

**IN THE INCOME TAX APPELLATE TRIBUNAL
“B” BENCH, DELHI**

**BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER &
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No.3183/Del/2024
(Assessment Year: 2014-15)**

ACIT (OSD) Range-10 ITO CR Building Room No. 405,IP Estate New Delhi – 110002	Vs.	GaganInfraenergy Limited 28, Najafgarh Road, Delhi-15 Delhi
स्थायीलेखासं./जीआइआरसं./PAN/GIR No: AABCN6118L		
Appellant	..	Respondent

**CO No.100/Del/2024
(Assessment Year: 2014-15)**

GaganInfraenergy Limited, 28, Najafgarh Road, Delhi – 110015	Vs.	ACIT (OSD) Range-10 ITO CR Building Room No. 405,IP Estate New Delhi – 110002
स्थायीलेखासं./जीआइआरसं./PAN/GIR No: AABCN6118L		
Appellant	..	Respondent

Appellant by :	Sh. Salil Kapoor, Adv. Ms. Ananya Kapoor, Adv. Sh. SumitLalchandani, Adv. Sh. Utkarsh Gupta, Adv.
Respondent by :	Ms. PoojaSwaroop, CIT, DR

Date of Hearing	22.01.2026
Date of Pronouncement	08.04.2026

ORDER

PER ANUBHAV SHARMA, JM:

This appeal and cross objection are preferred by the assessee and revenue respectively against the order dated 30.04.2024 of the Ld. National Faceless Appeal Centre (NFAC), Delhi (hereinafter referred as Ld. First Appellate Authority or in short Ld. 'FAA') in DIN & Order No.: ITBA/NFAC/S/250/2024-25/1064468378(1) arising out of the order dated 31.12.2019 u/s 143(3) r.w.s. 254 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') passed by the Circle-10(1) for AY: 2014-15.

2. The assessee's return was processed u/s 143(3) of the Act wherein the return loss of Rs.97,82,122/- was rejected and income was determined at Rs.50,33,00,900/- on the basis of addition of Rs.489,30,83,023/- made on account of share transaction involving shares of M/s Jindal Steel and Power Limited without consideration to its sister concern M/s Glebe Trading Pvt. Ltd. by a board resolution which assessing officer found to be a transaction of nature of 'transfer' within the meaning of Section 2(47) of the Act and liable to be taxed u/s 45 of the Act. Further addition of Rs.15,00,00,000/- was made on account of unsecured loans from M/s Goswamis Credits and Investment

Limited. This addition of capital gains taxable u/s 45 of the Act was sustained while the addition on account of unsecured loans u/s 68 was deleted by Id. CIT(A). Thereafter in the appeal before this tribunal matter was restored to the assessing officer to re-examine the genuineness and validity of the transaction of share transfers, as was submitted to be a family realignment that gave rise to impugned assessment order dated 31.12.2019 u/s 143(3) r.w.s 254 of the Act in which addition was sustained but a set off of brought forward short term loss was allowed. Thereafter on appeal before Id. First Appellate Authority assessee succeeded and the relevant findings of Id. CIT(A) are reproduced below:

“7.3. Further in the remand report, the A.O has reiterated the same facts. The A.O has also rejected the documents filed by the donee company i.e. Glebe Trading Pvt. Ltd., dtd. 01/04/2014 & 24/04/2014 before the SEBI by treating it as self-serving. Similarly Memorandum of Understanding for realignment of equity share holdings in the family of late Shri O.P. Jindal which is signed by his four sons Prithviraj Jindal, Sajjan Jindal, Ratan Jindal & Navin Jindal who happen to be major shareholders in group companies and affidavit filed by Smt. Vani Verma, one of the directors of the donee company through which she confirmed having received 172964655 shares of Jindal Steel & Power Ltd., from the appellant in the DEMAT account of Glebe Trading Pvt. Ltd., on 28/03/2014 were also rejected by treating it as self-serving.

