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

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

IT(SS)A No.54, 55/KOL/2026
(Assessment Years: 2011-12, 2012-13)

ITA Nos. 1556, 1557, 1559, 1564, 1558, 2162/KOL/2026
(A.Ys.: 2012-13, 2013-14, 2016-17, 2017-18, 2015-16, 2018-19)

Amrit Cement Limited Opposite Horse Shoe Building, Umlaper Village, Elaka Rymbai, Shillong-793200 Meghalaya **(Appellant)**	**Vs.**	**CIT (A), Kolkata 27** Aaykar Bhawan Poorva, 110 Shanti Pally, Kolkata-700107, West Bengal **(Respondent)**

PAN No. AAGCA9080R

Assessee by	:	S/Shri A.K. Tulsiyan, Rabin Maheshwari , Prateek Tulsiyan& Avinash Singh, ARs
Revenue by	:	Shri Raman Garg, DR

Date of hearing: 21.07.2026
Date of pronouncement: 13.10.2026

O R D E R

Per Rajesh Kumar, AM:

These are appeal preferred by the assessee against the order of the Commissioner of Income-tax (Appeals)-27, (hereinafter referred to as the "Ld. CIT(A)"] dated 28.02.2026, 11.03.2026, 07.03.2026, 09.04.2026, 24.03.2026, 12.03.2026, 03.06.2026 for the AYs 2011-12, 2012-13, 2013-14, 2016-17, 2017-18, 2015-16, 2018-19.

A.Y. 2012-13

IT (SS)A No. 55/KOL/2026
Ground No 1 :

2. The only issue raised by the assessee in the various grounds of appeal is against the confirmation of addition of ₹69,76,50,000/- by ld. CIT(A) as made by the AO in respect of share capital/share premium by treating the same as unexplained cash credit u/s 68 of the Income Tax Act, 1961(hereinafter referred to as" the Act").

3. The facts in brief are that the assessee filed its return of income u/s 139(1) for the assessment year 2012-13 on 29.09.2012 declaring total income of Rs.Nil. A search & seizure operation was conducted u/s 132(1) of the I.T.Act, 1961 on 30.08.2012 and subsequent dates in the business premises of the assessee at Trinity Tower, 6h Floor, 226/1, A.J.C. Bose Road, Kolkata-20 &Umlaper Elaka, Rymbai, Jaintia Hills, Meghalaya. Accordingly, notice u/s 153A of the Income-tax Act, 1961 was issued on 19.06.2013 for the A.Y. 2012-13. The assessee filed its return of income in response to the said notice declaring total income as ₹ Nil. The statutory notices u/s 143(2) and 142(1) alongwith questionnaire were issued and duly served upon the assessee. The assessee replied the said questionnaire with all details and evidences as called for. On perusal of documents it was found by the AO that assesse company has raised share capital at a face value of Rs.10/- with a premium of Rs.490/- from the different parties during the Assessment Year 2012-13 aggregating to Rs.69,76,50,000/-During assessment proceeding ,the notices

u/s 133(6) of the Act were issued to the concerned parties/investors to verify the genuineness of transactions. The replies were received from all the shareholders submitting all the details and evidences qua the investments made in the equity shares of the assessee company. Subsequently, summons u/s 131 of the I.T. Act were issued to the directors of the investing companies. However, directorsof the subscriber companies did not appear in response to the summons.The Ld. AO has finally added a sum of Rs. 69,76,50,000/- to the income of the assessee being share share capital/share premium received from 11 share subscribers which were all group companies by treating the same as unexplained cash credit u/s 68 of the Act in the assessment framed u/s 153A/143(3) dated 25.03.2015 thereby assessing the income at Rs.69,84,58,170/-.

4. The ld. CIT(A) dismissed the appeal of the assessee in the appellate proceedings. The ld. CIT(A) after taking account the contentions and submissions alongwith evidences furnished by the assessee and after calling for remand reports two times andakso the after taking into account the replies of the assessee in response thereto dismissed the appeal of the assessee despite the fact that the AO clearly mentioned in the remand reports that enquiry letters were fully replied by the subscribing companies by furnishing all the evidences and details qua the share investments in the assessee company. The AO in the remand reports also stated that summons issued u/s 131 of the Act were fully complied with by the

directors of the subscriber companies and their statements were also recorded u/s 131 of the Act. Even the AO has not made any adverse remarks on any of the documents received in response to notices u/s 133(6) of the Act from the share applicants or in the statements recorded u/s 131 of the Act.During the appeal proceedings the CIT(A)-20,Kolkata(the then having jurisdiction) called for remand report vide letter dated 26.08.2015 and 16.11.2015 from ACIT, Central Circle-2(1), Kolkata as evident from remand report dated 30.11.2015(hereinafter referred to as "1st remand report) which was submitted before Ld. CIT(A)-20 by the ACIT, Central Circle-2(1),Kolkata and is placed at Page No 933 to 951 of Common Paper Book (CP)-1.5.

5. Thereafter again search action was carried out against assessee on 05.10.2021 and assessee's assessment jurisdiction was centralised with DCIT, Central Circle-4(1),Kolkata.As such the appeal was transferred from Ld. CIT(A)-20, Kolkata to Ld. CIT(A)-27 Kolkata.The Ld. CIT(A) -27, Kolkata again called for remand report vide its letters dated 28.08.2025 and 21.10.2025 from the DCIT, CC-4(1), Kolkata having present jurisdiction as evident from remand report dated 31.12.2025(hereinafter referred to as 2nd remand report).The DCIT, Central Circle-4(1), Kolkata submitted 2nd Remand report dated 31.12.2025by JCIT, Central Range-4 vide its forwarding letter dated 02.02.2026 forwarded the same to Ld. CIT(A)-27, Kolkata and same is placed at Page No 1 to 37 of CP-1. The 2nd remand report

was received by Ld. CIT(A)-27, Kolkata office on 06.01.2026 as evident from Page No 1 of CP-1.

6. The Ld. CIT(A) vide para 9.1.1 in Page 161 & 162 of order has given a generalised short note of the submission filed by the assessee.In Para 9.1.3 in Page No 205 & 206 of order, the Ld. CIT(A) confirmed that the replies were received in response to notices u/s 133(6) of the Act but none of the directors of subscriber companies appeared before the Ld. AO. Thereafter, he madegeneralisedallegations.In Para 9.1.4 in Page no 206 & 207 of order, he stated that u/s 68 of the Act onus is cast uponthe assessee to establish the creditworthiness of share subscriber companies and thereafter he made vague and generalisedallegation.In para 9.1.5 in Page 207 of order, CIT(A) relied on preponderance of probabilities and the principle of human conduct and relied on Hon'ble Supreme Court decision in case of CIT vs. Durga Prasad More (1971) 82 ITR 540 (SC) and Sumati Dayal 801 (SC).Therafter after referring to various decisions , in the appellate order and finally in the concluding Para 9.1.8 & 9.1.9 in page 209 & 210 of order,the ld. CIT(A) observed that share subscribers have the same registered Office address as that of the assessee. Key persons of the appellant company were also the controlling persons of these group entities/subscribers companiestherebynoting serious concerns regarding the independence and financial credibility of the investors. Thereafter making vague allegations, the Ld. CIT(A) confirmed the addition

7. The ld. AR vehemently submitted that addition has been confirmed by the ld. CIT(A) by not taking into account the findings of the AO in the two remand reports which clearly stated that sources of the subscribers were explained, enquiry letters u/s 133(6) of the Act were fully responded with evidences and even the summons issued u/s 131 of the Act were complaied with by making personal appearance by the directors of the subscriber companies. The ld. AR submitted that the Ld. CIT(A) has reproduced the 1st remand report dated 30.11.2015(at Page No of 74 to 99 of CIT(A)'s order) and 2nd Remand report dated 31.12.2025(at Page no 106 to 155 of CIT(A)'s order) in his order butsurprisingly the Ld. CIT(A) has not taken any cognizance of both the remand reports as evident from CIT(A)'s order. The Ld. CIT(A)has given his finding only on the assessment order, which is overridden by the 1st& 2nd remand report dated 30.11.2015 and 31.12.2025. The ld. AR submitted that the DCIT, Central Circle-2(1), Kolkata in the 1st remand report dated 30.11.2015(placed at Page No 933 to 951 of CP-1.5)reconfirmed that in responses to the Notices u/s 133(6) of the Act by mentioning that replies were received from share subscriber companies.The ld. AR submitted that the ldAOalso confirmed that Directors of share applicant companies appeared before him in response to summons u/s 131 served during remand proceedings. The ld. AR submitted that Mr. Pradeep Bagla and Mr. Sunil Kumar Khemka are the directors of 11 share applicant companies. The ld. AR submitted that Mr. Pradeep Bagla's Statement was recorded u/s 131 of the

Act on 24.09.2015 and statement of Mr. Sunil Khemka was recorded u/s 131 of the Act on 29.09.2015. The ld. AR submitted that the AO further clarified that the sources of share application money received by assessee with PANs were submitted and also mentioned reasons for making investment considering the "future prospects of cement industry in North East being very bright". The Ld. AR argued that no adverse findings were given by the Ld. AO in the remand report dated 30.11.2015. The ld. AR submitted that the 2nd remand report dated 31.12.2025(placed at Page no 1 to 37 of CP-1) was submitted by DCIT, CC-4(1), Kolkata after making the enquiries and replying to observations of the Ld. CIT(A)-27, Kolkata which are attached Annexure- 1 to 7 in the remand report.

8. The ld. AR further submitted that in the remand report dated 31.12.2025 the Ld. AO again confirmed that replies to notices u/s 133(6) issued during assessment proceedings were duly received. The ld. AR submitted that ld. CIT(A) that it is evident from 1st remand report dated 30.11.2015 that directors of the share applicant companies appeared and their statements were recorded during 1st remand proceedings.Thereafter, Ld. AO stated that the shares were allotted at a premium of Rs. 490/- to the promoter directors Pradeep Bagla and Deepa Bagla along with other share applicants and enclosed return of allotment marked as Annexure-2placed at Page No 39 to 48 of CP-1.Then in Para 7 of remand report dated 31.12.2025 he stated that CIT(A) has

referred to the concluding paragraph of the earlier remand report dated 30.11.2015 which was "As directed by the Ld. CIT(A), the remand report is submitted for his kind perusal and he may direct for further enquiries if he deems fit." .In reference to the same he stated that it was standard and general remarks and in case the Ld. CIT (A) wants any further enquiry, then it may be carried out by the A.O. which is duly mandated in section 250(4) of the Act itself. The ld. AR referred to Para 8 of remand report dated 31.12.2025 and stated that CIT(A) has observed that in remand report dated 30.11.2015, the then AO has not stated anything about the nature & source of fund / business activities/business rationale and capacity of investor companies/2nd source companies. On the same ,the AO stated that on examination of earlier remand report dated 30.11.2015 and documents submitted in the course of second remand proceedings, it is observed that the source of funds in the hands of the share subscriber companies comprises were out of sale proceeds of investments, refund of loans and receipt of share application money etc. The AO then stated that I have tried to make extensive enquiries against the second source companies on test checkbasis though it is not required for the purposes of section 68 of the Act for the A.Y. 2012-13. The ld. AR submitted that the AO during the remand proceedings made inquiries through inspector for physical verification and identity of source of source in 14 cases. All of them were found by the inspector at their respective address and provided various asst order, copy of return of 2nd sources.

The same has been enclosed along with remand report vide Annexure-3, which is placed at Page No 49 to 168 of CP-1, Page No 169 to 346 of CP-1.1 and Page No 347 to 526 of CP-1.2.The AR submitted that thereafter he explained that all 11 share applicants were assessed to tax regularly and also subjected to CIT(A), tribunal and in some cases appeals are pending before appellate authorities as evident from the Form -35. Copies of the Asstt. Order, Appeal order, Form no. -35 have been enclosed videAnnexure – 4, which is placed at Page No 527 to 795 of CP-1.3.Thereafter the AO has given PAN & Jurisdiction of all share applicants in Para 9 and their networth was given in Para 10 of remand report dated 31.12.2025. The ld. AR submitted that AO also observed that share applicants net worth significantly exceeds the share application money given to assessee in Para 11 of remand report dated 31.12.2025. Thereafter in Para 12 AO stated that as per the directions of the Ld. CIT (A)-27, Kolkata, summons under Section 131 of the Act were issued on 21.08.2025 to the Directors of the said eleven share subscriber companies and in compliance with the said summons, Mr. Pradeep Kumar Bagla and Mr. Sunil Kumar Khemka appeared on behalf of their respective subscriber companies and their statements were recorded on oath on 03.09.2025. AO further stated that directors also explained the reasons for not appearing personally in response to the summons issued to them during assessment proceedings, as per Answer to Question No. 23 of the above statements made on 03.09.2025.Copies of the statements of Mr. Pradeep Kumar Bagla and Mr. Sunil Kumar

Khemka recorded on oath on 03.09.2025 were enclosed and marked as Annexure – 5 which is placed at Page No 796 to 919 of CP-1.4.The Ld. AO also confirmed that Mr. Pradeep Bagla, Mrs. Deepa Bagla and Mr. Sunil Kumar Khemka were assessed to tax under his charge and gave the details of share applicants with names of directors in Para 12 of remand report dated 31.12.2025.In Para 13 of the remand report, the AO confirmed that sources of share application money were examined in remand report dated 30.11.2015. Certified copies of the ledger accounts of all the share subscriber companies for the A.Y 2012-13were enclosed and marked asAnnexure 6 which is placed at Page No. 920 to 931 of CP-1.4. Thereafter, the AO has given the book value of share for each financial year since commencement of business till 31.03.2024 vide Annexure-7which is placed at Page No 932 of CP-1.4.In para 18 of remand report dated 31.12.2025 the AO reproduced the reply of the assessee explaining the basis of collection of premiumthat with various subsidies and North East being mineral rich state, the future prospect of cement industry was very bright and as such the assessee company issued shares at a premium of Rs. 490/- per share to all promoters and promoter companies.In para 19 as directed by Ld. CIT(A)-27, Kolkata the date wise fund flow chart of share application made by the share subscriber group companies &source of fund were given by the AO. The ld. AR submitted that no adverse remarks were made by the AO in the remand report dated 31.12.2025.

9. As stated above, although Ld. CIT(A) reproduced remand report dated 30.11.2015and remand report dated 31.12.2025 but he has ignored the findings of the AO in appellate order, as is evident from the CIT(A)'s order.As evident from both the remand reports, the Directors of share applicant companies appeared in both the remand proceedings and their statements were recorded on oath.In both the remand report AO has not given any adverse comment about the share application money received by the assessee. Hence, there is no justification for confirmation of the addition by the ld. CIT(A).It is further mentioned that all the shareholders were still holding the shares in the assessee company as evident from Page No 27 to 30 of Master Paper Book. The ld. AR submitted that it is very unfortunate that the Ld. CIT(A) had not taken cognizance to the remand reports although he called for the 2nd remand report himself. The ld. AR contended that as such the remand reports by the AO have to be taken as the conclusion and the addition confirmed by Ld. CIT(A) is wrong and may be deleted. In defense of his arguments , the reliance is placed on decision of Hon'ble Allahabad High Court in case of Commissioner of Income tax (Central) v B B Sharma ITA Appeal No 730,726,727,729,731 of 2012 order dated 06.03.2017.Besides, the ld. counsel also relied on the following decisions:

   i. Principal Commissioner of Income-tax 1 Kolkata vs. Shipra Enclave (P.) Ltd. [2026] 183 taxmann.com 413 (Calcutta) order dated 04.02.2026.

ii. Principal Commissioner of Income-tax vs. Express Tradelink (P.) Ltd. [2026] 183 taxmann.com 398 (Calcutta) order dated 04.02.2026.

iii. Principal Commissioner Of Income Tax-2, Kolkata V Karni Infraprojects Private Limited ITAT/168/2025 & IA No GA/2/2025 order dated 28.01.2026.

iv. PCIT vs Outcome Buildcom P. Ltd. (ITAT/3/2024 (Calcutta) dated 03.05.2024.

v. PCIT vs Shreen Hire Purchase P Ltd. (ITAT/196/2024 (Calcutta) dated 20.12.2024.

vi. Principal Commissioner of Income Tax, Central-1, Kolkata vs Mallcom VSFT Gloves Pvt. Ltd. (Earlier Known as VSFT Quilts and Pillows Pvt Ltd.) (ITAT/264/2024 (Calcutta) dated 09.06.2025.

vii. Principal Commissioner Of Income Tax-2, Kolkata VBrightCommodeal Private Limited Itat /162/2025, Ia No: Ga/1/2025, Ga/2/2025 order dated 28.08.2025.

viii. Principal Commissioner of Income Tax-1, Kolkata vs True Man Consultants Private Limited (ITAT/203/2024 (Calcutta) dated 25.04.2025.

ix. Principal Commissioner of Income-tax-2 vs. Vish Realty Solutions (P.) Ltd. [2025] 176 taxmann.com 500 (Calcutta) order dated 10.07.2025.

x. Principal Commissioner of Income-tax vs. Anmol Stainless (P.) Ltd. [2022] 138 taxmann.com 535 (Calcutta) order dated 09.02.2022.

xi. Principal Commissioner of Income-tax vs. Snowwhite Infrastructure (P.) Ltd. [2024] 168 taxmann.com 368 (Calcutta) order dated 15.05.2024.

10. The ld. DR ,on the other, hand vehemently supported the order passed by the Assessing Officer and ld. CIT(A).The ld.

DR submitted that the ld. CIT(A) has paased the order after looking into all the aspect of the matter, submissions and arguments of the assessee, the remand reports and reply of the assessee to the remand reports. The ld. DR stated that the two remand reports were discussed threadware in the appellate order. The ld. DR while relying heavily on the appellate order ,prayed that the appellate order may be confirmed by dismissing the appeal of the assessee.

11. We have heard the rival contentions and perused the materials on records and as placed before us. The undisputed facts are that a search & seizure operation was conducted u/s 132 of the I.T.Act, 1961 on 30.08,2012 and subsequent dates in the business premises of the assesse at Trinity Tower, 6h Floor, 226/1, A.J.C. Bose Road, Kolkata-20 &Umlaper Elaka, Rymbai, Jaintia Hills, Meghalaya. Accordingly, notice u/s 153A of the Income-tax Act, 1961 was issued on 19.06.2013 for the A.Y. 2012-13. The assessee filed its return of income in response to the said notice declaring total income as ₹ Nil. The assessee replied all the notices/questionnaire by furnishing all details and evidences as called for by the AO. It is observed from the documents that assesse company has raised share capital at a face value of Rs.10/- with a premium of Rs.490/- from the 11 parties during the Assessment Year 2012-13 aggregatijng to Rs.69,76,50,000/-During assessment proceeding ,the notices u/s 133(6) of the Act were issued to the 11 parties to verify the genuineness of transactions. We note that the replies were received from all the shareholders

submitting all the details and evidences qua the investments made in the equity shares of the assessee company. Subsequently, summons u/s 131 of the Act were issued to the directors of the investing companies. However, directorsdid not appear in response to the summons before the AO.Finally in the assessment order, the Ld. AO added the entire share capital/share premium of Rs. 69,76,50,000/- to the income of the assessee received from 11 share subscribers which are all group companies by treating the same as unexplained cash credit u/s 68 of the Act. Forthe sake of ready reference we extract the details of the subscribers as under:

Sl No	Name of Share Applicant	Amount (Rs.)
1	Madrid Traders Pvt Ltd	2,78,50,000
2	Naman Health Food Industries Pvt Ltd	18,66,50,000
3	M/s SMR Business Pvt Ltd	51,00,000
4	M/s Chordia Tarde Credits Pvt Ltd	7,60,00,000
5	Ridhi Sidhi Vanijya Pvt Ltd	8,11,00,000
6	M/s Gravity Sales Agency Pvt Ltd	1,13,00,000
7	M/s Lord Dealcom Pvt Ltd	12,29,50,000
8	M/s Bharat Finance & Industries Ltd	8,38,00,000
9	M/s Jai Mata Di Vanijya Pvt Ltd	8,10,00,000
10	M/s Gulmohar Vyapaar Pvt Ltd (Now Known as Vana Nine Pvt. Ltd.)	1,69,00,000
11	M/s Prabhudhan Finance Pvt Ltd	50,00,000
	Total	69,76,50,000

12. We note that all subscriber companies have replied to notices issued u/s 133(6) of the Act which has been acknowledged by AO in assessment order. However, as the Directors of Share Applicant companies did not appear in response to summons u/s 131 of the Act, therefore the AO stated that he could not verify the identity & creditworthiness of share applicants and genuineness of transaction. Replies to notices u/s 133(6) along with the documents relating to source and second

source were furnished before the Ld. AO and Ld. CIT(A) and are available at Page No 1 to 1923 of Paper Book Volume 1 to 5 for AY 2012-13.

