

IN THE INCOME TAX APPELLATE TRIBUNAL "D" BENCH, KOLKATA

**BEFORE SHRI RAJESH KUMAR, AM
AND
SHRIPRADIP KUMAR CHOUBEY, JM**

**ITA No.2500/KOL/2025
(Assessment Year: 2012-13)**

Vijaya Motels Pvt. Ltd.
7th Floor, room No.7 & 8, Poddar
Court, 18, Rabindra
Sarani, Kolkata-700001,
West Bengal

(Appellant)

ITO Ward 5(4)
Aaykar Bhawan, 5th Floor, P-7,
Chowringhee Square, Kolkata-
700069, West Bengal

Vs.

(Respondent)

PAN No. AACCV5755E

Assessee by : Shri S.S. Gupta, AR
Revenue by : Shri S.B. Chakraborty, DR

Date of hearing: 19.01.2026
Date of pronouncement: 26.02.2026

ORDER

Per Rajesh Kumar, AM:

This is an appeal preferred by the assessee against the order of the National Faceless Appeal Centre, Delhi (hereinafter referred to as the "Ld. CIT(A)") dated 15.10.2025 for the AY 2012-13.

2. The only issue raised by the assessee is against the confirmation of addition of Rs.3,42,00,000/- as made by the Id. AO u/s 68 of the Income-tax Act, 1961 (the Act) in respect of share application money received from M/s Lovely Properties Pvt. Ltd.
3. After hearing the rival contentions and perusing the materials available on record, we find that during the course of assessment

proceeding, the Id. AO noted that the assessee has issued 3,42,000/- equity shares at a face value of ₹10 each at a premium of ₹90 per share and thus, received ₹3,42,00,000/- from the above said party. The assessee filed before the Id. AO all the evidences. The Id. AO has also issued notice u/s 131 of the Act to the directors of shareholding company but none appeared before the Id. AO and finally, the Id. AO treated the money received by the assessee as unexplained cash credit and added the same as unexplained cash credit u/s 68 to the income of the assessee.

4. In the appellate proceedings, the Id. CIT (A) confirmed the order of the Id. AO.
5. We note that in the case of the subscriber i.e. M/s Lovely properties Pvt. Ltd. the assessment was framed u/s 147/143(3) of the Act vide order dated 26.10.2019, wherein the addition was made u/s 68 of the Act of ₹3,32,37,000/- out of which the investment was made in the assessee company. The copy of the order is available from page no.35 to 37 of the Paper Book. We also note that the said subscriber has gone into VSVS Scheme and paid the due taxes on the said amount and the fact was also brought to the notice of Id. CIT (A) during appellate proceedings and the Id. CIT (A) in para no.4.3 recorded the finding to this effect but finally, dismissed the appeal of the assessee. In our opinion, once the amount of investment made in the assessee company by the subscriber has been settled in the VSVS scheme and due taxes were paid, then there is no question of adding back the amount of share capital share/premium in the hands of the assessee. consequently, we set aside the order of Id. CIT (A) and direct the Id. AO to delete the addition.

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

Order pronounced on 26.02.2026.

Sd/-
(PRADIP KUMAR CHOUBEY)
(JUDICIAL MEMBER)

Sd/-
(RAJESH KUMAR)
(ACCOUNTANT MEMBER)

Kolkata, Dated: 26.02.2026

Sudip Sarkar, Sr.PS

Copy of the Order forwarded to:

1. The Appellant
2. The Respondent
3. CIT
4. DR, ITAT,
5. Guard file.

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar
Income Tax Appellate Tribunal, Kolkata