7.4. On the other hand, the appellant has submitted that comment made by the A.O in the remand report “the alleged gift by the appellant of Rs.2,96,67,36,115/- was neither made voluntarily nor was without consideration” is totally incorrect and without any basis. Further the appellant submitted the copy of Financial statement of Glebe Trading Pvt. Ltd., for the A.Y. 2014-15 wherein said 1,76,94,108 share of JSPL has been shown to be received as gift from the appellant company during the year. The appellant has furnished the copy of disclosure made & documents filed by the Glebe Trading Pvt. Ltd., before the SEBI dtd.01.04/2014 & 24/04/2014 which clearly suggest that the said fact was brought into notice to the SEBI much before the filing of return of income and also, assessment

proceedings were initiated. A.O's claim that the said documents are non reliable is misleading as such documents can't be created during appellate proceedings.

7.5. The appellant has also filed the copy of MOU duly signed by four sons of Shri O.P Jindal. Further, it was submitted that considering the said MOU, Hon'ble jurisdictional ITAT in the case of two group companies namely Glebe Trading Pvt. Ltd., (the donee company) & Manjula Finance Ltd., has held that such type of realignment does not give rise to any assessable income much less any income. Moreover, the department has accepted the decision of Hon'ble ITAT in those cases and not filed any appeal against the order of ITAT before the Hon'ble Court.

7.6. Submission advanced by the A.O in the form of remand report and by the appellant from time to time in the light of direction of Hon'ble ITAT have been perused. It is undisputed fact that the appellant company as well as donee company i.e. Glebe Trading Pvt. Ltd., are part of O.P Jindal Group. During the year in question, the appellant company has transferred 1,76,94,108 shares of Jindal Steel & Power Ltd., (JSPL) to Glebe Trading Pvt. Ltd., as gift being part of family realignment. However the A.O has rejected the said transaction as gift and added the market value of said share of Rs.4,96,67,36,115/- as capital gain, while finalizing the assessment in pursuant to the order of ITAT, where the ITAT has directed to verify the reality, genuineness, and validity of said transactions.

7.7. Here three things are to be established by the appellant to claim the transaction as gift and hence, does not come under the purview of section 45 to 48 of the Act i.e. reality, genuineness and validity of transaction, as has been submitted for a family realignment.

7.8. During the assessment proceedings, in pursuant to the Order of ITAT, the appellant has filed written submission alongwith copy of financial statement of Glebe Trading Pvt. Ltd., for the A.Y.2014 wherein said 17694108 shares of JSPL has been shown to be received as gift received from the appellant company. In this regard, appellant has also furnished the copy of disclosure made and documents filed by Glebe Trading Pvt. Ltd., before SEBI dtd.01.04.2014 & 24/04/2014. Genuineness of such documents cannot be rejected by saying it as self serving as no such manipulation/back dating is possible in respect of such filings of documents before the SEBI. Moreover, nothing has been brought on record by the AO to established that the said fillings are self serving and also, the said transaction neither voluntary nor without any consideration.

7.9. Further, during the assessment proceedings the appellant had filed copy of DEMAT account. wherein such transfer of shares was reflected and also the copy of Board resolution dated 18.03.2014. In addition to that the appellant had filed certified true copy of resolution passed by the Board of directors relating to approval of gift of equity shares, certified true copy of resolution passed by the share holders in extra ordinary general meeting relating to approval of gift of equity shares, certified true copy of the explanatory statement annexed to the resolution passed by the share holders in their EGM approving gift of shares, DEMAT account statement of M/s. Glebe Trading issued by M/s. Alankit Assignments Ltd., showing credit of 1,76,94,108 equity shares of JSPL on 28/03/2014 and Form D –SEBI (Prohibition of Insider Trading) Regulations 1992

wherein it was clearly mentioned that the said transfer of shares taken place on 28/03/2014. Also, such documents clearly suggest that those 1,76,94,108 share of JSWL were transferred to Glebe Trading Pvt Ltd on 28.03.2014 voluntarily and without any consideration and as part of family realignment. However, the A.O has not considered those submissions and rejected the genuineness and validity of transaction without giving any cogent reason.

7.10. During the appellate proceedings the appellant has submitted that the copy of MOU duly signed by four sons of Shri O.P. Jindal i.e. Prithviraj Jindal, Sajjan Jindal, Ratan Jindal & Navin Jindal who happens to be major stake holders / owners of various assets including shares belonging to group companies. Here it is worth to mention that such MOU was considered by the Hon'ble jurisdictional ITAT, Delhi in the case of donee company i.e. Glebe Trading Pvt. Ltd., (ITA 1031/Del/2018) dtd. 12/05/2020 and Manjula Finance Ltd., (ITA No.3727/Del/2018) wherein hon'ble ITAT has observed that such type of realignment does not give rise to the assessable income much less any income.