13. We note that the ld. CIT(A) -20,Kolkata(the then having jurisdiction) called for remand report vide letter dated 26.08.2015 and 16.11.2015 from ACIT, Central Circle-2(1), Kolkata and same was filed on 30.11.2015 (hereinafter referred to as 1st remand report) before Ld. CIT(A)-20 by the ACIT, Central Circle-2(1),Kolkata and is placed at Page No 933 to 951 of Common Paper Book (CP)-1.5. We note that in the said remand report AO confirmed that all the above companies are situated at 226/1, A.J.C. Bose Road, Trinity, 6 Floor, Kolkata-20. It was submitted that the directors of the investor companies are the main promoters of the assessee company. The summons u/s 131 of Income Tax Act, were issued to the directors of the above companies and their statements were recorded u/s 131 of the Act. In the remand report subscriberwise details were discssed as under:

M/s SMR Business Pvt.Ltd

During the year under consideration M/s SMR Business Pvt. Ltd applied share application to the tune of Rs.51,00,000/- to M/s Amrit Cement Industries Ltd. The said share application money was paid for 10,200 shares at a face value of Rs.10/- with premium of Rs.490/- per share. The nature of business of the company is said to be financing.

The company i.e. SMR Business Pvt. Ltd. filed its return of income for the assessment year 2012-13 on 27.09.2012 declaring total income of Rs.Nil. It is found from the paper book that the copies of P & L a/c, Balance Sheet and audit report, copy of return filing evidence of the company was submitted. It is found from the P& L a/c that the Company suffered a loss of Rs.52,494/- during the year. The company applied for 10,200 shares in Amrit Cement

Industries Ltd during the year under consideration and payment details were submitted. The relevant bank statement of the company in respect of the above share application transaction was produced.

Mr. Pradeep Bagla, director of the company appeared in response to the summons u/s 131 and his statement was recorded u/s 131 of Income Tax Act, 1961, on 24.09.2015. Mr. Bagla stated that the company i.e. SMR Business Pvt. Ltd. is a group company of M/s Amrit Cement Industries Ltd and the business activity of the company is financing. During the year under consideration the company invested a sum of Rs.51,00,000/ as share application money to the Amrit Cement Industries Ltd. which was allotted. The source of above investment was claimed to be the refund of unsecured loan. The detail of the parties from whom the company claimed to have raised the above funds is given below:

Details of Sources of Fund for the FY 2011-12

Date	*Party Name*	*Amount (Rs.)*	*PAN*	*Nature of Payment*
12.03.2012	*Shree Shakambhari Vastu Nirman Pvt.Ltd*	*29,00,000.00*	*AAGCS5008R*	*Refund of Unsecured Loan*
12.03.2012	*Shree Shakambhari Vastu NirmanPvt.Ltd*	*19,00,000.00*	*AAGCS5008R*	*Refund of Unsecured Loan*
12.03.2012	*ShreeShakambhariVastu Nirman Pvt. Ltd*	*2,85,379.00*	*AAGCS5008R*	*Refund of Unsecured Loan*
	Total	*50,85,379.00*		

It is found from the paper book that the copy of P/L a/c, Balance Sheet, copy of return and relevant copy of Bank statement, of M/s Shree Shakambhari Vastu Nirman Pvt. Ltd were furnished. M/s Shree Shakambhari VastuNirman Pvt. Ltd is also a group company of the assessee & Mr. Bagla is the common director.

The reason for investment in Amrit Cement Industries was stated that "the future prospects of the Cement Industry in North-East is very prospective hence our Company has invested in Amrit Cement Ltd." However, the Company has not received any dividend till date

M/s Chordia Trade Credit Pvt Ltd.

It is found from the details of submission that during the year under consideration M/s Chordia Trade Credit Pvt. Ltd applied share application to the tune of Rs. 7,60,00,000/- to M/s Amrit Cement Industries Ltd. The said share application money was paid for 1,52,000 shares at a face value of Rs. 10/- with premium of Rs.490/- per share. The nature of business of the company is said to be financing.

The company i.e. Chordia Trade Credit Pvt. Ltd. filed its return of income for the assessment year 2012-13 on 30.09.2012 declaring total income of Rs.Nil. The copies P & L a/c , Balance Sheet & audit report and copy of return filing evidence of the company were submitted. It is found from the P& L a/c that the Company suffered a loss of Rs. 10,35,708/- during the year. The company applied for 1,52,000 shares in Amrit Cement Industries Ltd and payment details was submitted.

Mr. Pradeep Bagla director of the company appeared and his statement was recorded u/s 131 of Income tax Act, on 24.09.2015. Mr. Bagla stated that the company i.e. Chordia Trade Credit Pvt. Ltd. is a group company of M/s Amrit Cement Industries Ltd and the business activity of the company is financing. The company has invested a sum of Rs.7,60,00,000/- as share application money in Amrit Cement Ltd. which was allotted during the F.Y. 2011-12. Thesource of investment in Amrit Cement Ltd. for the F.Y. 2011-12 was claimed to be fund raised on sale of Shares held as investment & share application money received during the year.

The company sold the shares to the different parties as given below:-.

Chordia Trade Credits Pvt Ltd details of Sources of fund for the FY 2011-12				
Sale of Shares				
SI No	*Party Name*	*Address*	*Pan No*	*Amount (Rs)*
1	*Bhagyalaxmi Agency Pvt Ltd*	*12A, Sri Gopal Mullick Lane, Kolkata, PIN-700012*	*AADCB6984C*	*5,00,000*
2	*Diagram Distributors Pvt Ltd*	*3, Saklat Place, Kolkata, PEN-700072*	*AADCD3726E*	*5,00,000*
3	*Instil Distributors Pvt Ltd*	*9, India Exchange Place 3rd Floor Kolkata 700001*	*AACCI5749M*	*20,00,000*
4	*Ontrust Dealers Pvt Ltd*	*12A, Sri Gopal Mullick Lane, Kolkata, PIN-700012*	*AABC04574F*	*1,30,00,000*
5	*Porter Buildcon Pvt Ltd*	*108, M.J. Shopping Center, 3, Veer Savarkar Block, Shakarpur, Delhi, PIN-110092*	*AAECP3823H*	*10,00,000*
6	*Safari Dealcom Pvt Ltd*	*11, Prem Chand Boral Street, Kolkata, PIN-700012*	*AAPCS6674L*	*3,14,00,000*
7	*Sixth Sense Vintrade Pvt Ltd*	*7, Bibi Razio Lane, Kolkata, PIN-700012*	*AAPCS6675M*	*2,72,00,000*
8	*Sunstar Infrabuild Pvt Ltd*	*DA/4, 103, Dua Business Center, Main Vikas Marg, Shakarpur, Delhi, PIN-110092*	*AALCS1729C*	*12,00,000*

The source of fund for investment was claimed to be the fund raised as share application money as given below:

Share Application Money				
SI No	*Company Name*	*Address*	*PAN No*	*Amount (Rs.)*
1	*SMR Businesses Pvt. Ltd.*	*226/1 AJC Bose Road, 6" Floor, Kolkata - 700 020*	*AAECS7654P*	*2,00,000*

It appear from the paper book that the copies of Bank Statement of the above companies reflecting such transactions was furnished. It is also found that it is a group company. The source of investment in M/s Amrit Cement Industries Ltd. was claimed to be the fund which was received as sale of shares & share application money as above.

"The reason for investment in Amrit Cement Industries was stated that '"the future prospects of the Cement Industry in North-East is very prospective hence our Company has invested in Amrit Cement Ltd." However, the Company has not received any dividend till date

M/s Gravity Sales Agency Pvt. Ltd.

During the year under consideration the assessee, M/s Amrit Cement Industries Ltd,, received share application money to the tune of Rs. 1,13,00,000/- from M/s Gravity Sales Agency Pvt. Ltd. The said share application money was received at a face value of Rs.10/- with premium of Rs.490/- per share. The nature of business of the company is financing.

It appears from the paper book that the copies of P & L a/c, Balance Sheet and audit report and copy of return filing evidence of the company was submitted. It is found that the company i.e. Gravity Sales Agency Pvt. Ltd filed its return of income on 20.12.2012 declaring total income of Rs.35,67,360/-. It is found from the P& L a/c that the company has income of Rs.35,70,848/-. The company applied for 22,600 shares in Amrit Cement Industries Ltd. The relevant bank statement was produced in respect of share application money payment.

Mr. Sunil Kumar Khemka, Director of the company appeared in response to the summons u/sl31 of the Income Tax Act and his statement was recorded u/s 131 of the income Tax Act,1961 on 29.09.2015. Mr, Khemka stated that the company is a financing company and the source of income of the company is from investment. Mr. Khemka stated that the company is a group Company with Amrit Cement Ltd. and he is the common Director of both. The Company invested a sum of Rs. 1,13,00,000/- as share application money in Amrit Cement Ltd. The source of above investment was claimed to the fund which was received from the different parties as sale of shares held as Investment. He submitted the details of sale of share and the parties involved in these transactions which is given below:

Gravity Sales Agency Pvt Ltd Details of Sources of fund for the FY 2011-12 as sale of shares				
SI No	Company Name	Address	PAN No	Amount (Rs.)
1	Adeline Sales Pvt Ltd	33 Braboume Road, Ground Floor, Kolkata 700001	AAKCA0547R	1600000.00
2	BubliBantiTradecom Pvt Ltd	21, Amartolla Street, Kolkata 700001	AACCB8829M	1300000.00
3	Farista Dealers Pvt Ltd	75 Metclaf Street, Kolkata 700013	AABCF6129R	3000000.00
4	Gold Line Dealcom Pvt Ltd	30, Bentinck Street, Kolkata, 700001	AADCG4509N	1500000.00
5	Krypton Trade Link Pvt Ltd	C/0,-Sikha Sen, 24, Babu Ram Si Lane, 2nd Floor, Kolkata, PIN-700012	AAECK0113C	1400000.00
6	Strong Dealers Pvt Ltd	132, Cotton Street, 4th Floor, Room no, 405, Kolkata, PIN-700007	AANCS9028C	2000000.00
7	Wellknown Commercial Pvt Ltd	119B, Mukta Ram Babu Street, 4th Floor, kolkata, PIN-700007	AABCW0422E	1000000.00
		Total	'	**1,18,00,000.00**

It is found that the relevant copy of bank statement, PAN jurisdiction and in some case the copies of P/L A/c, Balance Sheet, Audit Report was submitted in respect of the above companies,

The reason for investment in Amrit Cement Industries was stated that "the future prospects of the Cement Industry in North-East is very prospective hence our Company has invested in Amrit Cement Ltd." However, the Company has not received any dividend till date.

Madrid Traders Pvt Ltd.

It is found that during the year under consideration Madrid Traders Pvt. Ltd applied share application money to the tune of Rs. 16,68,45,000/- to M/s Amrit Cement Industries Ltd. The said share application money was paid for 55700 shares at a face value of Rs.10/- with premium of Rs.490/- per share. The nature of business of the company is claimed to be financing.

It is also found from the paper book that the copies of P & L a/c, Balance Sheet and audit report and copy of return filing evidence of the company were submitted. It is found that the company i.e. Madrid Traders Pvt. Ltd filed its return of income on 07.03.2013 declaring total income of Rs.67580/-. It is found from the P& L a/c that the company profit before tax of Rs.67583/- during the year. The company applied for 55700 shares in Amrit Cement Industries Ltd. The relevant bank statement was produced.

Mr. Pradeep Kumar Bagla, Director of the company appeared in response to the summons u/sl31 of the Income Tax Act and his statement was recorded u/s 131 of the income Tax Act, 1961 on 24.09.2015. Mr. Bagla stated that the company i.e Madrid Traders Pvt. Ltd. is a group company of M/s Amrit

Cement Industries Ltd. & the business activity of the company isInvestment. Madrid Traders Pvt. Ltd. is an Investment company. Mr. Bagla stated that the company invested a sum of Rs. 2,78,50,000/- as share application money in Amrit Cement Ltd. The source of above investment was claimed to be the fund which was received horn the different parties as sale of shares held as Investment. He submitted the details of sale of share and the parties involved in these transactions which is given below:

SI No	*Company Name*	*Address*	*PAN No*	*Amount (Rs.)*
I	*Bright Commotrade Pvt Ltd*	*2, Lalbazar Street, 2nd Floor, Kolkata- 700001*	*AADCB9325P*	*30,00,000.00*
2	*YeriVincom Pvt Ltd*	*8/1, Princep Street, 2nd Floor, Room No. 2, Kolkata-700072*	*AAACY1028K*	*35,00,000.00*
3	*Ratio Vincom Pvt Ltd*	*7, Haldhar Basu Road, Kolkata-700114*	***AAFCR4265A***	*50,00,000.00*
4	*Titanic Distributors Pvt Ltd*	*7, Haladhar Basu Road, Kolkata, 700114*	*AADCT9104A*	*1,47,50,000.00*
5	*Truthful Tradecomm Pvt Ltd*	*AD-76, Sector-1, Salt Lake City, Kolkata- 700064*	*AADCT9261C*	*14,50,000.00*
6	*Deepa Bagla*	*226/1 Ajc Bose Road Trinity 6th Floor Kolkata 700020*	*ADQPB4249P*	*3,00,000.00*
		Total		***2,80,00,000.00***

The paper book reflects that the relevant copy of bank statement, PAN jurisdiction and in some case the copies of P/L A/c, Balance Sheet, Audit Report and return filing receipt in respect of the above parties were submitted.

It is found that the source of investment in M/s Amrit Cement Industries Ltd. was claimed to be the fund which was received as sale of shares as stated above. The reason for investment in Amrit Cement Industries was stated that "the future prospects of the Cement Industry in North-East is very prospective hence our Company has invested in Amrit Cement Ltd." However, the Company has not received any dividend till date.

M/s Naman Health Food Industries Pvt. Ltd,

It is found that during the year under consideration M/s Naman Health Food Industries Pvt. Ltd applied share application money to the tune of Rs. 18,66,50,000/- to M/s Amrit Cement Industries Ltd. The said share application money was paid for 373300 shares at a face value ofRs.10/- with premium of Rs.490/- per share. The nature of business of the company is claimed to be financing.

The copies P & L a/c, Balance Sheet and audit report and copy of return filing evidence of the company were submitted. It is found that the company i.e M/s Naman Health Food Industries Pvt. Ltd filed its return of income on 06.03.2013 declaring total income of Rs.nil. It is found from the P& L a/c that the company suffered a loss of Rs.7603/- during the year. The company applied for 373300 shares in Amrit Cement Industries Ltd. The relevant bank statement was produced in the paper book.

Mr. Pradeep Kumar Bagla, Director of the company appeared in response to the summons u/sl31 of the Income Tax Act and his statement was recorded u/s 131 of the income Tax Act, 1961 on 28.09.2015. Mr. Bagla stated that the company is a financing company and the source of income of the company is from investment. Mr. Bagla stated that the company i.e Naman Health Food Industries Pvt. Ltd. is a group company of M/s Amrit Cement Industries Ltd. and he is a common Director to both. Mr.Bagla stated that the company invested a sum of Rs. 18,66,50,000/- as share application money in Amrit Cement Ltd. The source of above investment was claimed to be the fund which was received from the different parties as sale of shares, as Share Application Money, Refund of Loans and Advances and as Trade receivables which is given below:

1.	*Sale of shares*	*Rs.14,80,37,500/-*
2.	*Share application money received*	*Rs.3,69,36,900/-*
3.	*Refund of loan*	*Rs.5,00,000/-*
4.	*Trade receivables*	*Rs.94.l88/-*
	Total	*Rs.18,55,68,588/-*

The details of sale of share and Share Application Money and the parties involved in these transactions which is given below:

Details of Sources of fund for the FY 2011-12				
Sale of Shares				
SI No	*Company Name*	*Address*	*PAN No*	*Amount (Rs.)*
1	*Gokul Commodities Pvt. Ltd.*	*58, Eliott Road. 3rd Floor, Kolkata-700016*	*AACCG3298B*	*1,90,00,000,00*
2	*Ideal Stock Advisory Pvt Ltd*	*6A, Saklat Palace, 4th Floor, Kolkata-700072*	*AACCI2156G*	*2,40,00,000.00*
3	*Jignesh Trading Pvt Ltd*	*2 Madan Street, 1st Floor, Kolkata-700072*	*AACCJ5218Q*	*4,40,00,000.00*
5	*MetalliteFinancialAdvisory Pvt Ltd*	*6A, Saklat Palace, 4th Floor, Kolkata-700072*	*AAGCM3375H*	*1,75,00,000.00*
6	*NarsinghVyapaar Pvt Ltd*	*58, Elliot Road, 3rd Floor, Kolkata-700016*	*AABCN8267G*	*50,00,000.00*
7	*Pecon Dealers Pvt Ltd*	*4, SukhlalJohuri Lane, 1 st Floor, Kolkata- 700007*	*AAFCP2896M*	*5,78,00,000.00*
8	*VijayLakhmiVanijya Pvt Ltd*	*58, Elliot Road, 3rd Floor, Kolkata-700016*	*AACCV4919L*	*25,00,000.00*
9	*Vilasini Sales Pvt Ltd*	*2 Madan Street, 1 st Floor, Kolkata-700072*	*AADCV5397F*	*2,37,500.00*

Share Application Money

SI No	Company Name	Address	PAN No	Amount (Rs.)
1	Ideal Stock Advisory Pvt Ltd	6A, Saklat Palace, 4th Floor, Kolkata-700072	AACCI2156G	1,18,25,000.00
2	Kartavya Distributor Pvt Ltd	9/12 Lai Bazar Street, 1st Floor, Block-A, Room No.-9, Kolkata-700001		33,50,000.00
3	Vilasini Sales Pvt Ltd	2 Madan Street, 1st Floor, Kolkata-700072	AADCV5397F	2,17,37,500.00

Refund of Loans andAdvances				
SI No	Name	Address	PAN No	Amount (Rs.)
1	Deepa Bagla	226/1, AJC Bose Road, Kolkata-700020	ADQPB4249P	10,00,000

It is found from the submission of the assessee that only the relevant copies of Bank Statement and PAN jurisdiction of the above parties was submitted. It is also found that Naman Health Food Industries Pvt. Ltd. is a group Company where Mr. Bagla is one of the Directors.

