



**IN THE INCOME TAX APPELLATE TRIBUNAL,
CUTTACK BENCH, CUTTACK**

**BEFORE SHRI CHANDRA MOHAN GARG, JUDICIAL MEMBER
AND LAXMI PRASAD SAHU, ACCOUNTANT MEMBER**

ITA No.271/CTK/2019
Assessment Year : 2015-16

Shri Krishna Solvent Extraction (P) Ltd., 11, 2 nd floor, Deendayal Bhawan, Janpath, Ashok Nagar, Bhubaneswar.	Vs.	DCIT, Circle -1(2), Bhubaneswar.
PAN/GIR No.AAGCVS 8521 F		
(Appellant)	..	(Respondent)

Assessee by : Shri Binod Agarwal, AR
Revenue by : Shri Subhendu Dutta, DR

Date of Hearing : 09 /12/ 2020
Date of Pronouncement : 10 /12/2020

ORDER

Per C.M.Garg,JM

This is an appeal filed by the assessee against the order of the CIT(A)-1, Bhubaneswar dated 28.3.2019 for the assessment year 2015-16.

2. The assessee has raised following grounds:

"That the Ld CIT (A) is not justified to sustain the addition made u/s 68 for Rs. 22.50 lakhs. The same being opening balance as on Dt. 01.04.2014 has been received in earlier years and hence not liable to addition in the current year either as protective or otherwise.

2. That the Ld CIT (A) has erred in confirming the disallowance of Rs. 19.5 lacks which were received as share capital during the

assessment Year- 2015-16 by completely disregarding the documents filed during assessment proceedings. The Ld CIT (A) failed to appreciate the fact that the source/investor company confirmed the transaction in response to AO's notice issued u/s 133(6) and the appellant too had submitted the source of the source. That the Audited balance sheet of M/s Inland Suppliers clearly showed that the Net Worth of the company was 301 lacks since 2010 and hence it is absolutely wrong to say that the creditworthiness was not established. Besides, the company had also substantiated the genuineness of the transaction. The addition being out of surmise & suspicions is liable to be deleted.

3. That, the Learned CIT (A) has passed the order without giving opportunity of being heard. The adjournments filed earlier were in compliance to notice. The last notice was received after the due date and hence no appearance was possible. The order has been passed hastily without going into the merits of the case and records available in the file."

3. At the time of hearing, Id A.R. submitted that he is not pressing Ground Nos.2 & 3, therefore, both the grounds are dismissed as not pressed.

4. The only ground No.1 i.e. the addition of Rs.22,50,000/- made u/s.68 of the Act is pressed by Id A.R. of the assessee.

5. We have heard the rival submissions and perused the record of the case. Id A.R. of the assessee submitted that the amount of Rs.22,50,000/- is the opening balance as on 31.3.2014, which was brought forward to 1.4.2014 i.e. financial year 2014-15 relevant to assessment year 2015-16. He submitted that in the impugned order, Id CIT(A) has candidly accepted that the amount of Rs.22,50,000/- is the opening balance of share premium and the AO has disallowed the same on protective basis u/s.68 of the Act.

Ld D.R. could not controvert the fact that the amount is the opening balance of the previous year. From the above facts, we are of the view that the addition of Rs.22,50,000/- is not sustainable in the year under consideration. Consequently, this ground is allowed.

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

Order pronounced on 10/12/2020.

Sd/-
(Laxmi Prasad Sahu)
ACCOUNTANT MEMBER

sd/-
(Chandra Mohan Garg)
JUDICIAL MEMBER

Cuttack; Dated 10 /12/2020
B.K.Parida, SPS (OS)

Copy of the Order forwarded to :

1. The Appellant : Shri Krishna Solvent Extruction (P) Ltd., 11, 2nd floor, Deendayal Bhawan, Janpath, Ashok Nagar, Bhubaneswar.
2. The Respondent. DCIT, Circle -1(2), Bhubaneswar
3. The CIT(A)-1, Bhubaneswar
4. Pr.CIT-1 , Bhubaneswar
5. DR, ITAT, Cuttack
6. Guard file.
//True Copy//

By order

Sr.Pvt.secretary
ITAT, Cuttack