

आयकर अपीलीय अधिकरण, राँची न्यायपीठ, राँची

**IN THE INCOME TAX APPELLATE TRIBUNAL RANCHI BENCH, RANCHI
BEFORE SHRI GEORGE MATHAN, JM & SHRI RATNESH NANDAN SAHAY, AM**

आयकर अपील सं./ITA No.287/RAN/2025

(निर्धारण वर्ष / Assessment Year :2013-2014)

Saluja Steel and Power Pvt. Ltd, Mahtodih, Tundi Road, Giridih, Jharkhand-815302	Vs.	ACIT, Central Circle Dhanbad
स्थायी लेखा सं./PAN No. : AAICS 6610 B		
(अपीलार्थी /Appellant)	..	(प्रत्यर्थी / Respondent)
निर्धारिती की ओर से /Assessee by	:	Shri Devesh Poddar, Advocate & Shri Debashish Chatterjee, Adv
राजस्व की ओर से /Revenue by	:	Shri Rajib Jain, CIT-DR
सुनवाई की तारीख / Date of Hearing	:	07/01/2026
घोषणा की तारीख/Date of Pronouncement	:	07/01/2026

आदेश / O R D E R

Per Bench :

This is an appeal filed by the assessee against the order passed by the Id.CIT(A), Patna-3, dated 04.07.2025 for the assessment year 2013-2014.

2. It was submitted by the Id. AR that there was a search and seizure operation in the group of companies on 14.12.2022. As a consequence to the search notice u/s.148 came to be issued on 21.07.2023. It was the submission that the issue of reopening was in regard to the share application money received by the assessee during the assessment year 2013-2014 to an extent of Rs.3,72,15,000/-. It was the submission that the original assessment order in the case of the assessee came to be passed u/s.143(3) of the Act on 18.02.2015. Id. AR drew our attention to the assessment order for the impugned assessment year passed u/s.143(3) of the Act at pages 23 to 25 of the paper book and submitted that the

assessment had originally been selected for scrutiny on account of large share premium received. The assessment order u/s.143(3) of the Act reads as follows :-

(24)

INCOME TAX DEPARTMENT

1.	Name & address of the assessee	M/s Saluja Steel & Power Pvt Ltd. Mahtodih, Tundi Road, Giridih - 815301.
2.	PAN	AAIC5 6610B
3.	Assessment Year	2013-14
4.	Resident / Non Resident	Resident
5.	Previous year	2012-13
6.	Status	Company
7.	Dates of hearing	As per order sheet entries
8.	Date of order	18/02/2015
9.	Section under which the assessment has been made	U/s 143(3) of the I.T. Act, 1961.

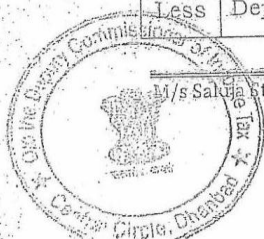
The company is engaged in the business of manufacturing of Sponge iron and MS Ingot. Return showing total income of Rs. 1,21,56,451/- was filed on 30/09/2013. The case was selected for scrutiny by CASS because large share premium received and difference in opening stock in current year with the closing stock of the previous year.

Notice u/s 143(2) was issued on 03-04/09/2014. Notice u/s 142(1) was also issued alongwith a letter on 09/07/2015 for compliance on 14/07/2015. In response Sri D. Chatterjee, Advocate and authorised representative of the assessee appeared and submitted reply. The case was discussed with him from time to time.

Taking into consideration, the information available on case records based on documents available and filed on behalf of the assessee, the discussion made and keeping in view the facts and circumstances of the case, the total income of the assessee is computed as under:

Computation of Total Income

	Income as per p & l account	1,27,78,326/-
Add	Depreciation dr to p&l account	2,03,01,866/-
		3,30,80,192/-
Less	Depreciation as per p&l account	1,21,56,451/-



M/s Saluja Steel & Power Pvt Ltd AY 2013-14

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Taxable income	1,21,56,451/-
Tax on Rs.1,21,56,451/-	36,46,937/-
Add: Surcharge	1,82,347/-
Add: Education cess	1,14,878/-
Add: intt. U/s 234B	46,560/-
Intt. U/s 234C	1,60,688/-
Gross Demand	41,51,410/-
Less: Pre Paid Tax	
Advance Tax Paid on 15/03/2013	Rs.30,00,000/-
TDS	Rs.1,68,070/-
Self Assessment Tax paid on 30/09/2013	Rs.9,83,340/-
Total Tax Paid	Rs.41,51,410/-
Balance Tax Payable	NIL

Assessed u/s 143(3) of the IT Act, 1961 at a total income of Rs. 1,21,56,451/- . Demand Notice and copy of assessment order are issued to the assessee.



(S.K. Mitra)
Dy. Commissioner of Income tax,
Central Circle, Dhanbad.