The reason for investment in Amrit Cement Industries was stated that "the future prospects of the Cement Industry in North-East is very prospective hence our Company has invested in Amrit Cement Ltd." However, no dividend was received till date.

M/s Ridhi Sidhi Vaniira Pvt. Ltd.

It is found from the submission of the assessee that during the year under consideration the assessee, M/s Amrit Cement Industries Ltd., received share application money to the tune of Rs,8,l 1,00,000/- from M/s Ridhi Sidhi Vanijya Pvt. Ltd,. The said share application money was received at a face value of Rs.10/- with premium of Rs.490/- per share. The nature of business of the company is financing.

The paper book reflects that the copies of P & L a/c, Balance Sheet and audit report and copy of return filing evidence of the company were submitted. It is found that the company i.e. Ridhi Sidhi Vanijya Pvt. Ltd filed its return of income on 06,03.2013 declaring total income of Rs.Nil. It is found from the P& L a/c that the company suffered a loss of Rs.6272/- during the year. The company applied for 162200 shares in Amrit Cement Industries Ltd. The relevant bank statement was produced in respect of share application money payment.

Mr. Pradeep Kumar Bagla, Director of the company appeared in response to the summons u/s 131 of the Income Tax Act and his statement was recorded u/s 131 of the income Tax Act, 1961 on 28,09,2015. Mr. Bagla stated that the company is an Investment company and the source of income of the

company is from investment. Mr. Bagla stated that the company i.e Ridhi Sidhi Vanijya Pvt. Ltd. is a group company of M/s Amrit Cement Industries Ltd, and he is common Director to both. Mr.Bagla stated that the company invested a sum of Rs. 8,11,00,000/- as share application money in Amrit Cement Ltd. The source of above investment was claimed to be the fund which was received from the different parties as sale of shares and Share Application Money held as Investment.

The details of sale of share and the parties involved in these transactions were submitted which is given below:

Details of Sources of fund for the FY 2011-12 sale of shares				
SI No	*Company Name*	*Address*	*PAN No*	*Amount (Rs.)*
1	*Bright Commotrade Pvt Ltd*	*2, Lalbazar Street, 2nd Floor, Kolkata - 700001*	*AADCB9325P*	*2,19,00,000*
2	*Yeri Vinicom Pvt Ltd*	*8/1, PRINCEP STREET, 2nd Floor, Room No. 2, Kolkata - 700072*	*AAACY1028K*	*5,31,00,200*
		Total		*750,00,200/-*

Share Application Money				
SI No	*Company Name*	*Address*	*PAN No*	*Amount (Rs.)*
1	*BrightCommotrade Pvt Ltd*	*2, Lalbazar Street, 2nd Floor, Kolkata - 700001*	*AADCB9325P*	*33,00,000*
2	*Yeri VinicomPvt Ltd*	*8/1, PRINCEP STREET, 2nd Floor, Room No. 2, Kolkata - 700072*	*AAACY1028K*	*28,00,000*
		Total		*61,00,000/-*

It is appeared from the paper book that the relevant copy of Bank Statement and PAN jurisdiction Mid P& L a/c of the above companies was produced.

Regarding investment in Amrit Cement Industries it was stated that "the future prospects of the Cement Industry in North-East is very prospective hence our Company has invested in Amrit Cement Ltd." However the company has not received any dividend till date.

M/s Bharat Finance & Industries Ltd..

It is found from the submission of the assessee that during the year under consideration M/s Bharat Finance & Industries Ltd applied share application money to the tune of Rs.8,38,00,000/- to Amrit Cement Industries Ltd. The said share application money was paid for 1,67,600 shares at a face value of Rs.10/- with premium of Rs.490/- per share. The said amount was paid

through DCB Bank, Kolkata. The nature of business of the company is claimed to be Financing.

It is found from the records that during the assessment proceeding, the summons u/s 131 was not issued to this party. The Registered Address of the Company is claimed to be at Mohala Takhat Garh, Civil Hospital Road, Opposite SK Medical, Phillaur, Jalandhar, Punjab- 144410. The notice u/s 133(6) was issued to the Company and in response to this notice the reply was submitted on 26.12.2014 and the copy of such reply was produced in the Paper Book, It is found from the Paper Book that the said Company has submitted the copies P & L a/c , Balance Sheet and audit report, copy of relevant bank statement and copy of return filing evidence of the company. It is found that the company i.e. Bharat Finance & Industries Ltd. filed its return of income for the assessment year 2012-13 on 30.09.2012 declaring total income of Rs. 51,505/-. The P& L a/c shows that the total turn-over of the company was Rs. 2,30,64,132/- during the year. During the year under consideration the company applied for 1,67,600 shares in Amrit Cement Industries Ltd. which was allotted. The Source of above Investment was claimed to be from Sale of Shares amounting to Rs.8,38,00,000/-.

M/s Gulmohar Vvapaar Pvt Ltd,.

During the year under consideration M/s Gulmohar Vyapaar Pvt. Ltd. applied share application money to the tune of Rs. 1,69,00,000/- to Amrit Cement Industries Ltd. The said share application money was paid for 33,800 shares at a face value of Rs.10/- with premium ofRs.490/- per share. The said amount was paid through Dhanlakshmi Bank, Klkata. The nature of business of the company is investment.

It is found from the paper book that the copies P & L a/c, Balance Sheet and audit report, copy of relevant bank statement and copy of return filing evidence of the company was submitted. It is found that the company i.e. Gulmohar Vyapaar Pvt. Ltd filed its return of income for the assessment year 2012-13 on 07.03.2013 declaring total income of Rs.65,190. During the year under consideration the company applied for 33,800 shares in Amrit Cement Industries Ltd. which was allotted.

Mr. Sunil Kumar Khemka, Director of the company appeared in response to the summons u/sl31 of the Income Tax Act and his statement was recorded u/s 131 of the income Tax Act, 1961 on 28.09.2015. Mr. Khemka stated that the company is a Investment company and the source of income of the company is from investment, Mr, Khemka stated that the company invested a sum of Rs. 1,69,00,000/- as share application money in Amrit Cement Ltd. The source of above investment was claimed to be the fund which was received from the different parties as sale of shares held as Investment. He submitted the details of sale of share and the parties involved in these transactions which is given below:

Details of Sources of Fund for the FY 2011-12 as sale of shares from the				***Allowing parties***
SI No	*Company Name*	*Address*	*PAN No*	*Amount (Rs.)*
1	*Yeri Vincom Pvt Ltd*	*8/1, PRINCEP STREET, 2nd Floor Room No. 2,Kolkata - 700072*	*AAACY1028K*	*73,50,000.00*
2	*Potential Commercial Pvt Ltd*	*7, Haladhar Basu road, kolkata, 700114*	*AAGCP1348F*	*15,00,000,00*
3	*Third Eye Vinimay Pvt Ltd*	*103, Agarpara North Station Road, Near AsutoshBhawan,Kolkata-700109*	***AADCT9393F***	*50,00,000.00*
4	*Titanic Distributors Pvt Ltd*	*7, haladharbasu road, kolkata, 700114*	*AADCT9104A*	*30,50,000.00*
		Total		***1,69,00,000.00***

In this case the copies of relevant Bank Statement and Return Filing evidence, copy of Profit and Loss Account Balance Sheet for the year under consideration were submitted. It is also found that Gulmohar Vyapaar Pvt. Ltd is a group Company where Mr. Sunil Kumar Khemka is one of the Directors.

It was stated regarding the reason for investment in Amrit Cement Industries that "the future prospects of the Cement Industry in North-East is very prospective hence our Company has invested in Amrit Cement Ltd." However, the Company has not received any dividend till date.

M/s Jai Mata Pi Vaniiva Pvt Ltd..

During the year under consideration the assessee, M/s Amrit Cement Industries Ltd., received share application money to the tune of Rs.8,10,00,000/- from M/s Jai Mata Di Vanijya Pvt. Ltd. The said share application money was received at a face value of Rs.10/- with premium of Rs.490/- per share. The nature of business of the company is financing.

The copies P&L a/c, Balance Sheet and audit report and copy of return filing evidence of the company was submitted. It is found that the company i.e. Jai Mata Di Vanijya Pvt. Ltd filed its return of income on 06.03.2013 declaring total income of Rs.Nil, It is found from the P& L a/c that the company suffered a loss of Rs.471/- during the year. The company applied for 1,62,000 shares in Amrit Cement Industries Ltd. The relevant bank statement was produced in respect of share application money payment.

Mr. Pradeep Kumar Bagla, Director of the company appeared in response to the summons u/sl31 of the Income Tax Act and his statement was recorded u/s 131 of the income Tax Act, 1961 on 29.09.2015. Mr. Bagla stated that the company is an Investment company and the source of income of the company is from investment. Mr. Bagla stated that the company invested a sum of Rs. 8,10,00,000/- as share application money in Amrit Cement Ltd. The source of above investment was claimed to be the fund which was received from the different parties as sale of shares held as Investment and as Share Application Money received during the year.

Sale of shares *Rs.7,92,00,000/-*

1. *Share application money received* *Rs.18.60.000/-*
Total *Rs.8,10,60,000/-*

The details of sate of share and share Application money received from the parties involved inthese transactions were submitted which is given below:

Details of Sources of Fund for the FY 2011-12 as sale of shares from the following parties				
SI No	*Company Name*	*Address*	*PAN No*	*Amount (Rs.)*
1	*Yeri Vincom Pvt Ltd*	*8/1, Princep Street, 2nd Floor Room No, 2, Kolkata - 700072*	*AAACY1028K*	*3,15,00,000.00*
2	*Alltime Vincom Pvt Ltd*	*103, Agarpara North, Station Road, North 24Praganas, Kolkata - 700109*	*AAJCA7051P*	*1,65,00,000.00*
3	*Favourite Shoppers Pvt Ltd*	*7, Haladhar Basu Road, Kolkata, 700114*	*AABCF7706L*	***50,00,000.00***
4	*LinkPoint Merchandise Pvt Ltd*	*103, Agarpara North, Station Road, North 24 Praganas, Kolkata - 700109*	*AACCL0679F*	*25,00,000.00*
5	*OversureVincom Pvt Ltd*	*7, Haladhar Basu Road, Kolkata, 700114*	*AABC05192R*	*40,00,000.00*
6	*Potential Commercial Pvt Ltd*	*7, Haladhar Basu Road, Kolkata, 700114*	*AAGCP1348F*	*16,40,000.00*
1	*Ratio Vincom Pvt Ltd*	*7, Haladhar Basu Road, Kolkata, 700114*	*AAFCR4265A*	*25,00,000.00*
8	*Smoothly Vintrade Pvt Ltd*	*103, Agarpara North, Station Road, North 24 Praganas, Kolkata - 700109*	*AAQCS1614P*	*50,00,000.00*
9	*SubhdharaTradelink Pvt Ltd*	*Peary Das Lane, Kolkata - 700006*	*AAQCS1789P*	*85,00,000.00*
10	*Titanic Distributors Pvt Ltd*	*7, Haladhar Basu Road, Kolkata, 700114*	*AADCT9104A*	***20,00,000.00***
		Total		***7,91,40,000.00***

Sources of Fund for the FY 2011-12 as Share Application Money from following			
Company Name	*Address*	*PAN No*	*Amount (Rs.)*
Potential Commercial Pvt Ltd	*7, Haladhar Basu Road, Kolkata, 700114*	*AAGCP1348F*	*18,60,000.00*
	Total		***18,60,000.00***

The copies of relevant Bank Statement and PAN Jurisdiction of the above companies were enclosed with the paper book. In most of the cases profit and loss account and the Balance Sheet of the above companies for the

relevant financial year were produced. It is found that most of the above companies are operated from 2 or 3 addresses.

The reason for investment in Amrit Cement Industries was stated that "the future prospects of the Cement Industry in North-East is very prospective hence our Company has invested in Amrit Cement Ltd." However, the Company has not received any dividend till date.

M/s Lord DealcomPvt.Ltd.

During the year under consideration the assessee, M/s Amrit Cement Industries Ltd., received share application money to the tune of Rs. 12,29,50,000/- from M/s Lord DealcomPvt.Ltd., The said share application money was received at a face value of Rs.10/- with premium of Rs.490/- per share. The nature of business of the company is financing.

It is found paper book that the copies of P & L a/c , Balance Sheet and audit report and copy of return filing evidence of the company were submitted. It is found that the company i.e. Lord DealcomPvt.Ltd. filed its return of income on 06.03.2013 declaring total income of Rs.26398/-. The company applied for 245900 shares in Amrit Cement Industries Ltd,

Mr. Sunil Kumar Khemka, Director of the company appeared in response to the summons u/sl31 of the Income Tax Act and his statement was recorded u/s 131 of the income Tax Act, 1961 on 29.09.2015. Mr. Khemka stated that the company is an Investment company and the source of income of the company is from investment Mr. Khemka stated that the company invested a sum of Rs. 12,29,50,000/- as share application money for 245900 shares in Amrit Cement Ltd. The source of above investment was claimed to be the fund which was received from the different parties as sale of shares held as Investment, as Share Application Money received and Unsecured Loan received during the year which is given below:

1. *Share application money received 3,53,05,000/-*
2. *Received unsecured loan 2,40,00,000/-*
3. *Sale of shares- 8,61,45,000/-*

Total 12,38,50,000/-

He submitted the details of sale of share and the parties involved in these transactions

Details of Sources of fund for the FY 2011-12 as Sale of Shares from the followingparties

Sl No	*Company, N ame*	*Address*	*PANNo*	*Amount (Rs.)*
1	*Avon Dealcom Pvt Ltd*	*71, Sarat Chatterjee Road, Ground Floor, Kolkata-700089*	*AAICA6176C*	*5000000,00*
2	*Ideal Stock Advisory Pvt Ltd*	*6A, Saklat Palace, 4th Floor, Kolkata-700072*	*AACCI2I56G*	*6000000.00*
3	*Jignesh Trading*	***2, Madan Street, 1st Floor,***	*AACCJ5218Q*	*44650000.00*

4	PvtLtd	**Kolkata-700072**		
	Metalite Financial Advisory Pvt Ltd	**6A,Saklat Palace, 4th Floor, Kolkata-700072**	AAGCM3375H	5,00,000.00
5 6	Pecon Dealers Pvt Ltd Sandarv Distributors & Sales Pvt Ltd	58, Elliot Road, Bata More, Kolkata-700016 27, BiplabiTrailakyaMaharajSaraninarayani Building, Kolkata-700001	AAFCP2896M AANCS7261F	31,00,000.00 1,58,95,000.00
7	Tenet Commerce Pvt Ltd	**58, Elliot Road, Bata More, Kolkata-700017**	AADCT3369B	70,00,000.00
8	VijayLakhmiVanijya Pvt Ltd	58, Elliot Road, Bata More, Kolkata-700016	AACCV4919L	40,00,000.00

Sources of fund as Share Application Money

1	Ideal Stock Advisory Pvt Ltd	**6A, Saklat Palace,** 4th **Floor,** Kolkata-700072	AACCI2156G	20,00,000.00
2	Jignesh Trading Pvt Ltd	2, Madan Street, 1st Floor, Kolkata-700072	AACCJ5218Q	30,00,000.00
3 I	Metalite Financial Advisory Pvt Ltd	6A, Saklat Palace, 4th Floor, Kolkata-700072	AAGCM3375H	5,00,000.00
4	Sandarv Distributors & Sales Pvt Ltd	27, BiplabiTrailakya Maharaj Saraninarayani Building,Kolkata-700001	AANCS7261F	2,33,05,000.00
5	Vilasini Sales Pvt Ltd	2, Madan Street, 1st Floor, Kolkata-700072	AADCV5397F	65,00,000.00
Sources of fund as Unsecured Loan				
1	Ideal StockAdvisory Pvt Ltd	6A, Saklat Palace, 4th Floor, Kolkata-700072	AACCI2156G	15,00,000.00
2	Pecon Dealers I Pvt Ltd	58, Elliot Road, Bata More, / Kolkata-700016	AAFCP2896M	9,00,000.00

It appears that the copies of relevant Bank Statement and PAN Jurisdiction of the above Companies were produced as appeared from the paper book. It is found that a number of Companies are situated at the same address. It is found that both Amrit Cement Pvt. Ltd. and M/s Lord Dealcom Pvt. Ltd, are group companies where Mr. Sunil Kumar Khemka is one of the directors. The reason for investment in Amrit Cement Industries was stated that "the future prospects of the Cement Industry in North-East is very prospective hence our Company has invested in Amrit Cement Ltd." However, the Company has not received any dividend till date.

M/sPrabhudhan Finance Pvt Ltd

In the case of Prabhudhan Finance Pvt. Ltd. it is found that during the year under consideration the assessee, M/s Amrit Cement Industries Ltd., received share application money to the tune of Rs.50,00,000/- from M/s Prabhudhan Finance Pvt. Ltd.. The said share application money was received at a face

value of Rs.10/- with premium of Rs.490/- per share. The nature of business of the company is financing.

It is found that the copies of P & L a/c, Balance Sheet and audit report and copy of return filing evidence of the company was submitted. It is found that the company i.e. Prabhudhan Finance Pvt. Ltd. filed its return of income on 31.03.2013 declaring total income of Rs.4,94,240/-. It is found from the P& L a/c that the profit before tax of the company was Rs. 4,94,244/- during the year. The company applied for 10,000 shares in Amrit Cement Industries Ltd. The relevant bank statement was produced in respect of share application money payment.

Mr, Pradeep Kumar Bagla, Director of the company appeared in response to the summons u/sl31 of the Income Tax Act and his statement was recorded u/s 131 of the income Tax Act, 1961 on 29.09.2015. Mr.Bagla stated that the company is a financing company and the source of income of the company is from finance. Mr.Bagla stated that the company invested a sum of Rs.50,00,000/- as share application money in Amrit Cement Ltd. for which the Company was allotted 10,000 shares. The source of above investment was claimed to be the fund which was received from Amrit Cement Pvt. Ltd. as share application money received during the year is given below:

SI No	*Company Name*	*Address*	*PAN No*	*Amount (Rs.)*
1	*Amrit Cement Pvt. Ltd.*	*226/1, AJC Bose Road, Kolkata-700020*	*AAICA2667C*	*75,10,000/-*

The relevant copy of Bank Statement P& La/c, Balance sheet and the copy of filing of return for the year under consideration were submitted with the paper book. It is found that both Amrit Cement Pvt. Ltd. and M/s Prabhudhan Finance Pvt. Ltd. are the group companies where Mr. Pradeep Bagla is one of the directors

The reason for investment in Amrit Cement Industries was stated that "the future prospects of the Cement Industry in North-East is very prospective hence our Company has invested in Amrit Cement Ltd." However, the Company has not received any dividend till date.

As desired by Ld.CIT(A), the remand report is submitted for his kind perusal and he may direct for further enquiries, if he deems fit."

14. We note that thereafter again search action was carried out against assessee on 05.10.2021 and assessee's assessment jurisdiction was centralised with DCIT, Central Circle-4(1),Kolkata.Consequenlty the appeal was transferred from Ld. CIT(A)-20, Kolkata to Ld. CIT(A)-27 Kolkata.The Ld.

