

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'A', NEW DELHI**

**BEFORE SHRI MAHAVIR SINGH, HON'BLE VICE-PRESIDENT
&
MRS. RENU JAUHRI, HON'BLE ACCOUNTANT MEMBER**

ITA No. 6255/DEL/2025; Assessment Year: 2012-13

BG Steel Pvt. Ltd. Alwar, Alwar- 301019 Rajasthan	Vs	ITO Delhi
(APPELLANT)		(RESPONDENT)
PAN No. AAACB5535A		

Assessee by : Shri Vishu Arora, CA

Revenue by : Shri Ajay Kumar Arora, Sr. DR

Date of Hearing: 08.01.2026	Date of Pronouncement: 08.01.2026
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ORDER

PER RENU JAUHRI :

The above captioned appeal is preferred by the assessee against the order dated 05.08.2025, passed by Ld. CIT(A)/NFAC, Delhi u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as, "Act") in Appeal No. CIT(A), Delhi-2/10683/2019-20 for A.Y. 2012-13.

2. The Assessee has raised grounds of Appeal which are reproduced as below:

“ Ground No. 1 : On the facts and circumstances of the case, the order passed by the learned Assessing Officer (AO) is bad both in the eye of law and on facts.

Ground No. 2 : *On the facts and circumstances of the case, AO has erred both on facts and in law in making assessment at the income of Rs.3,06,46,060/- as against the returned income of Rs.38,34,134/- declared by the assessee company.*

Ground No. 3 : *On the facts and circumstances of the case, learned AO has erred both on facts and in law in making the addition of Rs.2,68,11,923/- treating the Share Application Money as unexplained cash credit invoking the provisions of Section 68 of the Act. That the addition has been made misinterpreting the submission of the assessee. That the addition has been without considering and rejecting the detailed explanation and evidences brought on record by the assessee company to prove source of Share Application Money.*

Ground No. 4 : *On the Facts and circumstances of the case, learned AO has erred both on facts and in law in making the addition of Rs.2,68,11,923/- based on conjectures and surmises without appreciating the facts of the case and Learned CIT (A) confirms the said addition by passing the order dtd. 05/08/2025.*

Ground No. 5 : *On the facts, it can be observed from the said Income Tax assessment order that details of Share Application Money for Rs.1.75 crs were sought during Income Tax Assessment proceedings whereas the addition of Rs.2,68,11,923/- has been made. On the facts and circumstances of the case, the learned AO has erred, both on facts and in law, in making the additions and Learned CIT (A) confirms the said addition without providing the assessee company reasonable opportunity of being heard in gross violation of principle of natural justice.*

Ground No. 6 : *On the facts and circumstances of the case, the learned AO has erred, both on facts and in law, in making the additions without bringing any adverse material on record. On the facts and circumstances of the case the learned AO has erred both on facts and in law in charging interest under Section 234B and 234C of the Act.*

Ground No. 7 : *The appellant craves leave to add, amend or alter any of the grounds of appeal during Income Tax appellate proceedings also. ”*

3. Brief facts of the case are that the assessee had filed its return for A.Y. 2012-13 on 18.08.2012, declaring total income of Rs. 38,34,130/- and the case was processed u/s 143(1) of the Act. Subsequently, on receipt of information from the Investigation Wing, regarding the share application money and share premium received by the assessee from certain paper/shell companies, the case was re-opened and a notice u/s 148 was issued on 30.03.2019. The assessee filed return in response to this notice, declaring income of Rs. 38,34,130/-, which was the same as declared in the original return.

In order to verify the genuineness of the share application money/premium received by the assessee during the year, notices u/s 133(6) were issued by the Ld. AO to the shareholders. As all the notices were received back with remarks that no such address existed, Ld. AO issued a show-cause notice to the assessee for treating the entire share application money of Rs. 2,68,11,963/- from 9 parties as unexplained. In response, the assessee provided e-mail ID of the shareholders and the notices u/s 133(6) were re-issued by the Ld. AO on the given e-mail IDs. From the confirmation letters received in response to the e-mail Ld. AO noted that all these were sent from the mail of the one of the directors of the company. He, therefore, rejected the confirmations as non genuine and treated the entire sum of Rs. 2,68,11,963/- as unexplained cash credit u/s 68 of the Act.

Accordingly, assessment was completed at an income of Rs. 3,06,46,060/- vide order dated 13.12.2019.

3.1 Aggrieved, the assessee filed an appeal before the Ld. CIT(A). The assessee's appeal was dismissed by Ld. CIT(A) after observing that it had failed to discharge its primary onus u/s 68 of the Act to prove the identity, creditworthiness of the parties and genuineness of the transactions. Further aggrieved, the assessee is in appeal before the Tribunal.

4. Before us, Ld. AR has submitted that proper opportunity was not provided by Ld. CIT(A). In response to notice dated 15.07.2025, the assessee had duly filed part reply on 03.07.2025 before Ld. CIT(A) and sought adjournment till 13.08.2025 for making further submissions. However, Ld. CIT(A) proceeded to decide the appeal on 05.08.2025 thereby denying adequate opportunity to the assessee. Ld. AR has further pointed out that the addition of Rs. 2,68,11,923/- was made by Ld. AO even though the inquiry and verification were conducted only in respect transactions of Rs. 1,75,00,000/- and, hence, the assessment has also been completed without proper inquiry and verification of the entire amount.

4.1 Ld. DR on the other hand, has heavily relied on the orders of the lower authorities and has pointed out that Ld. AO has conducted due inquiry by issuing notices u/s 133(6) of the Act before making impugned additions and, therefore, his order deserves to be upheld.

5. We have heard the rival submissions and carefully perused the material placed on record. In the interest of justice, we remand the matter back to Ld. Jurisdictional AO for proper verification of each of the 9 parties from whom share application money has been received and make *de novo* assessment. The assessee has also directed to co-operate and produce the parties before Ld. JAO for requisite verification.

6. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the Open Court on 08-01-2026.

Sd/-
(MAHAVIR SINGH)
Vice President

Sd/-
(RENU JAUHRI)
Accountant Member

Dated: 14 .01.2026

Pooja Mittal

Copy forwarded to:

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

Asstt. Registrar, ITAT, New Delhi