3. It was the submission that the assessment order dated is mentioned as 18.02.2015 however, the actual date is 28.03.2016 as is evident from the demand notice u/s.156 of the Act. It was the submission that for the purpose of the assessment u/s.143(3) of the Act, a notice u/s.142(1) had been issued on 03.09.2015 wherein the issue of share application money

received and the shares allotted has also been questioned. Ld. AR drew our attention to page 27 of the paper book which is the copy of notice issued u/s.142(1) of the Act, which reads as follows :-

(27)

GOVERNMENT OF INDIA
OFFICE OF THE DY COMMISSIONER OF INCOME-TAX,
CENTRAL CIRCLE, DHANBAD
3rd Floor, Aayakar Bhawan, Luby Circular Road, Dhanbad-826001

F. No. DCIT/CC/Dhn/2015-16/900 03/09/2015

To,
 The Principal Officer
 M/s Saluja Steel and Power Pvt Ltd. **PAN: AAICS 6610B**
 Saluja House, Netaji Chowk,
 Bhandaridih, Giridih-815301

Sir,

Sub :- **Assessment proceedings for AY. 2013-14---compliance of questionnaire u/s 142(1) of the IT Act- --- request regarding.**

With reference to above assessment proceedings you are requested to comply on **23/09/2015** with the following questionnaires based on analysis of return filed with the production of books of accounts, supporting bills, vouchers etc :

Challan Challan

Q1: Ledger account of CENVAT, VAT and Sales Tax and evidence of payment.
Sales Tax Challan

Q2: Evidence of payment of PF of Rs 2,68,880/-; PF admin charges of Rs 42,085/-and ESIC of Rs 1,05,106/- *Challan of PF & ESIC*

Q3: Evidence of payment of TDS along with ledger account of the items related
TDS Challan & Return

Q4: Ledger account of the following---
 (i) **Each item** of purchase of Raw material
 (ii) **Each item** of sale of finished products

Q5: You have issued 784300 shares of face value of Rs 10/- per share at a premium of Rs 40/- during the financial year. Please produce ledger account of the parties from whom share application money was received **along with their complete postal address** *Alu*

Q6: Ledger account of all creditors shown in long term liabilities. Please note that no details have been attached with the audit report.

Q7: Ledger accounts of all parties incorporated in sundry creditors (for trade) totaling Rs 4,51,41,772/- (Note7)

Q8: Evidence of payment for purchase of/ addition to Fixed asset

Commissioner of Income Tax
 Dhanbad

Saluja 2013-14 CASS Page 1

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Q9: Ledger account of all parties incorporated in
 (a) advance from Customers of Rs 6,71,00,357/-
 (b) Details of other liabilities of Rs 1,92,583/-
 (c) Current liabilities (for expenses) Rs 2,85,22,786/-

Q10: Details of Security Deposit of Rs 3,88,520/--(Please note that no such details are attached with the audit report).

Q11: ledger account of Trade Receivables of Rs 13,41,10,407/--(Please note that no such details are attached with the audit report).

Q12: Ledger account of all parties covered in Short Term Loans and Advances--
 (Please note that no such details are attached with the audit report). Note 16 Disc

Q13: Evidence of receipt of Interest subsidy from Government of Jharkhand to the tune of Rs 22,86,511/-

Q14: Details of other receipt.

Q15: Ledger account of Lifting Charges (Rs 5,93,315/-) and Lifting Commission of (Rs 1,51,345/-). Please give name and detailed address of the person to whom paid.

Q16: (i) Month wise details of Electricity consumption of Rs 7,02,25,872/-
 (ii) Ledger account of **Electricity bill** (DVC or other provider) and evidence of payment *Electricity ledger*

Q17: Name and Complete postal address of parties from whom Iron Goods were purchased to the tune of Rs 69,40,66,025/- *not applicable as per Cir.*

Q18: Ledger account of Directors

Q19: Give ledger account of Stores and Spares of Rs 13,31,544/--(Note 13)

Q20: Reconciliation Statement in respect of the following—

- (i) A/c no. ...8751 in Giridih Bazar branch } *disc*
 (ii) A/c no. ...7500 in SBI, Giridih Bazar branch }

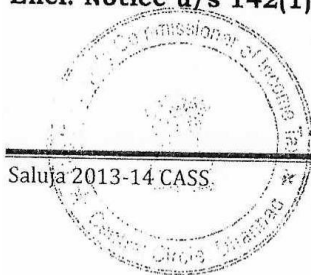
In case of non-compliance, penalty proceedings u/s 271(1)(b) of the Income tax Act, 1961, may be initiated. A Notice u/s 142(1) of the Income tax Act, 1961 is enclosed for necessary compliance.

Yours faithfully

(S K Mitra)

Dy. Commissioner of Income tax,
 Central Circle, Dhanbad

Encl: Notice u/s 142(1).



4. It was the further submission that summons u/s.131 of the Act had been issued to the director of Riddhi Sidhi Investment Consultants Pvt.