CIT(A) -27, Kolkata again called for remand report vide its letter dated 28.08.2025 and 21.10.2025 from the DCIT, CC-4(1), Kolkata as evident from remand report dated 31.12.2025(hereinafter referred to as 2nd remand report) submitted by the DCIT, Central Circle-4(1), Kolkata which is available at Page No 1 to 37 of CP-1. The report was received by Ld. CIT(A)-27, Kolkata on 06.01.2026 as evident from Page No 1 of CP-1. The relevant extract of the report are extracted below:

"1. Your good self has called for a fresh enquiry report under Section 250(4) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') in the case of M/s Amrit Cement Ltd. (formerly M/s Amrit Cement Industries Ltd.) for the Assessment Year 2012-13. This is in addition to the remand report dated 30.11.2015 earlier furnished by the then Assessing Officer, DCIT, Central Circle-2(1), Kolkata, in the Original Appeal No. 1206/C.C.-2(l)/CIT(A)-20/2014-15 to the erstwhile CIT(A)-20, Kolkata.

2. In the said communication, the Ld. CIT(A)-27 has made specific observations regardingthe share application money received by the assessee and has directed that a fresh remand report be submitted.

3. The brief fact of the case is as under:

Assessee filed its Income Tax Return u/s 139(1) of the I.T. Act, 1961 for A.Y. 2012-13 on 29.09.2012 declaring total income of Rs. NIL. In the case of assessee, a search & seizure operation was conducted u/s 132 of the I.T. Act, 1961 on 30.08.2012 and subsequent dates at the business premises of the assessee at Trinity Tower, 6th floor, 226/1, A.J.C. Bose Road, Kolkata - 700020 and at UmlaperElaka, Rambai, Jaintia Hills, Meghalaya. Accordingly, Notice u/s 153A of the I.T. Act, 1961 was issued on 19.06.2013 for the A.Y. 2012-13. In response to the said notice, the assessee filed its return of income declaring total income as Rs. NIL.

On perusal of the records it is found that the assessee company had received share capital at the face value of Rs. 10/- with premium Rs. 490/- per share from eleven corporate entities and two individuals during the assessment year 2012-13. The details of share application money received during the relevant year and allotment made are enclosed vide Annexure-1:

Out of the total share application money received by the assessee during the year, an addition of ₹69,76,50,000/- was made under Section 68 of the

Income Tax Act, 1961, pertaining to the amounts received from following corporate share applicants.

Sl No	**Name of the share applicant**	**PAN**	**Address**	**Amount** (Rs/-)
I	M/s. SMR Business Pvt Ltd	AAECS7654P	226/1, A.J.C. Bose Road, Kolkata-700020	51,00,000
II	M/s. Chordia Trade Credit Pvt Ltd	AABCC3177C	226/1, A.J.C. Bose Road, Kolkata-700020	7,60,00,000
III	M/s. Gravity Sales Agency Pvt Ltd	AAACG9991M	226/1, A.J.C. Bose Road, Kolkata-700020	1,13,00,000
IV	M/s. Madrid Traders Pvt Ltd	AAECM5072F	226/1, A.J.C. Bose Road, Kolkata-700020	2,78,50,000
V	M/s. Naman Health Food Industries Pvt Ltd	AACCN7164M	226/1, A.J.C. Bose Road, Kolkata-700020	18,66,50,000
VI	M/s. RidhiSidhiVanijya Pvt Ltd	AADGR2112C	226/1, A.J.C. Bose Road, Kolkata-700020	8,11,00,000
VII	M/s. Bharat Finance & Industries Ltd	AAACT5129L	226/1, A.J.C. Bose Road, Kolkata-700020	8,38,00,000
VIII	M/s. Vana Nine Pvt Ltd (Formerly Known as GulmoharVyapaar Pvt Ltd)	AACCG5179M	226/1, A.J.C. Bose Road, Kolkata-700020	1,69,00,000
IX	M/s. Jai Mata Di Vanijya Pvt Ltd	AABCJ6379D	226/1, A.J.C. Bose Road, Kolkata-700020	8,10,00,000
X	M/s. Lord Dealcom Pvt Ltd	AABCL5187D	226/1, A.J.C. Bose Road, Kolkata-700020	12,29,50,000
XI	M/s Prabhudhan Finance Pvt Ltd	AACCP6358D	226/1, A.J.C. Bose Road, Kolkata-700020	50,00,000
Total				**69,76,50,000**

4. It is apparent from the assessment order dated 25.03.2015 that during the course of assessment proceeding, notices under Section 133(6) of the Act were issued to the respective corporate share applicants to verify the genuineness of the transactions. Replies were received in response to these notices. Summons under Section 131 of the Act were issued to the Directors of the share applicant companies. However, none of the Directors appeared in compliance with the summons.

The A.O. recorded his observation in the Assessment Order while making addition u/s. 68 that: *"as no director appeared in response to summons, all the three parameters set by the various Appellate Authorities i.e. Existence, Genuineness of transactions and Credit - worthiness, regarding genuineness of share capital received could not be ascertained"*

The A.O. further recorded his observation in the Assessment Order while making addition u/s. 68 that: "The *assessee company could not even explain the source of share capital/premium credited in its Books of Accounts as none of the Directors of the Companies to whom Summons u/s 131 issued by this office, from which share capital/premium received by Assessee Company and credited in its Books of Accounts appeared. In the light of the above, I did not find explanation from the Assessee regarding credit of fund in the form of Share Capital/Premium in its Books of Accounts, satisfactory hence amount so*

credited has been added to the Total Income of the Assessee u/s 68 of Income Tax Act, 1961. Penalty Proceeding u/s 271AAB initiated separately."

5. The assessment was completed as above under Sections 153A/143(3) of the Act on 25.03.2015, determining the total income at ₹69,84,58,170/-, which included the addition of ₹69,76,50,000/- under Section 68 of the Act on account of share application money received from the eleven corporate entities.

Remand Report Dated 30.11.2025

As is evident from the letter issued by Your good self, a remand report bearing No. ACIT/C.C- 2(1)/Kol/Remand Report/2015-16/1462 dated 30.11.2015 was earlier submitted by the then Assessing Officer, ACIT, Central Circle-2(1), Kolkata, before the CIT (A)-20, Kolkata.

As per the directions of the Ld. CIT (A)-20, Kolkata, summons under Section 131 of the Income Tax Act, 1961 were issued on 24.09.2015 to the Directors of the said eleven share subscriber companies.

The Directors in the share applicant companies are mainly Mr Pradeep Kumar Bagla, Mrs Deepa Bagla and Mr Sunil Kumar Khemka. In compliance with the said summons, Mr. Pradeep Kumar Bagla and Mr. Sunil Kumar Khemka appeared on behalf of their respective companies and their statements were duly recorded. They explained the source of fund for giving share application money to the assessee.

Fresh Remand Report

Now, in view of the observations made by Your good self, a fresh enquiry report under Section 250(4) of the Income Tax Act, 1961 is submitted as under:

6. Your good self has observed that shares were issued to the Directors at face value of ₹10/- per share, whereas shares were allotted to corporate shareholders at a premium of ₹490/- per share.

However, upon my careful examination of the assessee's records, i.e. the Return of Allotment filed with the Registrar of Companies (ROC) dated 31.01.2012 and 31.03.2012 & Books of Accounts as well as the submissions made by the assessee in this regard, it is evident that shares were allotted during the Financial Year 2011-12, relevant to Assessment Year 2012-13, to all share applicants including Mr. Pradeep Kumar Bagla and Mrs. Deepa Bagla a premium of ₹490/- per share, in addition to the face value of ₹10/- per share. Return of allotment enclosed vide Annexure - 2.

Thus, there is no discrimination found in allotment of shares to the Directors/Promotors as well as corporate share applicants. Hence, there is no adverse finding in this regard.

Your good self has referred to the concluding paragraph of the earlier remand report dated 30.11.2015, wherein it is stated:

"As directed by the Ld. CIT(A), the remand report is submitted for his kind perusal and he may direct for further enquiries if he deems fit."

It is respectfully submitted that the above mentioned in the Original Remand Report dated 30.11.2015 is standard and general remarks made by the A.O. in most of the remand report only in the view that in case the Ld. CIT (A) wants any further enquiry, then it may be carried out by the A.O. which is duly mandated in section 250(4) of the Act itself. Hence, no further comment is made by me now.

8. Your goodself further observed that in the remand report dated 30.11.2025, the then AO has not stated anything about the nature & source of fund flown, business activities/business rationale and capacity of investment of the fund flown companies /2nd source companies.

Upon examination of the earlier remand report dated 30.11.2015 and documents submitted in the course of second remand proceedings, it is observed that the source of funds in the hands of the share subscriber companies comprises are out of Sale proceeds of investments, Refund of loans and Receipt of Share Application Money etc.

All the entities providing these funds are dealing in shares. I have tried to make extensive enquiry against the second source companies on test checkbasis though it is not required for the purposes of section 68 of the Act for the A.Y. 2012-13. The relevant part of section 68, applicable w.e.f. A.Y. 2013-14, is reproduced hereunder:

"Provided further that where the assessee is a company (not being a company in which the public are substantially interested), and the sum so credited consists of share application money, share capital, share premium or any such amount by whatever name called, any explanation offered by such assessee-company shall be deemed to be not satisfactory, unless

the person, being a resident in whose name such credit is recorded in the books of such company also offers an explanation about the nature and source of such sum so credited; and

such explanation in the opinion of the Assessing Officer aforesaid has been found to be satisfactory: "

INSPECTORS REPORT:

During Remand proceeding, Departmental Inspector was deputed for furnishing fresh enquiry report after making physical verification of existence and identity of the Source of Source of the share capital raised by M/s Amrit Cement Ltd.

The shareholders of M/s Amrit Cement Ltd. had made investments in the Shares of M/s Amrit Cement Ltd. during the year under consideration after receiving funds from various concerns which happens to be the Source of Source i.e. Second Source Companies.

In order to conduct the said enquiry, the Inspector visited at the given addresses of the business premises of the following entities:

1. *M/s. Ratio Vincom Pvt. Ltd., PAN: AAFCR4265A*
2. *M/s. Truthful Tradecom Pvt. Ltd., PAN: AADCT9261C*
3. *M/s. Ideal Stock Advisory Pvt. Ltd., PAN: AACCI2156G*
4. *M/s. Kartavya distributors Pvt. Ltd., PAN: AADCK9908K*
5. *M/s. Pingle supply Pvt. Ltd., PAN: AAFCP8146G*
6. *M/s. Potential Commercial Pvt. Ltd., PAN: AAGCP1348F*
7. *M/s. Third Eye Vinimay Pvt. Ltd., PAN: AADCT9393F*
8. *M/s. Link Point Merchandise Pvt. Ltd., PAN: AACCL0679F*
9. *M/s. OversureVincom Pvt. Ltd., PAN: AABCO5192R*
10. *M/s. Smoothly Vintrade Pvt. Ltd., PAN: AAQCS1614P*
11. *M/s. Avon Dealcom Pvt. Ltd., PAN: AAICA6176C*
12. *M/s. Satyam Playwood Merchants Pvt. Ltd., PAN: AAOCS8749M*
13. *M/s Adeline Sales Pvt. Ltd., PAN: AAKCA0547R*
14. *Bhagyalaxmi Agency Pvt. Ltd., PAN: AADCB6984C*

The Inspector enquired about the existence and identity of the Source of Source at their respective addresses and found their existence at the said addresses. The Inspector's Report with respect to the above entities have been duly submitted by him.

Further, most of the share applicants stated that the transactions pertain to F.Y. 2011-12, which is more that thirteen years old. As such, they could not provide any ledger account in respect of income for the A.Y. 2011-12 and A.Y. 2012-13. However, on enquiry following evidence are gathered that they are assessed to income tax as under:-

SMR	*Business Pvt Ltd*

Sl No	*Name of second source company*	*PAN*	*Particulars*
i.	*M/s. Shree Shakambhari Vastu Nirman Pvt Ltd*	*AAGCS5008R*	• *Assessment order u/s143(3) r.w.s 153A dated 26.03.2015 for A.Y 2011-12.* • *CIT (A) order u/s 250 dated 31.03.2023 for A.Y. 2011-12.* • *Assessment order u/s 143(3) r.w.s. 153A dated 26.03.2015 for A.Y.2012-13.* • *CIT(A) order u/s 250 dated 31.03.2023 for A.Y. 2012-13.* • *Assessment order u/s 143(3) dated 26.03.2015 for A.Y. 2013-14* • *CIT (A) order u/s 250 dated 31.03.2023 for A.Y. 2013-14.*

It is observed that in the A.Y. 2013-14, an addition of ₹1,01,00,000/- was made in the hands of M/s. Shree Shakambhari Vastu Nirman Pvt Ltd under Section 68 of the Act in respect of share application money received from M/s Bharat Finance & Industries Ltd. However, the Ld. CIT(A)-20, Kolkata, vide Order No. ITBA/APL/S/250/2022- 23/1051768280(1), deleted the said addition upon being satisfied that M/s Bharat Finance & Industries Ltd. is also a group company.

M/s. Chordia Trade Credit Pvt Ltd.

Sl No	***Name of second source Company***	***PAN***	***Particulars***
i.	*M/s. Bhagyalaxmi Agency Pvt Ltd*	*AADCB6984C*	*ITR Ack A.Y. 2016-17.*
ii.	*M/s.Diagram Distributors Pvt Ltd*	*AADCD3726E*	*ITR Ack A.Y. 2016-17, 201718,2018-19.*
iii.	*M/s. Porter Buildcom Pvt Ltd*	*AAECP3823H*	• *ITR Acknowledgment for A.Y. 2022-23,202324 & 2024-25. Order u/s 143(3) for A.Y. 2017-18 29.11.2019.* *Appeal Effect Order for A.Y. 202021 dated 26.07.2025.*
iv.	*M/s Sunstar Infrabuild Pvt Ltd*	*AALCS1729C*	• *ITR Acknowledgment for A.Y. 2021-22,202223,2023-24,2024-25.* • *Order u/s 143(3) for A.Y. 2017-18 dated 13.11.2019.*
v.	*M/s.Sixth Sense Vintrade Pvt Ltd*	*AAPCS6675M*	*Approval u/s 151 for A.Y. 2013-14 dated 03.03.2020.*

M/s. Gravity Sales Agency Pvt Ltd

Sl No	***Name of second source company***	***PAN***	***Particulars***
i.	*M/s. Adeline sales Pvt Ltd*	*AAKCA0547R*	• *Computation Sheet for A.Y. 2012-13 dated 09.12.2019.*
ii.	*M/s. Bubli Banty Tradecom Pvt Ltd*	*AACCB8829M*	• *ITR Acknowledgment for A.Y. 2016-17*

iii.	*M/s. Strong Dealers Pvt Ltd*	*AANCS9028C*	*• ITR Acknowledgment for A.Y. 2016-17, 2017-18, 2018-19.*

MM/s. Madrid Traders Pvt Ltd

Sl No.	***Name of second source company***	***PAN***	***Particulars***
i.	*M/s. Ratio Vincom Pvt Ltd*	*AAFCR4265A*	• *ITR Acknowledgment for A.Y. 2022-23, 202324 & 2024-25.* • *Order u/s 143(3) for A.Y. 2017-18 dated 20.12.2019.*
ii.	*M/s. Titanic Distributors Pvt Ltd*	*AADCT9104A*	*ITR Acknowledgment for A.Y. 2016-17, 201718, & 2020-21.* *Assessment order for A.Y. 2017-18 dated 31.10.2019.*
iii.	*M/s. Truthful Tradecom Pvt Ltd*	*AADCT9261C*	*ITR Acknowledgment for A.Y. 2022-23, 202324 & 2024-25.* 25.11.2025 *Effect order dated &* 18.06.2025 *u/s 5(2) of the VSV Act ,2020 for the A.Y. 2012-13.*

M/s. Naman Health Food Industries Pvt Ltd.

Sl No.	***Name of second source company***	***PAN***	***Particulars***
i.	*M/s. Ratio Vincom Pvt Ltd*	*AAFCR4265A*	• *ITR Acknowledgment for A.Y. 2022-23, 202324 & 2024-25.* • *Order u/s 143(3) for A.Y. 2017-18 dated 20.12.2019.*
ii.	*M/s. Titanic Distributors Pvt Ltd*	*AADCT9104A*	*ITR Acknowledgment for A.Y. 2016-17, 201718, & 2020-21.* *Assessment order for A.Y. 2017-18 dated 31.10.2019.*
iii.	*M/s. Truthful Tradecom Pvt Ltd*	*AADCT9261C*	*ITR Acknowledgment for A.Y. 2022-23, 202324 & 2024-25.* *Effect order dated& u/s 5(2) of the VSV Act ,2020 for the A.Y. 2012-13.*
iv.	*M/s. Kartavya distributors Pvt Ltd*	*AADCK9908K*	*• ITR Acknowledgment for A.Y. 2022-23,2023-24 & 202425.*

M/s. Bharat Finance & Industries Pvt Ltd

Sl No	***Name of second source company***	***PAN***	***Particulars***
i.	*M/s. Pingle supply Pvt Ltd*	*AAFCP8146G*	• *ITR Acknowledgment for A.Y. 2021-22 & 2022-23.* • *Order u/s 143(3) for A.Y. 2017-18 dated 21.11.2019.*
ii.	*M/s. Shyamli Fashion Traders Pvt Ltd*	*AANCS5891F*	• *ITR Acknowledgment for A.Y. 2017-18, 2018-19 & 2019-20.* • *Order u/s 143(3) for A.Y. 2017-18 dated 25.09.2019*
iii.	*M/s. Paras Adhesive Traders Pvt Ltd*	*AAFCP8704Q*	• *ITR Acknowledgment for A.Y. 2017-18, 2018-19 & 2019-20.* • *Order u/s 154/147 for A.Y. 2015-16 dated 24.03.2025.*

			• Order u/s 143(3) for A.Y. 2017-18 dated 18.12.2019.
iv.	*M/s. Nairit Tranning Centre Pvt Ltd*	*AADCN5016B*	• ITR Acknowledgment for A.Y. 2020-21, 2021-22 & 2022-23. • Order u/s 143(3) for A.Y. 2017-18 dated 07.11.2019.
v.	*M/s. Satyam Playwood Merchants Pvt Ltd*	*AAOCS8749M*	• ITR Acknowledgment for A.Y. 2017-18, 201819 & 2019-20. Order u/s 143(3) for A.Y. 2017-18 dated 30.10.2019.
vi.	*M/s. Krishna Web Tech Pvt Ltd*	*AADCK7958H*	ITR Acknowledgment for A.Y. 2017-18, 201819 & 2019-20. Order u/s 143(3) for A.Y. 2017-18 dated 24.12.2019.

M/s. Vana Nine Pvt. Ltd. (Formerly known as M/s.GulmoharVyapparPvt. Ltd.)

Sl No	***Name of second source company***	***PAN***	***Particulars***
i.	*M/s. Potential Commercial Pvt Ltd*	*AAGCP1348F*	• ITR Acknowledgment for A.Y. 2023-24 , 202425 & 2025-26.
ii.	*M/s. Third Eye Vinimay Pvt Ltd*	*AADCT9393F*	ITR Acknowledgment for A.Y. 2022-23, 202324 & 2024-25. Orde u/s 5(2) of VSV, 2020 for A.Y 2012-13 dated 16.08.2022.
iii.	*M/s. Titanic Distributors Pvt Ltd*	*AADCT9104A*	ITR Acknowledgment for A.Y. 2016-17, 201718, & 2020-21. Assessment order for A.Y. 2017-18 dated 31.10.2019.

