held that an addition under section 68 of the Act cannot be made in a year in which no fresh credit has been received. Respectfully following the binding precedents and considering the undisputed factual position, we hold that the addition of ₹2,00,00,000/- made by the Assessing Officer and sustained by the CIT(A) is unsustainable in law. The same is directed to be deleted.

Accordingly, ITA No. 98/RAN/2025 is allowed.

7. In ITA No. 97/RAN/2025 for Assessment Year 2012-13 has been filed by the assessee against the appellate order dated 18.11.2022 seeking rectification of the same before Ld. CIT (A). However, the Ld. CIT(A) dismissed the rectification application on the ground that no rectification proceedings lie under section 154 of the Act, holding that the application itself was void. Since the issues arising from the appellate order dated 18.11.2022 have already been adjudicated by this Bench in ITA No. 98/RAN/2025, the present appeal in ITA No. 97/RAN/2025 challenging the order of Ld. CIT (A) dated 17.02.2025 has become infructuous and is accordingly dismissed.”

Order pronounced on 20.11.2025

Sd/-
(Ratnesh Nandan Sahay)
Accountant Member

Sd/-
(Sonjoy Sarma)
Judicial Member

Dated: 20.11.2025
AK, Sr. P.S.

Copy of the order forwarded to:

1. Appellant
2. Respondent
3. Pr. CIT
4. CIT(A)
5. CIT(DR)

//True copy//

By order

Assistant Registrar, Kolkata Benches