Ltd., which was one of the share applicants on 25.02.2016, copy of which is placed at page book at page 29, which reads as follows :-

25/2/16 29

ITNS-25


Summon to assessee/witness under section 131 of the Income tax Act, 1961

Date: 25/02/2016

To,


The Director
Riddhi Siddhi Investment Consultants Private Limited
Flat 2B, 3 Khelat Babu Lane. Tala Park (Near Tala Tank)
Kolkata

Whereas your attendance is required in connection with the proceedings under the Income tax Act in ~~your case/~~ in the case of M/s Saluja Steel & Power Pvt. Ltd, Giridih for the Assessment Year 2013-14. you are hereby required either personally / through authorised representative to attend my office at Income tax Department, 3rd Floor, Room No. 423, Aayakar Bhawan, Luby Circular Road, Dhanbad on the 15/03/2016 at 10:30 A.M to give evidence and/or to produce personally/ through your authorized representative the books of accounts and other documents mentioned below and not to depart until you receive my permission to do so. Without prejudice to the provisions of any other law for the time being in force if you intentionally omit to so attend and give evidence or documents, penalty u/s 272A of the Income tax Act 1961 may be imposed upon you.


(S. K. Mitra)
Dy. Commissioner of Income tax,
Central Circle, Dhanbad.

Books of accounts and other documents--

1. PAN card in original along with a copy thereof.
2. Copy of IT return filed by your for AY20 13-14 along with computation of income, P&L account, balance sheet and audit report and bank statement for the financial year 2012-13.


(S. K. Mitra)
Dy. Commissioner of Income tax,
Central Circle, Dhanbad.

5. It was submitted that the director had also appeared. It was the submission that Riddhi Siddhi Investment Consultants Pvt. Ltd. was a company taken over by the assessee group somewhere in 2010. It was the submission that the directors of Riddhi Shddhi Investment Consultants Pvt. Ltd. were also the directors of the assessee company. It was the submission that subsequent to the search operation, reasons were

recorded for the purpose of reopening which is shown at pages 33 to 37 of the paper book. The same reads as follows :-

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Annexure-I

Reasons for belief that income has escaped assessment

M/s Saluja Steel and Power Pvt. Limited : PAN :-AAICS6610B (AY 2013-14)

In the case of the assessee company a Search & Seizure operation under section 132(1) of the I.T. Act 1961 was conducted on 14/12/2022 pursuant to warrant of authorization of the Pr. DIT, Patna.

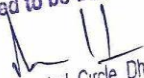
Consequent to the post Search investigation and enquiry, information has been provided by the DDIT(Inv.), Dhanbad vide his letter in F. No. DDIT(Inv.)/DHN/Abdul Hussain/2022-23/491H dated :03.03.2023 that during the financial year 2012-13, the assessee company had infused huge share capital and share premium through Kolkata based shell companies M/s Riddhi Siddhi Investment Pvt. Ltd and M/s Shivam Financial Consultants Pvt. Ltd. of Rs.3,12,15,000/- and Rs.4,45,00,000/- respectively. Further as per details of allotment of shares it was seen that on 29.09.2012 shares of value Rs.2,04,80,000/- were also found to have been allotted to one Ganeev Associates.

The information forwarded by the DDIT(Inv.), Dhanbad has been examined and the following facts and details have been ascertained to form the belief that income has escaped assessment within the meaning of section 147 of the I.T. Act 1961 read with Explanation 2 to the second proviso to section 148 of the I.T. Act 1961

It has been reported that Sri. Amarjeet Singh Saluja, the key person of the main director of the assessee company had purchased two Kolkata based paper companies being M/s Riddhi Siddhi Investment Pvt. Ltd and M/s Shivam Financial Consultants Pvt. Ltd.

During the course of Search and the post Search investigation and enquiry the DDIT(Inv.), Dhanbad ascertained the following facts about these two Kolkata based companies;

- That M/s Riddhi Siddhi Investment Pvt. Ltd. of Orbit North View, Flat No.2A & 2B, Khelat Babu Lane, Tala Park, Kolkata was incorporated on 03/09/2009 and since then the company was not involved in any actual business activity. However it had raised share capital on huge premium without any plausible financial rationale. As per ITR for AY 2010-11, this company has share capital of Rs. 18,75,000/- and security premium of Rs. 8,69,75,000/-, which were raised from various shell companies of Kolkata. The directors of the company were Manish Saraf and Vandana Saraf. Later on, the company was purchased by Shri Amarjeet Singh Saluja and 1,87,500 shares were acquired through Satvinder Singh Saluja, Joraver Singh Saluja, Deergold Commodities Trade Pvt. Ltd & Shivshakti Advisors Pvt.
- That M/s Shivam Financial Consultants Pvt. Ltd. of Room No.207, 62, bentick Street, Kolkata-700 069 was also incorporated on 03.09.2009 and there is no actual business activity in this company since the time of incorporation. However it had raised share capital on huge premium without any plausible financial rationale. As per ITR for AY 2010-11, the company had share capital of Rs. 22,54,500/- and security premium of Rs.