M/s. Jai Mata Di Vanijya Pvt Ltd.

Sl No	***Name of second source Company***	***PAN***	***Particulars***
i.	*M/s. Alltime Vincom Pvt Ltd*	*AAJCA7051P*	A.Y. 2022-23, 202324 & 2024-25. Order u/s 5(2) of DTVSV Act, 2020 dated 09.09.2022 for A.Y. 2012-13. Appeal Order u/s 250 for A.Y. 2012-13 dated 30.06.2016. Order u/s153A r.w.s. 143(3) for 2014-15 to 202021 dated 02.09.2021.
ii.	*M/s. Favourite Shoppers Pvt Ltd (BRUSHED STEEL PRIVATE LIMITED)*	*AABCF7706L*	ITR Acknowledgment for A.Y. 2022-23, 2023-24 & 2024-25. Demand notice and Computation sheet relating to assessment order u/s 143(3) for A.Y. 2017-18 dated 13.11.2019.
iii.	*M/s. LinkPoint Merchandise Pvt Ltd*	*AACCL0679F*	ITR Acknowledgment for A.Y. 2022-23, 2023-24 & 2024-25.
iv.	*M/s. Oversure Vincom Pvt Ltd*	*AABCO5192R*	ITR Acknowledgment for A.Y. 2022-23, 2023-24 & 2024-25. • Order u/s 250 for A.Y. 2012-13 dated 04.07.2016
v.	*M/s. Potential Commercial Pvt Ltd*	*AAGCP1348F*	ITR Acknowledgment for A.Y. 2023-24 , 2024-25 & 2025-26.

vi.	*M/s. Ratio Vincom Pvt Ltd*	*AAFCR4265A*	*ITR Acknowledgment for A.Y. 2022-23, 2023-24 & 2024-25.* • *Order u/s 143(3) for A.Y. 2017-18 dated 20.12.2019.*
vii.	*M/s. Smoothly Vintrade Pvt Ltd*	*AAQCS1614P*	*ITR Acknowledgment for A.Y. 2022-23, 2023-24 & 2024-25.* *• Order u/s 250 for A.Y. 2012-13*
viii.	*M/s. Subhdhara Tradelink Pvt Ltd*	*AAQCS1789P*	*ITR Acknowledgment for A.Y. 2022-23, 2023-24 & 2024-25.* • *Order giving effect u/s 5(2) r.w.s. 6 of DTVSV, 2020 for A.Y. 2012-13 dated 17.01.2023.*
ix.	*M/s. Titanic Distributors Pvt Ltd*	*AADCT9104A*	*ITR Acknowledgment for A.Y. 2016-17, 2017-18, & 2020-21.* • *Assessment order for A.Y. 2017-18 dated 31.10.2019.*

M/s. Lord Dealcom Pvt Ltd

Sl No	***Name of second source company***	***PAN***	***Particulars***
i.	*M/s. Avon Dealcom Pvt. Ltd.*	*AAICA6176C*	*• ITR Acknowledgment for A.Y. 2020-21, 2021-22 & 202425.*
ii.	*M/s. Ideal Stock Advisory Pvt. Ltd.*	*AACCI2156G*	*• ITR Acknowledgment for A.Y. 2022-23, 2023-24 & 202425.*
iii.	*M/s. Metallite Financial Advisory (p) Ltd*	*AAGCM3375H*	*• ITR Acknowledgment for A.Y. 2016-17, 2018-19 & 201920.*
iv.	*M/s. Pecon Dealers Pvt Ltd*	*AAFCP2896M*	*• Computation sheet relating to order u/s 154 for A.Y. 2012-13 dated07.01.2022.*
v.	*M/s. Sandarv Distributors & Sales Pvt Ltd*	*AANCS7261F*	*ITR Acknowledgment for A.Y. 201314.* *• Appeal EffectOrder for A.Y. 2013-14dated03.07.2025.*
vi.	*M/s. Tenet Commerce Pvt Ltd*	*AADCT3369B*	*ITR Acknowledgment for A.Y. 201415.*

M/s. Prabhudhan Finance Pvt Ltd

Sl No	***Name of second source company***	***PAN***	***Particulars***
i.	*Amrit Cement Company Pvt Ltd*	*AAICA2667C*	*Assessment order u/s 143(3) dated 22.03.2023 for A.Y. 2019-20* • *CIT(A) order u/s 250 dated 18.01.2025 for A.Y. 2019-20* • *CIT(A) order u/s 205 dated 18.01.2025 for A.Y. 2020-21* *Assessment order u/s 143(3) dated* 27.12.2022 *for A.Y. 2021-22.* • *CIT(A) order u/s 250 dated 28.01.2025 forA.Y. 2021-22.* 15.05.2023 *Assessmentorder u/s 143(3) datedfor A.Y. 2022-23* • *CIT (A) order u/s 250 dated 29.01.2025 for A.Y. 2022-23.*

M/s Amrit Cement Company Pvt. Ltd., is a group entity assessed to tax under this charge. Assessments for A.Y. 2019-20 to 2022-23 have been completed.

The above documents are enclosed for your ready reference vide Annexure - 3. No discrepancy noted by the undersigned.

It is an admitted fact that the enquiry was conducted at the fag end of year 2025 for F.Y. 201112 which is mere that thirteen years. As such. the claim aremadeby the second source companies that they do not keep such old records. Further, it is noted that the eleven corporate entities are group companies and assessed to income tax regularly. They were also assessed to tax u/s 143(3)/147 as under:-

SI No	***Name of the share PAN applicant***		***Asst. Year***	***Assessed under section***	***Date***
i.	*M/s. Chordia Trade Credit Pvt Ltd*	*AABCC3177C*	*2011-12*	*147/144*	*03.12.2018*
			2017-18	*143(3)*	*20.11.2019*
ii.	*M/s. Gravity Sales Agency Pvt Ltd*	*AAACG9991M*	*2014-15*	*144/147*	*11.02.2022*
			2020-21 to 2022-23	*143(3)*	*27.04.2023*
iii.	*M/s. Madrid Traders Pvt Ltd*	*AAECM5072F*	*2017-18*	*143(3)*	*06.09.2019*
iv.	*M/s. Naman Health Food Industries Pvt Ltd*	*AACCN7164M*	*2012-13*	*143(3)/147*	*20.12.2019*
			2017-18	*143(3)*	*27.09.2019*
v.	*M/s. Bharat Finance & Industries Ltd*	*AAACT5129L*	*2010-11*	*144/147/ 143(3)*	*29.12.2017*
			2011-12	*144/147 /143(3)*	*29.12.2018*
			2016-17	*143(3)*	*22.12.2018*
			2017-18	*143(3)*	*18.12.2019*
			2016-17	*147*	*18.03.2025*

vi.	M/s. Vana Nine Pvt Ltd (Formerly Known as GulmoharVyapaar Pvt Ltd)	AACCG5179M	2019-20	143(3)	20.04.2023
			2020-21	143(3)	20.04.2023
			2021-22	143(3)	20.04.2023
			2022-23	143(3)	20.04.2023
vii.	M/s. Jai Mata Di Vanijya Pvt Ltd	AABCJ6379D	2012-13	143(3)/147	05.11.2019
viii.	M/s. Lord Dealcom Pvt Ltd	AABCL5187D	2010-11	147/143(3)	29.12.2017
			2012-13	143(3)/147	16.12.2019
			2017-18	143(3)	31.08.2019
			2019-20 to 2022-23	143(3)	24.04.2023
ix.	M/s Prabhudhan Finance Pvt Ltd	AACCP6358D	2010-11	147/143(3)	14.12.2017
			2016-17	143(3)	25.12.2018
			2017-18	143(3)	04.12.2019

On perusal of the assessment order it is apparent that in some cases additions were made and additions were deleted by CIT(A) & ITAT as under. .

Sl No.	Name	Assessment Year	Appellate Proceedings
i	M/s. Prabhudhan Finance Pvt Ltd	2016-17	Addition of Interest of Rs. 8.96 Lakh on account of Interest on Loan. Appellate Order passed dated 15.11.2019. ITAT order passed on 20.03.2020
ii.	M/s. Gravity Sales Agency Pvt Ltd	2008-09	Addition of Rs. 23 Lacs u/s 68 of the Act. Appellate order passed dated 27.07.2017 deleting the addition.
iii.	M/s. Naman Health Food Industries Pvt Ltd	2011-12	Addition of Rs. 1.14 Cr. as undisclosed income. Appellate order passed dated 09.01.2025 setting aside the matter to the file of A.O.

In the following cases appeals are pending as evident from Form No-35 submitted in this office.

SI No.	Name	Assessment Year	Appellate Proceedings
i.	M/s. Gravity Sales Agency Pvt Ltd		
		2011-12	Addition of Rs. 11 Lakh u/s 68 of the Act. Appellate Proceedings pending.
		2014-15	Addition of Rs. 45 Lakh u/s 69A of the Act. Appellate Proceedings pending.
ii.	M/s. Lord Dealcom Pvt Ltd	2010-11	Addition of Rs. 73 Lacs u/s 68 of the Act. Appellate Proceedings pending.
		2012-13	Addition of Rs. 4.76 Cr. u/s 69A of the Act. Appellate Proceedings pending.
iii.	M/s Bharat Finance & Indus. Ltd	2010-11	Addition of Rs 1.73 Cr u/s 68 of the Act. Appellate Proceedings pending.
		2011-12	Addition of Rs 6.59 Cr u/s 68 of the Act. Appellate Proceedings pending.
		2016-17	Addition of Rs 1.49 Cr u/s 68 of the Act. Appellate Proceedings pending.

Copies of the Asstt. Order, Appeal order, Form no. -35 are enclosed vide Annexure - 4. So, it is presumed that the assessing officers of the said share applicant companies already have examined the source time to time.

6. It found that the present jurisdiction of the share applicant companies as under

Sl No	Name	Address	PAN	Jurisdiction
I	M/s. SMR Business Pvt Ltd	226/1, A.J.C. Bose Road, Kolkata-700020	AAECS7654P	Ward-9(1),Kol
Ii	M/s. Chordia Trade Credit Pvt Ltd	226/1, A.J.C. Bose Road, Kolkata-700020	AABCC3177C	Ward-12(1),Kol
Iii	M/s. Gravity Sales Agency Pvt Ltd	226/1, A.J.C. Bose Road, Kolkata-700020	AAACG9991M	C.C-4(1),Kol
Iv	M/s. Madrid Traders Pvt Ltd	226/1, A.J.C. Bose Road, Kolkata-700020	AAECM5072F	Ward-9(1),Kol
V	M/s. Naman Health Food Industries Pvt Ltd	226/1, A.J.C. Bose Road, Kolkata-700020	AACCN7164M	Ward-1(1),Kol
Vi	M/s. RidhiSidhiVanijya Pvt Ltd	226/1, A.J.C. Bose Road, Kolkata-700020	AADGR2112C	Ward-2(1),Kol
Vii	M/s. Bharat Finance & Industries Ltd	226/1, A.J.C. Bose Road, Kolkata-700020	AAACT5129L	Ward-5(1),Kol
Viii	M/s. Vana Nine Pvt Ltd (Formerly Known as GulmoharVyapaar Pvt Ltd)	226/1, A.J.C. Bose Road, Kolkata-700020	AACCG5179M	CC-4(1),Kol
ix	M/s. Jai Mata Di Vanijya Pvt Ltd	226/1, A.J.C. Bose Road, Kolkata-700020	AABCJ6379D	Ward-7(1),Kol
x	M/s. Lord Dealcom Pvt Ltd	226/1, A.J.C. Bose Road, Kolkata-700020	AABCL5187D	CC-4(1),Kol
xi	M/s Prabhudhan Finance Pvt Ltd	226/1, A.J.C. Bose Road, Kolkata-700020	AACCP6358D	Ward-12(1),Kol

10. On examination of the financial capacity of the eleven corporate entities the net worth of the respective companies are found as under.

Sl No	Name of the share applicant company	Share capital (Rs/-)	Reserve Surplus (Rs/-)	Total(Rs/-)
I	M/s. SMR Business Pvt. Ltd.	99,65,000/-	5,38,21,150/-	6,37,86,150/-
Ii	M/s. Chordia Trade Credits Pvt. Ltd.	4,78,80,000/-	40,26,71,112/-	45,05,51,112/-
Iii	M/s.Gravit Sales Agency Pvt. Ltd.	1,90,51,600/-	25,47,83,418/-	27,38,35,018/-
Iv	M/s. Madrid Traders Pvt. Ltd.	45,40,000/-	10,65,67,116/-	11,11,67,116/-
V	M/s. Naman Health Food Industries (P) Ltd.	38,20,000/-	18,22,35,978/-	18,60,55,978/-
Vi	M/s. Ridhi Sidhi Vanijya (P) Ltd.	32,48,000/-	7,54,52,013/-	7,87,00,013/-
Vii	M/s. Bharat Finance & Indus. Ltd.	1,24,74,800/-	47,58,78,240/-	48,83,53,040/-
Viii	M/s. Gulmohar Vyapaar Pvt. Ltd.	30,25,360/-	70219217/-	7,32,44577/-
Ix	M/s. Jai Mata Di Vanijya (P) Ltd.	33,54,000/-	7,80,56,823/-	8,14,10,823/-
X	M/s. Lord Dealcom (P) Ltd.	18,56,000/-	8,60,63,320/-	8,79,19,320/-
Xi	M/s. Prabhudhan Finance (P) Ltd.	45,40,000/-	10,65,67,116/-	11,11,67,116/-

From the records and submissions made during the assessment proceedings, it is

noted that:

Notices under Section 133(6) of the Act were issued by the DCIT, Central Circle-2(1), Kolkata to the share subscriber companies. It is observed that each of the share applicant companies responded to the statutory notices and furnished acknowledgments of filing their income tax returns, copies of audited financial statements, including Balance Sheets, wherein the investments made in the assessee company are duly reflected& bank statements for the relevant period evidencing the payment of subscription money etc. This issue has been examined by the then AO in the earlier remand report dated 30.11.2015.

Additionally, the return of allotment filed by the assessee with the Registrar of Companies, Ministry of Corporate Affairs, substantiates the fact of share allotment to these applicants.

It is further observed that the net worth of each of the share applicant companies, as disclosed in their respective Balance Sheets and other financial documents, significantly exceeds the amount invested in the shares of the assessee company.

Moreover, most of the share applicant companies have also explained the source of funds in their hands by submitting return filing acknowledgments, audited financial statements, relevant pages of bank statements of the fund-flow companies (i.e., second source entities) etc.

On perusal of these documents, it is evident that the second source entities are also investment companies. The funds were transferred through banking channels against transactions such as purchase of shares from the share subscriber companies, refund of loans/advances & share application money etc.

These funds were ultimately routed to the assessee company in the form of share application money.

11. *As per the directions of the Ld. CIT (A)-27, Kolkata, summons under Section 131 of the Income Tax Act, 1961 were issued on 21.08.2025 to the Directors of the said eleven share subscriber companies.*

In compliance with the said summons, Mr. Pradeep Kumar Bagla and Mr. Sunil Kumar Khemka appeared on behalf of their respective subscriber companies. Their statements were duly recorded on oath on 03.09.2025.They have explained the source of fund for giving share application money to the assessee. They also explained the reasons for not appearing personally in response to the Summons issued to them during assessment proceedings, as per Answer to Question No. 23 of the above statements made on 03.09.2025.

Copies of the statements of Mr. Pradeep Kumar Bagla and Mr. Sunil Kumar Khemka recorded on oath on 03.09.2025 are enclosed herewith vide Annexure - 5 for kind perusal, reference and further consideration.

The Directors in the share applicant companies are mainly Mr Pradeep Kumar Bagla, Mrs Deepa Bagla and Mr Sunil Kumar Khemka. They are also assessed to income tax under my charge. The details of directors of these companies are as under:-

SI No.	*Name of Company*	*Name of Directors & Date of appointment*
I	*M/s. SMR Business Pvt Ltd*	i. *Pradeep Bagla - 23.09.2009* ii. *Deepa Bagla - 05.04.2019*
Ii	*M/s. Chordia Trade Credit Pvt Ltd*	i. *Pradeep Bagla - 16.02.2009* ii. *Deepa Bagla - 16.02.2009*
Iii	*M/s. Gravity Sales Agency Pvt Ltd*	*Sunil Kumar Khemka - 13.03.2009* *Surendra Prasad - 13.07.2024*
Iv	*M/s. Madrid Traders Pvt Ltd*	*Pradeep Bagla - 25.10.2010* *Deepa Bagla - 09.04.2013*
V	*M/s. Naman Health Food Industries Pvt Ltd*	*Pradeep Bagla - 25.10.2010* *Deepa Bagla - 09.04.2013*
Vi	*M/s. Ridhi Sidhi Vanijya Pvt Ltd*	*Pradeep Bagla - 25.10.2010* *Deepa Bagla - 09.04.2013*
vii	*M/s. Bharat Finance & Industries Ltd*	i. *Pradeep Bagla - 24.02.2012* ii. *Deepa Bagla - 04.08.2018* *iii Sanjay Chatterjee - 11.12.2023*
viii	*M/s. Vana Nine Pvt Ltd (Formerly Known as Gulmohar Vyapaar Pvt Ltd)*	*i.Sunil Kumar Khemka - 25.10.2010 ii Surendra Prasad - 13.07.2024*
ix	*M/s. Jai Mata Di Vanijya Pvt Ltd*	i. *Pradeep Bagla - 25.10.2010* ii. *Deepa Bagla - 09.04.2013*
x	*M/s. Lord Dealcom Pvt Ltd*	*i. Sunil Kumar Khemka - 25.10.2010* *ii Surendra Prasad - 13.07.2024*
xi	*M/s Prabhudhan Finance Pvt Ltd*	i. *Pradeep Bagla - 11.03.2010* ii. *Deepa Bagla - - 06.11.2013*

12. *The documents furnished during the course of the remand proceedings have been carefully examined. It is observed that the share applicants have provided detailed information regarding the source of funds in their hands. The same were also examined by the then AO in the remand report dated 30.11.2015.*

13. *Certified copies of the ledger account of all the share subscriber companies for the A.Y*
2012-13 are enclosed vide Annexure 6.

14. *On perusal of the submissions and accounts it is observed that no dividend has been declared by M/s. Amrit Cement Ltd.*

17. Quoted price & Book value of shares :It is observed that the assessee is not a listed company. As such quoted price is not available. The assessee submitted book value of share for each financial year since commencement of business to till 31.03.2024. The details are enclosed vide Annexure - 7.

18 Basis of collection of premium of Rs.490/- per share:
The assessee vide letter dated 02.09.2025 explained the basis of collection of premium of Rs. 490/- per share which is reproduced as under:

"We would like to inform you that only the subscriber to thememorandum i.e. individual promoters of the company were allotted equity shares @ Rs. 10 per share at the time of incorporation of the company. Those was only 50,000 equity shares @ Rs. 10 per share worth Rs. 5 Lacs. No allotment was done to group companies at the time of incorporation. Later onpromoters' or directors of the company together with group companies were allotted shares @ Rs. 500/- per share i.e. at a premium of Rs. 490/- per share.
We were setting up an integrated Cement Plant with Captive Power Plant at total investment of more than Rs. 500 crores to be funded by the Promoters & Group Companies along with the bank & financial institutions. The plant is at Jaintia Hills, Meghalaya. North East is a very developing area & Government is always focused in development of infrastructure projects in North East. Plant stated construction in the year 2009 and was came to production in the year 2012. There was huge demand of cement in North East because of rural economy & Government Projects. Meghalaya is also rich in Mineral resources. So, all the Raw Materials required for the plant operations are locally available. Besides this, we were entitled for Capital Subsidy, Transport Subsidy, Interest Subsidy, Insurance Subsidy, Excise Refund (Later on GST Refund), VAT & CST Remission, Income Tax Exemption. All these subsidies taken together amounts to viability of the plant.