7.11. Further, it is worth to mention that the Department has accepted the decision of Hon'ble ITAT in both above mentioned cases and not filed any appeal before the High Court against the order. If the Department has accepted the transaction being not taxable in the hands of the recipient (the donee company i.e. Glebe Trading Pvt. Ltd.,) how can it be taxed in the hands of the doner. Despite of specific mentioning of ITAT Order in the case of Glebe trading Pvt Ltd & its finding, the A.O has not offered any comment in this respect in his remand report submitted on 15.03.2024.

7.12 From the above mentioned facts and circumstances it is established that the appellant has been able to prove the reality, genuineness and validity of the transaction supported by documentary evidences. Further, on identical set of facts the jurisdictional ITAT has accepted the transaction as real, genuine & valid in the case of donee, i.e. Glebe Trading Pvt. Ltd. and observed that such type of realignment does not give rise to the assessable income much less income. Moreover, the department has accepted the said decision & not filed any appeal before the HC against the order of ITAT. Now since, the department has accepted the decision of ITAT in the case of donee, a different view cannot be taken in the case of donor i.e. the appellant company. Therefore, the addition made by the A.O treating the transaction of 17694108 shares of JSPL by the company to Glebe Trading Pvt. Ltd., out of family realignment under capital gain is liable to be deleted. Accordingly, the addition made of Rs.4,89,30,83,023/- on this account is deleted. The ground of appeal is allowed accordingly.”

3. Accordingly, the department and the assessee both are in appeal. The assessee's ground of cross objections are merely supporting in nature. The department grounds are reproduced below:

- “1. *That on the facts and circumstances of the case and in law that the Ld. CIT(A) has erred in deleting the action of the Assessing Officer, in disallowance made under the head capital Gain amounting to Rs. 489,30,83,023/- on account of transfer of shares to M/s Glebe Trading Pvt. Ltd.*
2. *That on the facts and circumstances of the case and in law that the Ld. CIT(A) has not appreciated the fact that the assessee company in pursuance of family arrangement by way of gift has been held to be ineligible as per the operation of section 47 of the act. Further, the assessee company has purported family realignment/settlement scheme in order to escape from tax in guise of gift.*
3. *That the department craves to add or amend the ground of appeal before Hon'ble ITAT is finally heard or disposed of.”*

4. Ld. DR has heavily relied the findings of assessing officer and submitted that AO never had opportunity to examine the documents which are relied by the Ld. First Appellate Authority.

5. At the outset we observe that there is a delay of 3 days in filing of the appeal and as the delay is not of substantial period the same is condoned and the appeal has been admitted for hearing.

6. As we go through the impugned order of the learned first appellate authority, it is very apparent that, based on the remand report, the learned appellate authority has drawn all its conclusions and especially that MOU, which forms the basis of transfer of shares without consideration, was considered by this Tribunal itself in the case of donee company i.e. Glebe

Trading Pvt. Ltd., (ITA 1031/Del/2018) dtd. 12/05/2020 and Manjula Finance Ltd., (ITA No.3727/Del/2018) wherein co-ordinate bench has observed that such type of realignment does not give rise to the assessable income much less any income. Now since, the department has accepted the decision of in the case of donee, a different view could not have been taken in the case of donor i.e. the appellant company. Therefore, the conclusion of Id. CIT(A) that the addition made by the A.O treating the transaction of 17694108 shares of JSPL by the company to Glebe Trading Pvt. Ltd., out of family realignment under capital gain is liable to be deleted, require no interference. Accordingly, we find no substance in the grounds of appeal of the Revenue and the appeal is dismissed. The cross-objections on merits supporting the findings of Id. CIT(A), are rendered academic and accordingly allowed for statistical purposes.

Order pronounced in the open court on 08.04.2026

Sd/-
(Manish Agarwal)
ACCOUNTANT MEMBER

Sd/-
(Anubhav Sharma)
JUDICIAL MEMBER

Dated 08.04.2026
Rohit, Sr. PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT NEW DELHI