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10,55,70,500/-, which were raised from various shell companies of Kolkata. The directors of the company were also Manish Saraf and Vandana Saraf. Later on, the company was purchased by Shri Amarjeet Singh Saluja and 2,25,450 shares were acquired through Shri Amarjeet Singh Saluja, Shri Taranjeet Singh Saluja, Artex Distributors Pvt Ltd & Bhagwati Consultants Management Pvt Ltd as per list of shares holders filed on MCA on 01.09.2016.

- Further as per allotment of shares as on 29.09.2012, it was seen that the assessee company had allotted shares to one Ganeev Associates of Flat 2A & 2B, Orbit North View, 3 Khelat Babu Lane, Tala Park, Near Tala Tank, Kol-700 037 of an amount of Rs. 2,04,80,000/-. However, this allottee concern Ganeev Associates does not appear in the list of shares holders reported in MCA as well as Schedule of Shareholding reported in ITRs of the assessee company.

The DDIT(Inv) on enquiry/verification during the course of search, did not find any such companies existing in the said premises as noted above. From local enquiry, the room Room No. 207, 62, Bentick Street, Kol-700 069 in the C/o Prashant Kumar Bagaria had not been opened for the last five years which is the admitted official address of M/s Shivam Financial Consultants Pvt. Ltd.

Similarly, the office address Orbit North View, Flat No. 2A & 2B, Khelat Babu Lane, Tala Park, Kolkata which was the admitted address of M/s Riddhi Siddhi Investment Pvt. Ltd. and Ganeev Associates was found to belong to Gunwant Singh Mongia. Flat 2A of Orbit North View had been given on rent. As per statement of Sri Nitya Nand Jha, caretaker of the flat, no such office of the said company and Ganeev Associates was situated in this flat. Further, he stated that no documents of these concerns are kept in the premises. Further, Gunwant Singh Mongia has also stated in his deposition that there is no office of such companies in his flats at Kolkata.

In this regard to seek clarification, summons u/s 131 (1A) was issued on 30.01.2023 & 01.03.2023 and Sri. Amarjeet Singh Saluja was queried about the issue as per questionnaire detailed below.

"As per information and details available, it has been found that you have purchased following Kolkata based paper companies having substantial amount of share premium, the details of the same is as under:

Sl.	Name of the Company	Share Capital	Share Premium
1	Artex Distributors Pvt Ltd	6,00,000	Nil
2	Bhagwati Management Consultants Pvt Ltd	6,00,000	Nil
3	Deergold Commodities Trade Pvt Ltd	5,00,000	Nil
4	RidhiSiddhi Investment Pvt Ltd	18,75,000	8,69,75,000
5	Shivam Financial Consultants Pvt Ltd	22,54,500	10,55,70,500
6	Shivshakti Advisors Pvt Ltd	5,00,000	nil

In this respect, it was asked to furnish what is the source of investment to acquire these companies. Who are the natural persons behind these companies. What is the source and utilization of security premium of these companies. But, no reply has been submitted till date.

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On the basis of ITRs and details available on MCA, the registered office of these companies are as under:

Sl.	Name of the Company	Registered office
1	Artex Distributors Pvt Ltd	Orbit North View, Flat 2A & 2B, Khelat Babu Lane, Tala Park, Kolkata
2	Bhagwati Management Consultants Pvt Ltd	Orbit North View, Flat 2A & 2B, Khelat Babu Lane, Tala Park, Kolkata
3	Deergold Commodities Trade Pvt Ltd	Room No. 207, 62, Bentick Street, Kol-69
4	Ridhi Sidhi Investment Pvt Ltd	Orbit North View, Flat 2A & 2B, Khelat Babu Lane, Tala Park, Kolkata
5	Shivam Financial Consultants Pvt Ltd	Room No. 207, 62, Bentick Street, Kol-69
6	Shivshakti Advisors Pvt Ltd	Orbit North View, Flat 2A & 2B, Khelat Babu Lane, Tala Park, Kolkata

In enquiry/ verification during the course of search, it has been found that no such companies existed in the said premises. From local enquiry, the room C/o Prashant Kumar Bagaria, Room No. 207, 62, Bentick Street, Kol-69 was not opened for the last five years. Similarly, the address Orbit North View, Flat No. 2A & 2B, Khelat Babu Lane, Tala Park, Kol pertains to Gunwant Singh Mongia. Flat 2A has been given on rent. As per statement of Sri Nitya Nand Jha, caretaker of the flat, no such companies office is situated in this flat. Further, he stated that no documents of these companies are kept in the premises. From perusal of above, it is clear that these companies are paper companies, and these companies exists only on papers. In this regard, it was requested to show cause that why not share capital & security premium invested through these companies in Saluja Steel & Power Pvt Ltd should be treated as unexplained cash credit. But no reply has been received till date. "