Considering the bright future prospect of the our company and as decided by the Board of Directors of our company and promotor companies it was unanimously decided to issue shares at a premium of Rs. 490/- for all the promotor of our company."

19. Date wise fund flow chart of share application made by the share subscriber group companies & source of fund is as under:

S M R BUSINESSES PRIVATE LIMITED

SI No.	*Cheque No.*	*Date of Payment*	*Name of Bank, Branch and account No*	*Amount (Rs.)*	*Name of Party*	*ource*
i.	*846214*	*12.03.2012*	*PNB, New Market Branch- Kolkata, A/c No. 0093002109025 883*	*29,00,000*	*M/s. Shree Shakambhari Vastu Nir man Pvt Ltd (Group Company)*	*Refund of loan/ advance*
ii.	*846205*	*14.03.2012*	*-Do-*	*19,00,000*	*-Do-*	*Refund of loan/ advance*
iii.	*846217*	*28.03.2012*	*-Do-*	*3,00,000*	*-Do-*	*efund of loan/ advance*
			Total	*51,00,000*		

CHORDIA TRADE CREDITS PRIVATE LIMITED

Sl No.	*Cheque No.*	*Date of Payment*	*Name of Bank, Branch and account No*	*Amount (Rs.)*	*Name of the Party*	*Source*
i.	*845274*	*04.04.2011*	*Punjab National Bank, New Market Kolkata, A/c No: 00930021090276 78*	*10,00,000/-*	*M/s. Porter Buildcom Pvt Ltd*	*Sale of share*
ii.	*845283*	*14.05.2011*	*-Do-*	*10,00,000/-*	*M/s Sunstar Infrabuild Pvt Ltd*	*Sale of share*
iii.	*845285*	*22.10.2011*	*-Do-*	*20,00,000/-*	*M/s. Sixth Sense Vintrade Pvt Ltd*	*Sale of share*
iv.	*845286*	*24.10.2011*	*-Do-*	*40,00,000/-*	*M/s.Sixth Sense*	*Sale of share*

					Vintrade Pvt Ltd	
v.	845287	25.10.2011	-Do-	14,00,000/-	M/s.Sixth Sense Vintrade Pvt Ltd	Sale of share
vi.	845288	29.10.2011	-Do-	5,00,000/-	M/s.Bhagyalaxmi Agency Pvt Ltd	Sale of share
vii.	845289	16.11.2011	-Do-	20,00,000/-	M/s.Instil Distributors Pvt Ltd	Sale of share
viii.	845290	17.11.2011	-Do-	32,00,000/-	M/s.Sixth Sense Vintrade Pvt Ltd	Sale of share
ix.	845291	21.11.2011	-Do-	30,00,000/-	M/s. Sixth Sense Vintrade Pvt Ltd	Sale of share
x.	845292	22.11.2011	-Do-	36,00,000/-	M/s. Sixth Sense Vintrade Pvt Ltd	Sale of share
xi.	845293	25.11.2011	-Do-	30,00,000/-	M/s.Sixth Sense Vintrade Pvt Ltd [25L] & M/s. Diagram Distributors Pvt Ltd [5L]	Sale of share
xii.	845294	28.11.2011	-Do-	20,00,000/-	M/s.Sixth Sense Vintrade Pvt Ltd	Sale of share
xiii.	845295	01.12.2011	-Do-	50,00,000/-	M/s. Sixth Sense Vintrade Pvt Ltd	Sale of share
xiv.	845296	05.12.2011	-Do-	4,00,000/-	M/s.Sixth Sense Vintrade Pvt Ltd	Sale of share
xv.	845297	09.12.2011	-Do-	38,00,000/-	M/s. OntrustDealersPvt Ltd	Sale of share
xvi	845298	10.12.2011	-Do-	4,00,000/-	M/s.Ontrust Dealers Pvt Ltd	Sale of share
xvii.	845299	13.12.2011	-Do-	2,00,000/-	M/s.SunstarInfrabuild Pvt Ltd	Sale of share
xviii.	845300	14.12.2011	-Do-	36,00,000/-	M/s. Ontrust Dealers Pvt Ltd	Sale of share
xix.	680102	17.12.2011	-Do-	25,00,000/-	M/s.Ontrust Dealers Pvt Ltd	Sale of share
xx	680103	21.12.2011	-Do-	35,00,000/-	M/s.SafariDealcomPv t Ltd	Sale of share
xxi.	680104	21.12.2011	-Do-	15,00,000/-	M/s. Ontrust Dealers Pvt Ltd	Sale of share
xxii	680105	24.12.2011	-Do-	20,00,000/-	M/s.SafariDealcomPv t Ltd	Sale of share
xxiii	880811	27.12.2011	-Do-	39,00,000/-	M/s.SafariDealcomPv t Ltd	Sale of share
xxiv.	880812	31.12.2011	-Do-	12,00,000/-	M/s. Ontrust Dealers Pvt Ltd	Sale of share
xxv.	880814	03.01.2012	-Do-	15,00,000/-	M/s.SafariDealcomPv t Ltd	Sale of share
xxvi.	880815	06.01.2012	-Do-	9,00,000/-	M/s.SafariDealcomPv t Ltd	Sale of share
xxvii.	880816	11.01.201	-Do-	20,00,000/-	M/s.SafariDealcomPv t Ltd	Sale of share
xxviii.	880817	14.01.2012	-Do-	34,00,000/-	M/s.SafariDealcomPv t Ltd	Sale of share
xxix.	880813	18.01.2012	-Do-	20,00,000/-	M/s.SafariDealcomPv t Ltd	Sale of share
xxx.	880818	19.01.2012	-Do-	11,00,000/-	M/s. Safari Dealcom Pvt Ltd	Sale of share
xxxi.	880819	21.01.2012	-Do-	21,00,000/-	M/s.SafariDealcomP	Sale of share

					v t Ltd	
xxxii.	880820	24.01.2012	-Do-	20,00,000/-	M/s.SafariDealcomPv t Ltd	Sale of share
xxxiii.	880821	25.01.2012	-Do-	20,00,000/-	M/s.SafariDealcomPv t Ltd	Sale of share
xxxiv.	880822	01.02.2012	-Do-	43,00,000/-	M/s.SafariDealcomPv t Ltd	Sale of share
Total				760,00,000/-		

GRAVITY SALES AGENCY PRIVATE LIMITED

Sl No	Cheque No.	Date of Payment	Name of Bank, Branch and account No	Amount (Rs.)	Name of the Party	Source
i.	473611	20.04.2011	Punjab National Bank, New Market Branch Kolkata A/c No-0093002109027 696	10,00,000/-	M/s. Gold Line Dealcom Pvt Ltd	Sale of Share
ii.	473612	21.04.2011	-Do-	30,00,000/-	M/s. Farista Dealers Pvt Ltd	Sale of Share
iii.	473613	30.04.2011	-Do-	10,00,000/-	M/s. Wellknown Commercial Pvt Ltd	Sale of Share
iv.	473615	02.05.2011	-Do-	13,00,000/-	M/s. Bubli Banty Tradecom Pvt Ltd	Sale of Share
v.	473619	06.05.2011	-Do-	25,00,000/-	M/s. Gold Line Dealcom Pvt Ltd[Rs.5.00 lac] & M/s. Strong Dealers Pvt Ltd [Rs. 20.00 Lac]	Sale of Share
vi.	473622	06.01.2012	-Do-	9,00,000/-	M/s. Krypton Tradelink Pvt Ltd	Sale of Share
vii.	680051	13.01.2012	-Do-	16,00,000/-	M/s. Adeline sales Pvt Ltd	Sale of Share
Total				1,13,00,000/-		

RIDHI SIDHI VANIJYA PRIVATE LIMITED

Sl No	Cheque No.	Date of Payment	Name of Bank, Branch a nd account No	Amount (Rs.)	Name of the Party	Source
i.	RTGS	06.05.2011	Dhan Laxmi Bank, Sarat Bose Road Kolkata, A/c No. 015405300007725	50,00,000/-	M/s.BrightCommotrade Pvt Ltd and YeriVincom Pvt Ltd	Sale of share
ii.	RTGS	07.05.2011	-Do-	11,00,000/-	M/s. Bright Commotrade Pvt Ltd	Sale of share
iii.	RTGS	17.05.2011	-Do-	25,00,000/-	M/s. Bright Commotrade Pvt Ltd	Sale of share
iv	RTGS	19.05.2011	-Do-	40,00,000/-	M/s. Bright Commotrade Pvt Ltd	Sale of share
v	RTGS	18.06.2011	-Do-	30,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
vi	RTGS	22.06.2011	-Do-	30,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
vii	RTGS	23.06.2011	-Do-	10,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
viii	RTGS	29.06.2011	-Do-	25,00,000	M/s. Yeri Vincom Pvt Ltd	Sale of share

ix	RTGS	02.07.2011	-Do-	12,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
x	RTGS	07.07.2011	-Do-	1,50,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xi	RTGS	07.07.2011	-Do-	30,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xii	RTGS	09.07.2011	-Do-	10,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xiii	RTGS	11.07.2011	-Do-	35,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xiv	RTGS	12.07.2011	-Do-	21,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xv	RTGS	18.07.2011	-Do-	2,50,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xvi	RTGS	22.07.2011	-Do-	19,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xvii	RTGS	11.08.2011	-Do-	45,00,000/-	M/s. Bright Commotrade Pvt Ltd	Sale of share
xviii	RTGS	12.08.2011	-Do-	20,00,000/-	M/s. Bright Commotrade Pvt Ltd	Sale of share
xix	RTGS	13.08.2011	-Do-	4,00,000/-	M/s. Bright Commotrade Pvt Ltd	Sale of share
xx	RTGS	18.10.2011	-Do-	30,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xxi	RTGS	19.10.2011	-Do-	30,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xxii	RTGS	21.10.2011	-Do-	60,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xxiii	RTGS	25.10.2011	-Do-	42,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xxiv	RTGS	27.10.2011	-Do-	14,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xxv	RTGS	29.10.2011	-Do-	45,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xxvi	RTGS	01.11.2011	-Do-	45,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xxvii	RTGS	02.11.2011	-Do-	15,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
xxviii	RTGS	03.11.2011	-Do-	50,00,000/-	M/s. Bright Commotrade Pvt Ltd	Sale of share
xxix	RTGS	05.11.2011	-Do-	30,00,000/-	M/s. Bright Commotrade Pvt Ltd	Share Application Money
xxx	RTGS	08.11.2011	-Do-	22,00,000/-	M/s. YeriVincom Pvt Ltd	Share Application Money
xxxi	RTGS	09.11.2011	-Do-	6,00,000/-	M/s. YeriVincom Pvt Ltd	Share Application Money
xxxii	RTGS	09.11.2011	-Do-	1,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
				Total	811,00,000/-	

BHARAT FINANCE AND INDUSTRIES LIMITED

SI No	Cheque No.	Date oi Payment	Name oi Bank, Branch and account No	Amount (Rs.)	Name oi the Party	Source
i.	RTGS	15.02.2012	DCBBank Shakespear Sarani Kolkata, A/cNo-07921900001939	75,00,000/-	M/s. MahashaktiVintrade Pvt Ltd	Sale of share
ii.	RTGS	18.02.2012	-Do-	62,00,000	M/s. MahashaktiVintrade Pvt Ltd [50L] &Fastner ManagementPvtLtd[12L]	Sale of share
iii.	RTGS	20.02.2012	-Do-	30,00,000/-	M/s. Fastner Management Pvt Ltd	Sale of share
iv.	RTGS	21.02.2012	-Do-	50,00,000/-	M/s. Krishna Web Tech Pvt Ltd	Sale of share
v.	RTGS	22.02.2012	-Do-	44,00,000/-	M/s. Pingle supply Pvt Ltd	Sale of share
vi.	RTGS	23.02.2012	-Do-	35,00,000/-	M/s. Krishna Web Tech Pvt Ltd	Sale of share

vii.	RTGS	24.02.2012	-Do-	50,00,000/-	M/s. Shyamli Fashion Traders Pvt Ltd	Sale of share
viii.	RTGS	25.02.2012	-Do-	35,00,000/-	M/s. Pingle supply Pvt Ltd	Sale of share
ix.	RTGS	27.02.2012	-Do-	35,00,000/-	M/s. Pingle supply Pvt Ltd	Sale of share
x.	RTGS	29.02.2012	-Do-	25,00,000/-	M/s. Krishna Web Tech Pvt Ltd	Sale of share
xi.	RTGS	01.03.2012	-Do-	60,00,000/-	M/s. Shyamli Fashion Traders Pvt Ltd	Sale of share
xii.	RTGS	02.03.2012	-Do-	28,00,000/-	M/s. Pingle supply Pvt Ltd	Sale of share
xiii.	RTGS	03.03.2012	-Do-	45,00,000/-	M/s. Pingle supply Pvt Ltd	Sale of share
xiv.	RTGS	09.03.2012	-Do-	10,00,000/-	M/s. Krishna Web Tech Pvt Ltd	Sale of share
xv.	RTGS	14.03.2012	-Do-	39,00,000/-	M/s. Satyam Plywood Merchant Pvt Ltd	Sale of share
xvi.	RTGS	15.03.2012	-Do-	12,00,000/-	M/s. Fastner Management Pvt Ltd	Sale of share
xvii.	RTGS	21.03.2012	-Do-	34,00,000/-	M/s. Paras Adhesive Traders Pvt Ltd	Sale of share
xviii.	RTGS	24.03.2012	-Do-	89,00,000/-	M/s.NairitTranning Centre Pvt Ltd	Sale of share
xix.	RTGS	29.03.2012	-Do-	20,00,000/-	Naina	Sale of share
xx.	RTGS	30.03.2012	-Do-	60,00,000	M/s. Paras Adhesive Traders Pvt Ltd	Sale of share
Total				838,00,000/-		

JAI MATADI VANIJYA PRIVATE LIMITED

Sl No	Cheque No.	Date of Payment	Name ofBank, Branch and accountNo	Amount (Rs.)	Name of the Party	Source
i.	RTGS	15.11.2011	Dhan Laxmi Bank, Sarat Bose Road Kolkata, A/c No.015405300009155	47,00,000/-	M/s.YeriVincomPvtLtd	Sale of share
ii.	RTGS	16.11.2011	-Do-	50,00,000/-	M/s. Alltime Vincom Pvt Ltd	Sale of share
iii.	RTGS	17.11.2011	-Do-	6,00,000/-	M/s.YeriVincom Pvt Ltd	Sale of share
iv	RTGS	17.11.2011	-Do-	25,00,000/-	M/s.Alltime Vincom Pvt Ltd	Sale of share
v.	RTGS	21.11.2011	-Do-	40,00,000/-	M/s. Alltime Vincom Pvt Ltd	Sale of share
vi.	RTGS	23.11.2011	-Do-	11,00,000/-	M/s.YeriVincom Pvt Ltd	Sale of share
vii.	RTGS	24.11.201	-Do-	20,00,000/-	M/s. YeriVincomPvtLtd	Sale of share
viii.	RTGS	24.11.2011	-Do-	30,00,000/-	M/s.YeriVincomPvtLtd	Sale of share
ix.	RTGS	28.11.2011	-Do-	50,00,000/-	M/s.Alltime Vincom Pvt Ltd	Sale of share
x.	RTGS	29.11.2011	-Do-	20,00,000/-	M/s. Yeri Vincom Pvt Ltd	Sale of share
xi.	RTGS	01.12.2011	-Do-	31,00,000/-	M/s.Yeri Vincom Pvt Ltd	Sale of share
xii.	RTGS	03.12.2011	-Do-	20,00,000/-	M/s.Yeri Vincom Pvt Ltd	Sale of share
xiii.	RTGS	05.12.2011	-Do-	15,00,000/-	M/s.Yeri Vincom Pvt Ltd	Sale of share
xiv.	RTGS	07.12.2011	-Do-	25,00,000/-	M/s.Yeri Vincom Pvt Ltd	Sale of share
xv.	RTGS	08.12.2011	-Do-	25,00,000/-	M/s. Linkpoint Merchandise Pvt Ltd	Sale of share
xvi.	RTGS	12.12.2011	-Do-	5,00,000/-	M/s. Yeri Vincom Pvt Ltd	Sale of share
xvii.	RTGS	14.12.2011	-Do-	5,00,000/-	M/s.Yeri Vincom Pvt Ltd	Sale of share
xviii.	RTGS	20.12.2011	-Do-	40,00,000/-	M/s. Oversure Vincom Pvt Ltd	Sale of share
xix.	RTGS	20.12.2011	-Do-	20,00,000/-	M/s.Yeri Vincom Pvt Ltd	Sale of share
xx	RTGS	22.12.2011	-Do-	20,00,000/-	M/s. Titanic Distributors Pvt Ltd	Sale of share
xxi.	RTGS	24.12.2011	-Do-	35,00,000/-	M/s. Smoothly Vintrade Pvt Ltd	Sale of share
xxii.	RTGS	26.12.2011	-Do-	25,00,000/-	M/s.YeriVincom Pvt Ltd	Sale of share
xxiii.	RTGS	27.12.2011	-Do-	15,00,000/-	M/s.SmoothlyVintrade Pvt Ltd	Sale of share
xxiv.	RTGS	28.12.2011	-Do-	25,00,000/-	M/s.Favourite Shoppers Pvt	Sale of share

					Ltd	
xxv.	RTGS	29.12.2011	-Do-	25,00,000/-	M/s.Favourite Shoppers Pvt Ltd	Sale of share
xxvi.	RTGS	02.01.2012	-Do-	50,00,000/-	M/s.YeriVincom Pvt Ltd & M/s.Ratio Vincom Pvt Ltd	Sale of share
xxvii.	RTGS	03.01.2012	-Do-	45,00,000/-	M/s. YeriVincom Pvt Ltd & M/s. Subhdhara Tradelink Pvt Ltd	Sale of share
xxviii.	RTGS	24.01.2012	-Do-	50,00,000/-	M/s.Subhdhara Tradelink Pvt Ltd	Sale of share
xxix.	RTGS	27.01.2012	-Do-	35,00,000/-	M/s. Potential Commercial Pvt Ltd	ShareApplication Money Rs. 18.60 Lac & 16.40 Lac Sale of Share
			Total	810,00,000/-		

VANA NINE PRIVATE LIMITED(Formerly Known as Gulmohar Vyapaar Pvt Ltd)