As discussed above, Saluja Steel & Power Pvt. Ltd has allotted shares to Riddhi Siddhi Investment Consultant Pvt Ltd and Shivam Financial Consultants Pvt Ltd of Rs. 3,12,15,000/- and Rs. 4,45,00,000/- respectively during FY 2012-13 relevant to AY 2013-14. Further as per allotment of shares as on 31.03.2012 & 29.09.2012, shares have been allotted to Ganeev Associates, Flat 2A & 2B, Orbit North View, 3 Khelat Babu lane, Tala Park, Near Tala Tank, Kol-37 of Rs. 3,08,00,000/- & Rs. 2,04,80,000/- respectively. But, Ganeev Associates does not appear in the list of shares holders reported in MCA as well as Schedule of Shareholding reported in ITRs. In this regard, it is requested to show cause that why not share capital & security premium invested through Ganeev Associates in Saluja Steel & Power Pvt Ltd should be treated as unexplained cash credit.

Considering, the above facts, it is once again requested to show cause that why not the above share capital & security premium received through these companies/ firms should be treated as unexplained cash credit for FY 2012-13 relevant to AY 2013-14. "

Sri. Amarjeet Singh Saluja did not file any reply in response to the specific queries required by the summon under section 131(1A) of I.T. Act 1961 issued on 30.01.2023 & 01.03.2023. This non-compliance or inability of the assessee to proffer cogent explanations/replies to the query on this issue of share allotment to M/s Riddhi Siddhi Investment Consultant Pvt. Ltd. to M/s Shivam Financial Consultants Pvt Ltd and Ganeev Associates only indicates the complicity of the assessee in the transaction of acquiring capital through a bogus paper concerns. Considering the facts as detailed above, it is evident that Sri. Amarjeet Singh Saluja being the key person of the group utilised the bogus capital & security premium of M/s Riddhi Siddhi Investment Consultant Pvt. Ltd., M/s Shivam Financial Consultants Pvt. Ltd and Ganeev Associates to enhance the capital of M/s M/s Saluja Steel and Power Pvt. Limited.

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In the circumstance and having regard to the facts of the issue involved, it is most pertinent to elaborate the issue further when it is now a settled fact that there has been a mushrooming of numerous shell companies which are engaged in large scale money laundering and providing of accommodation entries. These companies are paper companies i.e. companies which exist only on paper and have no real existence which has been evidenced in the facts ascertained on post Search investigation and enquiry as provided by the DDIT(Inv.), Dhanbad in the information provided. These shell entities are used by unscrupulous persons to provide entries of bogus capital in the form of share capital and premium. These class of companies are used to spin a web of transactions so as to mask the actual source of money. The typical phenomena of such shell companies is that the Balance Sheet has on the debit side huge Share Capital with premium and on the credit side, commensurate investments in the form of non-current investments which comprises of shares bought of similar paper concerns/companies in the web which have been created to construct an intricate maze of inter-related companies each showing investment in shares of other unlisted shell companies.

In view of the elaborate facts and discussions enumerated above in the foregoing paragraph/s and the incriminating findings in the case of the assessee company M/s Saluja Steel and Power Pvt. Limited and the finding in respect to the identity, creditworthiness and the actual and tangible existence of the investor concerns M/s Riddhi Siddhi Investment Consultant Pvt. Ltd., M/s Shivam Financial Consultants Pvt. Ltd and Ganeev Associates it cannot be disputed that the investor entities are nothing but shell companies/concerns. As discussed above, once again it is reiterated that such shell companies are basically jamakharchi companies without having any actual business and thereby don't require any actual fund. It is even seen that groups of such paper companies have identical addresses as is the case of M/s Riddhi Siddhi Investment Consultant Pvt. Ltd. and Ganeev Associates. The main object of formation of these paper concerns is to provide accommodation entries to beneficiary companies in lieu of commission. Initially the actual fund is received in cash from the beneficiaries which is utilized for sale and purchase of shares, transfer/layering of funds from one bank account to another bank account. Finally, the money is transferred to the beneficiary in the form of investment in shares of the beneficiary entities to raise bogus share capital for the benefit of the beneficiary company as has been ascertained and established in this case of the assessee company M/s Saluja Steel and Power Pvt. Limited.

In the instant case, it has been ascertained and evidenced that the assessee company, M/s Saluja Steel and Power Pvt. Limited during the financial year 2012-13 had sold/allotted shares to the shell companies M/s Riddhi Siddhi Investment Consultant Pvt. Ltd. and M/s Shivam Financial Consultants Pvt. Ltd as also to another concern Ganeev Associates as detailed below.