VANA NINE PRIVATE LIMITED(Formerly Known as Gulmohar VyapaarPvtLtd)						
Sl No.	Cheque No.	Date of Payment	Name ofBank, Branch and account No	Amount (Rs.)	Name of the Party	Source
i.	878357	12.11.2011	Dhanlaxmi Bank, Ideal Plaza, Kolkata A/c No. 015405300009214	34,00,000/-	M/s. YeriVincom Pvt Ltd	Sale of share
ii.	878358	27.01.2012	-Do-	30,00,000/-	M/s.YeriVincomPvtLtd	Sale of share
iii.	NEFT	30.01.2012	-Do-	50,00,000/-	M/s. ThirdEyeVinimay Pvt Ltd	Sale of share
iv.	NEFT	01.02.2012	-Do-	15,00,000/-	M/s.PotentialCommercial Pvt Ltd	Sale of share
v.	NEFT	17.02.2012	-Do-	30,00,000/-	M/s.Titanic Distributors Pvt Ltd	Sale of share
vi.	NEFT	20.02.2012	-Do-	10,00,000/-	M/s. YeriVinocom Pvt Ltd [9.5l] & M/s.Titanic Distributors Pvt Ltd [0.50L]	Sale of share
			Total	169,00,000/		

LORD DEALCOM PRIVATE LIMITED

Sl No.	Cheque No.	Date of Payment	Name of Bank, Branch and account No	Amount (Rs.)	Name of the Party	Source
i.	117621	20.06.2011	ICICI Bank Branch-Kolkata, A/c No.000605018226	35,00,000/-	M/s. Ideal Stock Advisory Pvt Ltd (Group Company)	Sale of share
ii.	117623	22.06.2011	-Do-	35,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
iii.	117624	22.06.2011	-Do-	25,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
iv.	117622	24.06.2011	-Do-	40,00,000/-	M/s. Pecon Dealers Commerce Pvt Ltd	Partly out of sale of investment [Rs.31.00 Lac]and Partly unsecured Loan [Rs.9.00La c]
v.	117625	25.06.2011	-Do-	30,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
Vi	117628	27.06.2011	-Do-	20,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
Vii	117630	28.06.2011	-Do-	40,00,000/-	M/s. Vijay Lakshmi Vanijya Pvt Ltd	Sale of share
Viii	117632	29.06.2011	-Do-	50,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
ix.	117627	29.06.2011	-Do-	30,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share

x.	117634	02.07.2011	-Do-	25,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
xi.	117635	05.07.2011	-Do-	30,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
xii.	117637	06.07.2011	-Do-	25,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
xiii.	117636	06.07.2011	-Do-	15,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
xiv.	117638	12.07.2011	-Do-	13,50,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
xv.	117607	14.07.2011	-Do-	20,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
xvi.	117608	16.07.2011	-Do-	30,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
xvii.	485868	20.07.2011	-Do-	25,00,000/-	M/s. Ideal Stock Advisory Pvt Ltd	Sale of share
xviii.	485859	23.07.2011	-Do-	35,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
xix.	117640	26.07.2011	-Do-	50,00,000/-	M/s. Jignesh Trading Pvt Ltd [30L] & M/s. SandarvDistributors& Sales Pvt Ltd [20l]	Sale of share
xx.	117639	27.07.2011	-Do-	60,00,000/-	M/s. Tenet Commerce Pvt Ltd	Sale of share
xxi.	117641	28.07.2011	-Do-	50,00,000/-	M/s. Avon Dealcom Pvt Ltd.	Sale of share
xxii.	117642	30.07.2011	-Do-	20,00,000/-	M/s. SandarvDistribut or & Sales Pvt Ltd	Sale of share
xxiii.	117643	09.08.2011	-Do-	35,00,000/-	M/s. Matalite Financial advisory (P) Ltd [5L]& M/s. JigneshTrading Pvt Ltd [30L]	Sale of share
xxiv.	117644	11.08.2011	-Do-	10,00,000/-	M/s. Tenet Commerce Pvt Ltd	Sale of share
xxv.	117647	16.08.2011	-Do-	4,00,000/-	M/s. SandarvDistribut or Sales Pvt Ltd	Sale of share
xxvi.	11012876	19.08.2011	-Do-	25,00,000/-	M/s. SandarvDistribut or Sales Pvt Ltd	Sale of share
xxvii.	11012877	22.08.2011	-Do-	16,00,000/-	M/s. SandarvDistribut or Sales Pvt Ltd	Sale of share
xxviii.	11012878	23.08.2011	-Do-	38,00,000/-	M/s. SandarvDistribut or Sales Pvt Ltd	Sale of share
xxix.	11012881	25.08.2011	-Do-	20,00,000/-	M/s. SandarvDistribut or Sales Pvt Ltd	Sale of share
xxx.	11012880	25.08.2011	-Do-	15,00,000/-	M/s. Ideal Stock Advisory Pvt Lt d	Unsecured Loan
xxxi.	11012884	27.08.2011	-Do-	15,00,000/-	M/s. SandarvDistribut or & Sales Pvt Ltd	Share application money
xxxii.	11012883	29.08.2011	-Do-	39,00,000/-	M/s. SandarvDistribu tor & Sales Pvt Ltd	Share application money& sale of share
xxxiii.	11012887	29.08.2011	-Do-	39,00,000/-	M/s. SandarvDistribut or Sales Pvt Ltd	Sale of share
xxxiv.	11012888	30.08.2011	-Do-	30,00,000/-	M/s. SandarvDistribut or Sales Pvt Ltd	Share application money
xxxv.	11012889	01.09.2011	-Do-	30,00,000/-	M/s. Vilasini Sales Pvt Ltd	Share application money
xxxvi.	11012890	08.09.2011	-Do-	15,00,000/-	M/s. SandarvDistribu tor & Sales Pvt Ltd	Share application money
xxxvii.	11012892	10.09.2011	-Do-	30,00,000/-	M/s. SandarvDistribut or & Sales Pvt Ltd	Share application money
xxxviii	11012893	13.09.2011	-Do-	30,00,000/-	M/s. Jignesh Trading Pvt Ltd	Share Application money
xxxix.	11012894	15.09.2011	-Do-	20,00,000/-	M/s. Vilasini Sales Pvt Ltd	Share application money
xxxx.	11012896	15.09.2011	-Do-	15,00,000/-	M/s. Vilasini Sales Pvt Ltd	Share application money
xxxxi.	11012889	17.09.2011	-Do-	30,00,000/-	M/s. SandarvDistribut or Sales Pvt Ltd [25L] & M/s. Metallite Financia l advisory (P) Ltd [5L]	Share application money
Xxxxii	11012900	19.09.2011	-Do-	50,00,000/-	M/s. SandarvDistribut or Sales Pvt Ltd	Share application money received

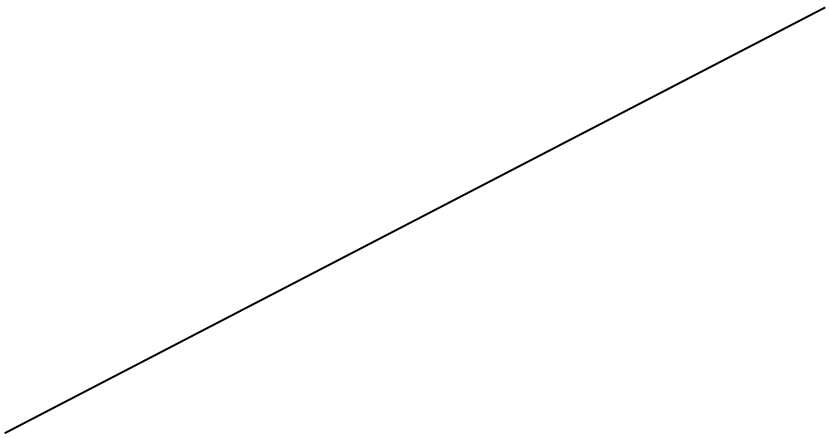
Xxxxii i.	1101307 6	22.09.20 11	-Do-	20,00,000/-	M/s. Ideal Stock Advisory Pvt Lt d	Share Application money Received
			Total	12,29,50,000 /-		

MADRID TRADERS PRIVATE LIMITED

Sl No.	Cheque No.	Date of Payment	Name of Bank, Branch, and account No	Amount (Rs.)	Name of the Party	Source
i.	RTGS	20.04.2011	Dhan Laxmi Bank, Sarat Bose Road Kolkata, A/c No. 0154053000 09193	30,00,000/-	M/s. Bright Commotrade Pvt Ltd	Saleof share
ii.	RTGS	02.01.2012	-Do-	3,00,000/-	Mrs. Deepa Bagla	Saleof share
iii.	RTGS	06.02.2012	-Do-	14,50,000/-	M/s. Truthful Tradecom Pvt Ltd	Saleof share
iv	RTGS	07.02.2012	-Do-	45,00,000/-	M/s. Titanic Distributors Pvt Ltd	SaleOfshare
v	RTGS	08.02.2012	-Do-	31,00,000/-	M/s. Titanic Distributors Pvt Ltd	Saleof Share
vi	RTGS	10.02.2012	-Do-	35,00,000/-	M/s. YeriVincom Pvt Ltd	Saleof Share
vii	RTGS	13.02.2012	-Do-	35,00,000/-	M/s. Titanic Distributors Pvt Ltd	Saleof Share
viii	RTGS	13.02.2012	-Do-	35,00,000/-	M/s. Titanic Distributors Pvt Ltd	Saleof Share
ix	RTGS	14.02.2012	-Do-	50,00,000/-	M/s. Ratio Vincom Pvt Ltd	Saleof Share
			Total	278,50,000/-		

(J). NAMAN HEALTH FOOD INDUSTRIES PVT LTD

Sl No.	Cheque No.	Date of Payment	Name of Bank, Branch, and account No	Amount (Rs.)	Name of the Party	Source
i.	RTGS	04.04.2011	Bank of Baroda, Kolkata A/c No:05900200000404	25,00,000/-	M/s. Ideal Stock advisory Pvt Ltd	Sale of share
ii.	RTGS	06.04.2011	-Do-	15,00,000/-	M/s. Pecon Dealers Commerces Pvt Ltd	Sale of share
iii.	RTGS	09.04.2011	-Do-	10,00,000/-	M/s.Pecon Dealers Commerces Pvt Ltd	Sale of share
iv.	RTGS	12.04.2011	-Do-	35,00,000/-	M/s. Pecon Dealers Commerces Pvt Ltd	Sale of share
v.	RTGS	16.04.2011	-Do-	35,00,000/-	M/s.Metallite Financial Advisor y (P) Ltd	Sale of share
vi.	RTGS	16.04.2011	-Do-	45,00,000/-	M/s. Pecon Dealers Commerces Pvt Ltd	Sale of share
vii.	RTGS	18.04.2011	-Do-	40,00,000/-	M/s. Pecon Dealers Commerces Pvt Ltd	Sale of share
viii.	RTGS	19.04.2011	-Do-	50,00,000/-	M/s. Pecon Dealers Commerces Pvt Ltd (30L) &M/s.MetalliteFinancial Advisor y (p) Ltd (20L)	Sale of share
ix.	RTGS	21.04.2011	-Do-	30,00,000/-	M/s.MetalliteFinancial Advisory (p) Ltd	Sale of share
x.	RTGS	25.04.2011	-Do-	30,00,000/-	M/s.MetalliteFinancial Advisory (p) Ltd	Sale of share



xi.	RTGS	25.04.2011	-Do-	35,00,000/-	M/s. Pecon Dealers Commerce s Pvt Ltd	Sale of share
xii.	RTGS	26.04.2011	-Do-	35,00,000/-	M/s.NarsinghVyapaar Pvt Ltd	Sale of share
xiii.	RTGS	26.04.2011	-Do-	40,00,000/-	M/s.NarsinghVyapaar Pvt Ltd [15L] & M/s. Vijay Lakhmi Vanijya Pvt Ltd [25L]	Sale of Share
xiv.	RTGS	28.04.2011	-Do-	20,00,000/-	M/s.Pecon Dealers Commerces Pvt Ltd	Sale of share
xv.	RTGS	29.04.2011	-Do-	20,00,000/-	M/s.Ideal Stock advisory Pvt Ltd	Sale of share
xvi	RTGS	04.05.2011	-Do-	25,00,000/-	M/s.MetalliteFinancial Advisory (p) Ltd	Sale of share
xvii.	RTGS	05.05.2011	-Do-	10,00,000/-	M/s.Pecon Dealers Commerces Pvt Ltd	Sale of share
xviii.	RTGS	06.05.2011	-Do-	40,00,000/-	M/s. Ideal Stock advisory Pvt Ltd[25L] & M/s.Pecon Dealers Commerces Pvt Ltd [15L]	Sale of share
xix.	RTGS	07.05.2011	-Do-	20,00,000/-	M/s.Pecon Dealers Commerces Pvt Ltd	Sale of share
xx	RTGS	09.05.2011	-Do-	50,00,000/-	M/s.Ideal Stock advisory PvtLtd	Sale of share
xxi.	RTGS	10.05.2011	-Do-	35,00,000/-	M/s.Pecon Dealers Commerces Pvt Ltd	Sale of share
xxii	RTGS	10.05.2011	-Do-	25,00,000/-	M/s.Pecon Dealers Commerces Pvt Ltd	Sale of share
xxiii	RTGS	11.05.2011	-Do-	25,00,000/-	M/s.Pecon Dealers Commerces Pvt Ltd	Sale of share
xxiv.	RTGS	11.05.2011	-Do-	40,00,000/-	M/s.Ideal Stock advisory PvtLtd	Sale of share
xxv.	RTGS	12.05.2011	-Do-	50,00,000/-	M/s.Ideal Stock advisory Pvt Ltd	Sale of share
xxvi.	RTGS	18.05.2011	-Do-	30,00,000/-	M/s.Pecon Dealers Commerces Pvt Ltd	Sale of share
xxvii.	RTGS	20.05.2011	-Do-	25,00,000/-	M/s.MetalliteFinancial Advisory (p) Ltd	Sale of share
xxviii.	RTGS	20.05.2011	-Do-	40,00,000/-	M/s.MetalliteFinancial Advisory (p) Ltd	Sale of share
xxix.	RTGS	21.05.2011	-Do-	50,00,000/-	M/s.Pecon Dealers Commerces Pvt Ltd	Sale of share
xxx.	RTGS	24.05.2011	-Do-	40,00,000/-	M/s.Pecon Dealers Commerces Pvt Ltd	Sale of share
xxxi.	RTGS	25.05.2011	-Do-	50,00,000/-	M/s.Pecon Dealers Commerces Pvt Ltd	Sale of share
xxxii.	RTGS	26.05.2011	-Do-	45,00,000/-	M/s.Pecon Dealers Commerces Pvt Ltd	Sale of share
xxxiii..	RTGS	28.05.2011	-Do-	40,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
xxxiv.	RTGS	30.05.2011	-Do-	30,00,000/-	M/s.Jignesh Trading Pvt Ltd	Sale of share
xxxv.	RTGS	30.05.2011	-Do-	45,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
xxxvi.	RTGS	03.06.2011	-Do-	40,00,000/-	M/s. Jignesh Trading Pvt Ltd	Sale of share
xxxvii.	RTGS	06.06.2011	-Do-	28,00,000/-	M/s.Jignesh Trading Pvt Ltd	Sale of share
xxxviii.	RTGS	09.06.2011	-Do-	40,00,000/-	M/s.Jignesh Trading Pvt Ltd	Sale of share
xxxix	RTGS	10.06.2011	-Do-	30,00,000/-	M/s.Jignesh Trading Pvt Ltd	Sale of share
xxxx.	RTGS	11.06.2011	-Do-	36,00,000/-	M/s.Jignesh Trading Pvt Ltd	Sale of share
Xxxxi.	RTGS	13.06.2011	-Do-	36,00,000/-	M/s.Jignesh Trading Pvt Ltd	Sale of share
xxxxii.	RTGS	16.06.2011	-Do-	50,00,000/-	M/s.Jignesh Trading Pvt Ltd	Sale of share
xxxxiii.	RTGS	16.06.2011	-Do-	58,00,000/-	M/s.Jignesh Trading Pvt Ltd	Sale of share
xxxxiv.	RTGS	18.06.2011	-Do-	7,00,000/-	M/s.Jignesh Trading Pvt Ltd	Sale of share

xxxxv.	RTGS	26.09.2011	-Do-	49,00,000/-	M/s.Vilasini Sales Pvt Ltd	ShareApplication money
xxxxvi.	RTGS	26.09.2011	-Do-	49,50,000/-	M/s.Ideal Stock advisory Pvt Ltd	ShareApplicatiOnmoney
xxxxvii.	RTGS	26.09.2011	-Do-	49,50,000/-	M/s.Vilasini Sales Pvt Ltd	ShareApplication money-Rs. 47.12.500 of share Rs. 2.37.500
xxxxviii.	RTGS	07.10.2011	-Do-	53,50,000/-	M/s.Vilasini Sales Pvt Ltd[20L] & M/s.Kartavya Distributor Pvt Ltd [33.5L]	ShareApplication Money
xxxxix.	RTGS	10.10.2011	-Do-	30,00,000/-	M/s.Ideal stock advisory Pvt Ltd [18.75L] & M/s.Vilasini Sales Pvt Ltd [11.25L]	Share application money
xxxxx.	RTGS	12.10.2011	-Do-	20,00,000/-	M/s. Vilasini Sales Pvt Ltd	Share application money
Xxxxxi.	RTGS	14.10.2011	-Do-	45,00,000/-	M/s. Ideal stock advisory Pvt Ltd [20 L] & M/s.Vilasini Sales Pvt Ltd [25L]	ShareApplication Money
Xxxxxii.	RTGS	15.10.2011	-Do-	45.00.000/-	M/s.Vilasini Sales Pvt Ltd	Share Application money
xxxxxiii.	RTGS	08.12.2011	-Do-	10.00.000/-	Mrs. Deepa Bagla	Refund ofloan& Advances
			Total	18,56,50,000/-		

PRABHU DHAN FINANCE PVT LTD

SI No.	Cheque No.	Date of Payment	Name of Bank, Branch and account No	Amount (Rs.)	Name of the Party	Source
i.	829006	01.12.2011	PNB, New Market Branch-Kolkata, A/c No. 0093002109029180	50,00,000/-	M/s. Amrit Cement Pvt Ltd (a group company)	Share application money
			Total	50,00,000/-		

As directed, the undersigned has made further inquiry u/s. 250(4) of the Act and reported the result of the same as above. The fresh enquiry report u/s. 250(4) of the Act in this case, in addition to the Remand Report already submitted by the then ACIT, Central Circle-2(1), Kolkata dated 30.11.2025, is submitted as above for kind perusal and consideration."