Sl. No.	Name of allottee concern	Financial Year	Amount received (In Rs.)
2	M/s Riddhi Siddhi Investment Consultant Pvt. Ltd.	2012-13	3,12,15,000 ✓
2	M/s Shivam Financial Consultants Pvt. Ltd	2012-13	4,45,00,000
3	Ganeev Associates	2012-13	2,04,80,000
	Total		9,61,95,000

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The whole transaction of allotting shares and receiving share capital/premium is a sham transaction which was arranged to plough back the unaccounted money of the assessee company in the guise of share capital/share premium using the modus operandi as detailed above in the foregoing paragraphs of routing back cash through the bank accounts of multiple paper concerns. Therefore, considering the findings of the post Search investigation and enquiry conducted by the DDIT(Inv.), Dhanbad as per the information provided and having been satisfied on the basis of evidences as per detailed discussion above, income to the tune of **Rs.9,61,95,000/-** has escaped assessment for the A.Y. 2013-14 within the meaning of the provisions of section 149(1)(b)(iii) of the I.T. Act 1961 in the case of the assessee company.

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(John Brendan Tamsang) 07-03-2023
ACIT, Central Circle, Dhanbad

6. It was the submission that in the reasons recorded the AO recorded the names of the companies in the first page as Riddhi Siddhi Investment Pvt. Ltd., M/s Shivam Financial Consultants Pvt. Ltd. and M/s Ganeev

Associates. It was the submission that the assessee had received share application money from Riddhi Siddhi Consultant Pvt. Ltd. to an extent of Rs.1,16,15,000/- and from Ganeev Associates to an extent of Rs.2.56 crores. It was the submission that the assessee has not received any share application money from Riddhi Siddhi Investments Pvt. Ltd. nor from M/s Shivam Financial Consultants Pvt. Ltd.. It was the submission that the company namely Riddhi Siddhi Investment Pvt. Ltd. is a completely different entity from Riddhi Siddhi Investment Consultants Pvt. Ltd. and to prove this the Id.AR drew our attention to pages 40 & 41 of the paper book which is the company information in respect of both the companies, which read as follows :-

Ministry Of Corporate Affairs

(41)

Date : 05-12-2025 6:16:16pm

Company Information

CIN	U65999WB2009PTC138206
Company Name	RIDDHI SIDDHI INVESTMENT CONSULTANTS PRIVATE LIMITED
ROC Name	ROC Kolkata
Registration Number	138206
Date of Incorporation	03/09/2009
Email Id	rsiepl[dot]kolkata[at]gmail[dot]com
Registered Address	Room No.207, 62 Bentinck Street, Kolkata, Kolkata, West Bengal, India, 700069
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	No
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Private
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	19,00,000
Paid up Capital (Rs)	18,75,000
Date of last AGM	30/09/2024
Date of Balance Sheet	31/03/2024
Company Status	Active

Jurisdiction	
ROC (name and office)	ROC Kolkata
RD (name and Region)	RD, Eastern Region

Ministry Of Corporate Affairs

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Date : 05-12-2025 6:11:11pm

Company Information

CIN	U67120MH1995PTC089434
Company Name	RIDDHI SIDDHI INVESTMENT PRIVATE LIMITED
ROC Name	ROC Mumbai
Registration Number	089434
Date of Incorporation	12/06/1995
Email Id	-
Registered Address	HAMAM HOUSE AMBALAL DOSHIAMBALA DOSHIMARG, MUMBAI, Maharashtra, India, 400001
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	No
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Private
ACTIVE compliance	-
Authorised Capital (Rs)	5,00,000
Paid up Capital (Rs)	1,00,000
Date of last AGM	-
Date of Balance Sheet	-
Company Status	Strike Off

Jurisdiction	
ROC (name and office)	ROC Mumbai
RD (name and Region)	RD, Western Region

7. It was the submission that Riddhi Siddhi Investment Consultants Pvt. Ltd. is a group concern. Ganeev Associate is a partnership firm wherein some of the directors with the assessee company are also partners. Ld. AR submitted that in the reasons recorded the AO has alleged that the share applicants are bogus company and that Ganeev Associates does not appear in the list of shareholders reported in Ministry of Corporate Affairs as well as in the schedule of shareholding reported in the ITR of the

assessee company. Ld.AR drew our attention to page 11 & 14 of the paper book which is a copy of the list of share applicants and note forming part of the financial statement, which reads as follows :-

(11)



CIN: U27104JH2004PTC010860
 GSTIN: 20AAIC56610B2ZZ

SALUJA STEEL & POWER PVT.LTD

DETAILS OF SHARE ALLOTTED FOR THE YEAR 2012-13

S.NO	NAME OF SHARE HOLDERS	ADDRESS	NO. OF SHARE ISSUED	SHARE CAPITAL	SHARE PREMIUM	TOTAL VALUE
1	RIDDI SIDDHI INVESMENT CONSULTANTS (P) LIMITED	FLAT2B,ORBIT NORTH VIEW 3 KHELAT BABU LANE, TALA PARK (NEAR TALA TANK) KOLKATA -700037 (W.B)	232300	2323000.00	9292000.00	11615000.00
2	GANEV ASSOCIATES	FLAT 2A & B ORBIT NORTH VIEW 3 KHELAT BABU LANE, TALA PARK (NEAR TALA TANK) KOLKATA -700037	512000	5120000.00	20480000.00	25600000.00
3	AMARJEET SINGH SALUJA	NETAJEE CHOWK BHANDARIDIH, GIRIDIH JHARKHAND - 815301	8000	80000.00	320000.00	400000.00
4	TARANJEET SINGH SALUJA	NETAJEE CHOWK BHANDARIDIH, GIRIDIH JHARKHAND - 815301	8000	80000.00	320000.00	400000.00
5	SATVINDAR SINGH SALUJA	NETAJEE CHOWK BHANDARIDIH, GIRIDIH JHARKHAND - 815301	24000	240000.00	960000.00	1200000.00
		TOTAL	784300.00	7843000.00	31372000.00	39215000.00

SALUJA STEEL & POWER PVT. L.

 DIRECTOR



Works At: Mahtadih, Tundi Road, Giridih - 815301 (Jharkhand)
 Email: salujasteel.giridih@gmail.com

 Registered Office: Saluja House, Netaji Chowk, Bhandaridih, Giridih - 815301 (Jharkhand)

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SALUJA STEEL AND POWER PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31-March,2013	As at 31-March,2012
2. Share Capital :		
AUTHORISED		
100.00 Lacs Equity Share of Rs. 10 Each	100000000.00	100000000.00
(Previous year 100.00 Lac Equity Share of Rs. 10/-Each)		
ISSUED, SUBSCRIBED & PAID-UP		
6873525 Equity Share of Rs. 10/- each fully paid-up	68735250.00	60892250.00
(Previous year 6089225 Equity Share of Rs. 10/- Each)		

i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

Particulars :	As at 31-March,2013		As at 31-March,2012	
	No. of Shares	Share Capital	No. of Shares	Share Capital
At the beginning of the year	6089225	60892250	5313225	53132250
Add: Issued during the year	784300	7843000	776000	7760000
Less: Buy back during the year	0	0	0	0
	6873525	68735250	6089225	60892250

ii) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in preparation to the number of equity shares held by the shareholders.

iii) Details of each shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31-March,2013		As at 31-March,2012	
	No. of Shares	% of holding	No. of Shares	% of holding
Amarjeet Singh Saluja	3965125	57.69	3957125	64.99
Ganeev Associates	1282000	18.65	770000	12.65

As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

3. Reserves and Surplus

a) Security Premium Account

Opening balance	204412750.00	173372750.00
Add : Premium on shares issued during the year	31372000.00	31040000.00
	235784750.00	204412750.00

b) Surplus in Statement of Profit and Loss

Opening balance	37110371.58	28971680.90
Add: Profit for the year	8641399.30	8138690.68
	281536520.88	241523121.58



8. It was the submission that the said Ganeev Associates has been categorically shown as shareholders holding more than 5% share holding in the company. It was the submission that clearly the reason recorded are without any basis and is unsupported by any factual connection with the assessee.

9. Ld.AR further drew our attention to the alleged income escaping assessment as mentioned by the AO which is said to be Rs.9,61,95,000/-. It was the submission that the assessee never received such huge share application money. The assessment order itself shows an addition of Rs.3,72,15,000/-. It was the submission that the assessee had also issued the shares to an extent of 7,84,300 shares having a face value of Rs.10/- at a premium of Rs.40/- from which the assessee received total money of Rs. 3,92,15,000/- against which the AO has made addition of Rs. 3,72,15,000/-. It was the submission that the shares have been issued to group concerns and the AO has in the reasons recorded blindly extracted the investigation report of the DDIT(Investigation). It was the submission that there was no live link between the reasons recorded and the factual position insofar as the share applicants mentioned are wrong and for this the AR drew our attention to the decision of jurisdictional High Court in the case of Naveen Kumar Jaiswal reported in 2022 SCC Online Jhar 189. The share application money received is mentioned wrongly and the persons who have not given share application money have also been considered as share applicants. It was the submission that in the first page of the reasons

recorded the AO mentioned that the addresses have been verified in respect of Riddhi Siddhi Investment Pvt. Ltd. whereas the share applicant and the shareholders in the assessee company is Riddhi Siddhi Investment Consultants Pvt. Ltd.

10. It was the submission that the reasons recorded are liable to be quashed as there is no live link much less any link to the actual facts of the assessee's case. Ld. AR also placed reliance on the decision of the Hon'ble Jurisdictional High Court in the case of Pasari Castings and Rolling Mills (P.) Ltd., reported in 463 ITR 469 wherein the Hon'ble Jurisdictional High Court has categorically held in para 18 as follows :-

18. As stated herein above that the recorded reason/impugned Assessment Order is silent under which provision of the Act the additions are sought to be made. It is well settled that the reasons cannot be supplemented by assessment Order or Affidavit. The recorded reason is totally silent whether the amount sought to be taxed is 'income of the Petitioner and whether the addition is sought to be made on account of Cash Credit (Section 68), Unexplained Investments (Section 69), Unexplained Money (Section 69A), Amount of Investment, etc. not fully disclosed in books of account (Section 698), Unexplained Expenditure, etc. (Section 69C). The requirement of each of the aforesaid sections are different and the rules of evidence and burden of proof are also different, hence, unless the Petitioner to put the notice as to the exact contravention or provisions of law under which assessment or additions are sought to be made, the Petitioner cannot defend his case.

In the case of Oryx Fisheries (P) Lad. v. UOI [2010] 13 SCC 427, it is held by the Hon'ble Supreme Court that the show cause notice should give the noticee a reasonable opportunity of making objections against proposed charges indicated in the notice and the person proceeded against must be told the charges against him so that he can make his defense and prove his innocence. In the entire course of the proceeding, at no stage the Petitioner is made aware of the provisions of law which have been contravened and/or under which the additions are sought to be made which is in gross violation of the principles of natural justice and the procedure adopted by the Department is not fair or proper.

In the case of New Delhi Television Ltd. v. Dy. CIT [2020] 116 taxmann.com 151/271 Taxman 1/424 ITR 607 (SC). it is held by the

Hon'ble Apex Court that the Assessee must be put to notice of all the provisions on which the Department relies.

11. It was the submission that the issue of notice u/s.148 of the Act is liable to be quashed insofar as the reopening was invalid.

12. In reply, Id.CIT-DR submitted that in the course of search on the assessee the premises mentioned in the reasons recorded have also been examined and the companies were found to be non-existence at the given addresses. It was further submitted that the actual facts remains that the assessee had received bogus share application money and that has been brought out clearly in the assessment order. It was the submission that slight discrepancy in the reasons recorded should not invalidate the reasons. It was the submission that the fact remains that the assessee has received bogus share application money an the same is liable to be upheld.

13. We have considered the rival submissions. A perusal of the reasons recorded clearly shows that the reasons recorded are not containing slight errors. The first page of the reasons recorded itself shows that wrong addresses have been examined. The directors as mentioned are no way connected with the directors nor the share applicant company which has actually made the share application money. The reasons also referred to a company which has no connection whatsoever with the assessee company during the year. One of the group concerns which is a partnership firm and an existing shareholder has also been brought into question without examining even the accounts of the assessee company. Page 2 of the reasons recorded shows that the director of the assessee company has been questioned by the DDIT(Investigation) and the directors have not

responded to those summons issued by the DDIT(Inv.) and the non-response has been treated as the inability of the assessee to offer cogent explanation. Obviously the director of the assessee's company would not be able to response to question in respect of company which are not share applicant of the company.

14. In page 3 reason recorded, the AO refers to the quantum of investment by this alleged share applicants. Here, the AO refers to correct name of the share applicant in respect of Riddhi Siddhi Investment Consultants Pvt. Ltd. whereas when coming to the verification of the address he goes to Riddhi Siddhi Investment Pvt. Ltd. Thus, clearly these are not minor errors but these are factual inconsistencies which make reasons recorded unsubstantial very foundation for the reopening is reasonable belief. The reasonable belief must emanate out of correct facts and when the basic facts itself are erroneous then the reasons that emanate from such erroneous facts would be totally erroneous. This clearly shows that no independent investigation has been done by the AO before recording the reasons for the purpose of the reopening, even otherwise the original assessment in the case of assessee was done under scrutiny u/s.143(3) of the Act and the share application money and the issuance of the shares had been examined by the AO. Though the Ld.AR has brought to our attention that there is "note not for the assessee" where the same AO has recorded his finding, however is in regard to Ganeev Associates. It must be mentioned here that summons had also been issued to the directors of Riddhi Siddhi Investment Consultants Pvt. Ltd. in the course of

the original assessment and the directors have also appeared. If even a cursory verification of the assessment record had been done these factual errors would have been avoided. Here, as it is noticed that the reasons recorded are no way connected with the actual facts in the case of the assessee. The reason recorded are found to be unsustainable and consequently stands quashed. As the reasons recorded stands quashed the consequential notice u/s.148 of the Act also stands quashed and the consequential assessment order also stands quashed.

15. We are not giving any findings in regard to the arguments of the Ld.AR regarding the issue being covered by the decision of the jurisdiction High Court in the case of Pasari Castings and Rolling Mills (P). Ltd. insofar as on the basis of facts itself the reopening has been quashed.

16. In the result, appeal of the assessee is allowed.

Order dictated and pronounced in the open court on 07/01/2026.

Sd/-

(RATNESH NANDAN SAHAY)

लेखा सदस्य / ACCOUNTANT MEMBER

Sd/-

(GEORGE MATHAN)

न्यायिक सदस्य / JUDICIAL MEMBER

राँची Ranchi; दिनांक Dated 07/01/2026

Prakash Kumar Mishra, Sr.P.S.

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

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

सत्यापित प्रति //True Copy//

आदेशानुसार/ BY ORDER,

(Senior Private Secretary)

आयकर अपीलीय अधिकरण, राँची / ITAT, Ranchi