15. We note that in the 2nd remand report dated 31.12.2025 contains attachments as Annexure-1 to 7, Which are placed as under:

Annexure No	Particulars	Page No

Annexure-1	Details of share application money received during the relevant year and allotment made	Page No 38 of CP-1
Annexure-2	Copies of Return of allotment for FY 2011-12(AY 2012-13)	Page No 39 to 48 of CP-1
Annexure-3	Copies of Assessment order, ITR of Sources of Source companies of Share Application money	Page No 49 to 168 of CP-1, Page No 169 to 346 of CP-1.1 and Page No 347 to 526 of CP-1.2
Annexure-4	Copies of Assessment order, CIT(A) order and Form 35 of most of the Share Applicant companies	Page No 527 to 795 of CP-1.3
Annexure-5	Copies of the statements of Directors of Share applicant companies, Mr. Pradeep Kumar Bagla and Mr. Sunil Kumar Khemka recorded on oath on 03.09.2025 in remand proceedings	Page No 796 to 919 of CP-1.4
Annexure-6	Certified copies of the ledger account of all the share subscriber companies for the A.Y 2012-13	Page No 920 to 931 of CP-1.4
Annexure-7	Book value of share for each financial year since commencement of business till 31.03.2024	Page No 932 of CP-1.4

16. Therefore, it is abundantly clear from the above that in both the remand reports, the AO has recorded a finding that the assessee has furnished all the evidences qua share subscribers proving the identity , creditworthiness of the subscribers who are all group companies. We note that the AO also stated that notices u/s 133(6) of the Act were fully complied by the subscribers with all the evidences as called for. Even the summons u/s 131 of the Act were issued to the

directors of the subscriber companieswhichwere duly complied by them by making personal appearance and their statements were also recordedby the AO in the remand proceedings. Therefore, once the AO has given a finding in the remand reports that the assessee has proved all the ingredients of sectin 68 of the Act, then it is no longer open to the department to contend otherwise. The case of the assessee is squarely covered by the decision of Hon'ble Allahabad High Court in case of Commissioner of Income tax (Central) v B B Sharma ITA Appeal No 730,726,727,729,731 of 2012 order dated 06.03.2017 wherein it has held that where the Assessing Officer himself having accepted the identity of the creditors, the genuineness of the transactions and the creditworthiness of the creditors in his remand report, it is no longer open to the department to contend otherwise.Similarly the case of the assessee find support from the decisions of the Hon'ble Jurisdicitional High Court as discussed hereunder:

In case of Principal Commissioner of Income-tax 1 Kolkata vs. Shipra Enclave (P.) Ltd. , the Hon'ble Calcutta High Court has held as under:

"9. We have carefully considered the rival submissions and perused the materials on record. It is a settled legal position that to discharge the initial onus under Section 68, the assessee must establish the identity of the creditor, their creditworthiness, and the genuineness of the transaction. In the instant case, the learned Tribunal conducted a meticulous factual inquiry and recorded a specific finding that the assessee provided a "Cast Iron" documentary foundation. The audited balance sheets of the subscribers demonstrated a substantial net worth, which was far in excess of the amounts invested.

10. Furthermore, we find that the AO's reliance on the non-appearance of the directors is misplaced and is not supported by the statutory scheme where robust documentary evidence is available. As held by this Court in Pr. CIT v. Sreeleathers [2022] 143 taxmann.com 435/448 ITR 332 (Calcutta), the AO is vested with co terminus powers under Section 131 of the Act to compel

attendance. If the AO fails to exercise these powers, he cannot subsequently visit the consequences of such failure upon the assessee. Personal appearance of a director is not a statutory substitute for documented traceability in a corporate assessment, especially when the entities are active taxpayers.

11. Insofar as the reliance on NRA Iron & Steel is concerned, we find the facts of that case to be clearly distinguishable. In that case, the investors were found to be non-existent or "phantom" entities upon field inquiry. In the case before us, the investors are identifiable taxpayers who directly responded to notices u/s 133(6) and confirmed the transactions through banking channels. Equating "traceable investors" with "phantom entities" is a leap in logic that cannot be countenanced. Furthermore, the valuation of shares is a matter of commercial wisdom. Unless the Revenue proves a "live link" showing that the funds originated from the assessee's own coffers, the AO cannot substitute his judgment for that of the marketplace.

12. In view of the aforesaid discussion, we arrive at a definite conclusion that in a corporate assessment, documented traceability (comprising ITR acknowledgments, PAN details, and Bank Statements) through legitimate banking channels carries greater evidentiary weight than the subjective suspicion of an Assessing Officer. The "Test of Human Probability" cannot be invoked as a tool to disregard a verified and audited paper trail. We also conclude that the ratio in NRA Iron & Steel is applicable only to "phantom" or "non-existent" entities found to be non-traceable upon field inquiry. It cannot be extended to active, traceable taxpayers simply because their investment decisions appear commercially improbable to the Revenue. Equating "traceable investors" with "phantom entities" is a leap in logic that cannot be countenanced. Furthermore, the valuation of shares is a matter of commercial wisdom. Unless the Revenue proves a "live link" showing that the funds originated from the assessee's own coffers, the AO cannot substitute his judgment for that of the marketplace.

13. Upon considering the submissions made on either side and perusing the materials on record, we find that the learned Tribunal has conducted a meticulous factual inquiry. The Tribunal has recorded a specific finding that the assessee had provided "Cast Iron" documentary evidence to establish the identity and creditworthiness of the subscribers. The audited balance sheets of these companies reflected a substantial net worth, which was far in excess of the amounts invested in the assessee company.

14. We are convinced that the findings of the learned Tribunal are based on a meticulous factual inquiry. The Revenue has failed to produce any contrary material to disprove the documents filed. It is a settled position that suspicion, however strong, cannot take the place of evidence. We find no perversity in the findings of the learned Tribunal."

in case of Principal Commissioner of Income-tax vs. Express Tradelink (P.) Ltd. (supra) Hon'ble Calcutta High Court of Calcutta has held as under:

"5. We have carefully perused the records and the findings of the learned Tribunal. It is observed that the respondent-assessee had placed a voluminous "Paper Book" before the authorities, which included PAN details, share application forms, allotment advices, bank statements, ITR acknowledgments, and audited financial statements of all nine corporate subscribers.

6. The law on Section 68 is no longer res integra. Once the assessee offers a reasonable explanation supported by "Cast Iron" documentary evidence of identity and banking flow, the initial statutory onus stands discharged. The burden then shifts squarely to the Revenue. The AO cannot merely brush aside audited balance sheets and PAN details as "paper compliance" without bringing on record contrary evidence to impeach the veracity of such documents.

7. A significant portion of the Revenue's argument rests on the nonappearance of the subscribers' directors. We reiterate our settled view that personal appearance is not a statutory substitute for documented financial traceability. The AO is vested with co-terminus powers under Section 131. If the AO fails to utilize these powers to compel attendance or to seek verification from the creditors' respective Assessing Officers, the Revenue cannot visit the consequences of such investigative failure upon the assessee. Suspicion, however strong, cannot replace evidence.

8. Regarding the Revenue's reliance on the decision of the Hon'ble Supreme Court in PCIT v. NRA Iron & Steel (P) Ltd. [2019] 103 taxmann.com 48/412 ITR 161/262 Taxman 74 (SC), we find the same to be fundamentally misplaced. That case dealt with "phantom" entities where notices were returned unserved. In the present case, the investors are traceable taxpayers who confirmed the transactions through Section 133(6) responses. To equate "traceable investors" with "phantom entities" is a leap in logic that this Court cannot countenance.

9. Furthermore, for the Assessment Year 2009-10, the "Source of Source" doctrine remains inapplicable as the proviso to Section 68, introduced by the Finance Act, 2012, is prospective. The Tribunal noted that the subscribers possessed substantial Net Worth (Reserves and Surplus) far exceeding the investment amounts, thereby satisfying the creditworthiness test.

10. In a corporate assessment, documented traceability through legitimate banking channels carries greater evidentiary weight than the subjective suspicion of an officer. Terms like "money laundering" or "round tripping" should not be used casually without specific, corroborative evidence showing a "live link" that the funds originated from the assessee's own coffers. No such evidence has been brought on record by the Revenue.

11. In the result, we find no perversity in the findings of the learned Tribunal. The findings are based on a sound appreciation of facts and settled legal principles. Consequently, no substantial question of law arises for consideration."

In case of Principal Commissioner Of Income Tax-2, Kolkata V Karni Infraprojects Private Limited (supra) the Hon'ble Calcutta High Court has held as under:

"This Court perused the memorandum of appeal, application for stay and the impugned judgment of the Tribunal dated 26.11.2024. The Tribunal held that "The Hon'ble Supreme Court, thus, has held that once the assessee has submitted the documents relating to identity, genuineness of the transaction, and credit-worthiness of the subscribers, then the AO is duty bound conduct to conduct an independent enquiry to verify the same. However, as noted above, the Assessing Officer in this case has not made any independent enquiry to verify the genuineness of the transactions. The assessee having furnished all the details and documents before the Assessing Officer and the Assessing Officer has not pointed out any discrepancy or insufficiency in the said evidences and details furnished by the assessee before him. As observed above, the assessee having discharged initial burden upon him to furnish the evidences to prove the identity and creditworthiness of the share subscribers and genuineness of the transaction, the burden shifted upon the Assessing Officer to examine the evidences furnished and even made independent inquiries and thereafter to state that on what account he was not satisfied with the details and evidences furnished by the assessee and confronting with the same to the assessee. In view of this, even applying the ratio laid down by the Hon'ble Supreme Court in the case of PCIT vs. NRA Iron and Steel Pvt. Ltd. (supra), impugned additions are not warranted in this case."

Heard learned counsel for the appellant/revenue. The materials were all available on the file of the Assessing Officer as well as before the CIT and no question can be raised regarding the genuineness, identity and creditworthiness of the creditors. Hence, the Tribunal has rightly dismissed the appeal filed by the revenue."

The Hon'ble Calcutta High Court in case of PCIT vs Outcome Buildcom P. Ltd. (supra) held as under:

"The short question which falls for consideration is whether the addition made by the Assessing Officer under Section 68 of the Act was justifiable. The Commissioner of Income Tax (Appeals) – 7 Kolkata (CITA) set aside the addition made and allowed the assessee's appeal. The Revenue carried the matter on appeal. We find from the order passed by the learned Tribunal that the facts of the case have been re-appreciated and the learned Tribunal has recorded a finding that the assessee has demonstrated successfully the nature of the sum received during the year and the source of the said sum being received from the share applicants and complete evidence has been

submitted. Further, it has been pointed out that the Assessing Officer has not pointed out any specific error in all the documents nor any discrepancies in the information provided by the assessee. Furthermore, the Tribunal on facts found that the Assessing Officer has not paid any independent enquiry to verify the genuineness of the transaction in spite of the assessee having furnished all details and documents before the Assessing Officer. Thus, we find that the matter is fully factual and no substantial question of law arises for consideration"

The Hon'ble High Court of Calcutta in case of PCIT vs Shreen Hire Purchase P Ltd. (ITAT/196/2024 (supra) has held as under:

"The short question which falls for consideration is whether the learned Tribunal was right in affirming the order passed by the Commissioner of Income Tax (Appeals)– 7, Kolkata [CIT(A)] dated 2.9.2020 by which addition made under Section 68 of the Act was set aside. We find that the CIT(A) while examining the correctness of the transaction had taken into consideration the parameters which have been laid down in various decisions of the Hon'ble Supreme Court as to how a matter should be examined when the assessing officer proposes to invoke this power under Section 68 of the Act. The broad principles which were laid by the Hon'ble Supreme Court in so far as the credits of the share capital/premium are that the assessee under a legal obligation to prove the genuineness of the transactions, the identity of the creditors and creditworthiness of the investors who should have financial capacity to make the investment in question to the satisfaction of the assessing officer, so as to discharge the primary onus. The second aspect is with regard to the duty of the assessing officer, wherein it was held that the assessing officer is duty bound to investigate the creditworthiness of the creditors/subscribers, verify the identity of the subscribers and ascertain whether the transaction is genuine or there are bogus increase of name lenders. If the enquiry and investigation reveal that the identity of the creditors to be dubious or doubtful or lack of creditworthiness then the genuineness of the transaction would not be established.

As noticed above, the CIT(A) had in mind the broad parameters laid down by the Hon'ble Supreme Court and examined the factual position. There were seven subscribers whose creditworthiness was considered by the CIT(A) and in paragraph 4.3 of the order passed by the CIT(A) dated 2nd September 2020, the net worth of the companies have been set out. In paragraph 4.4 the CIT(A) noted that it is evident from the information furnished by the assessee filed out of the seven subscriber companies were subjected to assessment under Section 143(3) of the Act for the assessment year under consideration and in respect of two other assesses their returns were accepted by the assessing officer without any demur. Not stopping with that, the learned Tribunal took note of various decisions of the High Courts and has recorded that the assessing officer has not pointed out that the identity of the share applicants is not proved and/or the subscription made by them to the share capital of the assessee was not genuine and/or the source of

investment was not fully explained to the satisfaction of the assessing officer. The correctness of the factual finding rendered by the CIT(A) was re-examined by the Tribunal and the learned Tribunal also found that the assessing officer has not pointed out as to what enquiry he has made and as to how in his opinion the transactions were held to be not genuine. The only aspect which borne in the mind of the assessing officer was that the directors of the erstwhile subscribers company, though were issued summons, did not personally appear. However, it is not in dispute that the documents were all placed before the assessing officer and no independent enquiry was conducted by the assessing officer to re-examine those documents which were produced. Thus, we find that the matter to be entirely factual and no question of law much less substantial question of law arises for consideration."

The Hon'ble High Court of Calcutta in case of Principal Commissioner of Income Tax, Central-1, Kolkata vs Mallcom VSFT Gloves Pvt. Ltd. (Earlier Known as VSFT Quilts and Pillows Pvt Ltd.) (supra) has held as under:

"The Assessing Officer proceeded on the basis that the assessee is a company engaged in investment in shares and trading of shares. This finding is factually incorrect as the assessee is a manufacturing company and they have set up their unit in the Falta Special Economic Zone after obtaining the requisite letter of permission from the Development Commissioner, Falta Special Economic Zone dated May 5,2006. The Development Commissioner of the Falta Special Economic Zone has certified that the assessee has been granted approval for setting up of a unit for manufacture and export of quilts and pillows vide letter of approval dated 5th May, 2006. This fundamental error committed by the Assessing Officer is grave and it has impacted the assessment order in toto. This aspect of the matter has not been duly appreciated by the CIT(A). Furthermore, we find from the assessment order that the assessee had submitted reply to all the queries which have been raised and responded to the notices which were issued. The Assessing Officer records that the replies received from the assessee company are kept on record and the details and contentions of the assessee company were perused and considered. However, the same are not acceptable. No reasons are forthcoming as to why the replies, details and documents produced by the assessee are not acceptable by the Assessing Officer. Furthermore, the Assessing Officer observes that there was compliance on the part of the assessee company but in turn would state that certain facts are not clear. This again is a very vague statement as the Assessing Officer could have very well verified this factual issues which required clarification. Before the learned Tribunal the assessee had produced the necessary documents in the form of a paper book containing 436 pages which discloses the entire details namely, share application forms, source of funds, bank statement, audited accounts, copy of income tax acknowledgment and copy of PAN card. The learned Tribunal has noted that the Department did not make any objection to the three ingredients which are required to be proved while making an addition

under Section 68. Furthermore, the veracity of the documents which were produced by the assessee were never disputed by the Assessing Officer or by the CIT(A). Apart from that, on facts we find that the assessee has not invested any money out of the share capital raised in any other company but the funds so raised have been used to repay its short-term and long-term loans borrowed from various banks and financial institutions. Furthermore, the assessee company has an investment of Rs.10.59 Crore in fixed assets as on 31.3.2012 and inventory of Rs.2.35 Crore for the financial year ending 31.3.2011. The assessee's export turnover was Rs.2.56 Crore. With regard to lack of business activity during the assessment year under consideration, the assessee has given an explanation stating that they were the sole suppliers to a foreign buyer namely, IKEA for supply of its goods. However, the contract was terminated on account of which the manufacturing unit of the assessee had to be closed down temporarily and thereafter during the assessment year 2014-15 the assessee commenced its business operation and consistently has been showing profit and has been paying income tax.

The financial performance and income tax payment of the assessee were also placed before the learned Tribunal commencing from the financial year 2007-2008 to 2022-2023. Considering all these issues the learned Tribunal, in our view, rightly held that the document details and evidence produced by the assessee are sufficient to fulfill the three criteria as required under section 68 of the Act. Thus, we find the matter to be entirely factual and no question of law much less substantial question of law arises for consideration.

The learned advocate appearing for the respondent/assessee placed reliance on the decision of this court in the case of Principal Commissioner of Income Tax-1, Kolkata vs. True Man Consultants Pvt. Ltd., ITAT/203/2024 dated 25.4.2025 wherein this Court affirmed the order passed by the Tribunal on the ground that the assessee therein had satisfied the three conditions required to be satisfied under section 68 of the Act. The learned advocate appearing for the assessee also placed reliance on the decision of this Court in the case of Principal Commissioner of Income Tax-2, Kolkata vs. M/s. Naina Distributors Pvt. Ltd., ITAT/113/2023 dated 28.6.2023 which is also to the same effect as that of the decision in the case of True Man Consultants Pvt. Ltd.

In the result, the appeal filed by the revenue is dismissed on the ground that no question of law arises for consideration.

The Hon'ble High Court of Calcutta in case of Principal Commissioner Of Income Tax-2, Kolkata Vs Bright Commodeal Private Limited(supra) has held as under:

"We have perused the reasons assigned by the learned Tribunal for allowing the assessee's appeal. It is seen that the assessing officer issued notice under Section 133 (6) of the Act to the investing

companies and both the parties have complied with the said notice and furnished the requisite details.

Summons under Section 131 of the Act was issued to the Director of the assessee company to be personally present and also to produce the Directors of the investing company for examination of genuineness of the transaction, identity and creditworthiness of the lenders. The Tribunal noted that the Directors appeared pursuant to the summons but the assessing officer wrongly recorded that the Directors of the assessee company failed to appear in response to the summons issued under 131 of the Act. Furthermore, the Tribunal examined the factual position and noted that the assessee has filed evidences as called for by the assessing officer in respect of the assessee as well as the investing companies. The evidences filed comprised of income tax returns, audited balance sheet, profit and loss account, audited report, bank statement and master data in respect of each of the subscribers. Furthermore, both the parties have submitted their reply pursuant to the notice issued under Section 133(6) of the Act. After noting these facts, the Learned Tribunal held that the assessing officer as well as the CIT(A) did not cause any verification or conduct any enquiry into the evidences which were filed by the assessee and merely harped on non compliance of the summons issued under Section 131 of the Act, which is factually incorrect.

Learned Tribunal placed reliance on the decision of the Hon'ble Supreme Court in CIT -Vs- Orissa Corporation Ltd. (1986) 159 ITR 78 (SC) as well as the decision of this Court in Crystal Networks Pvt. Ltd. -Vs- CIT, (353) ITR 171 (Cal). The Tribunal also noted the decision of the Co-ordinate Bench in the case of ITO -Vs- M/S Cygnus Developers India Pvt. Ltd. (ITA/282/Kol/2012) wherein the factual position was also similar to that of the case of the assessee.

Thus, we find that the facts have been examined by the Tribunal and the conclusion has been arrived at and therefore, no question of law, much less substantial questions of law, arises for consideration in this appeal."

The Hon'ble High Court of Calcutta in case of Principal Commissioner of Income Tax-1, Kolkata vs True Man Consultants Private Limited (supra) has as under:

"On going through the order passed by the Tribunal, more particularly, the discussion which has been made from paragraph 8 of the impugned order, it is seen that the assessee has produced all details pertaining to the share applicants, namely, the Certificate of incorporation of the share applicants,

their networth as per the audited balance sheet of the concerned share applicants and the various documents concerning the share applicants to establish their identities, creditworthiness and genuineness. At the first blush, it appears these documents were produced for the first time before the Tribunal and not before the Assessing Officer. However, on going through the order of assessment, we find that the Assessing Officer has acknowledged the receipt of all the details and documents which have been filed by the assessee pursuant to the notices which were issued by the Assessing Officer. However, curiously enough, the Assessing Officer not a single line stated that the documents filed and explanation received were not acceptable. No reason was forthcoming as to why the documents filed and the explanation received were not acceptable in the opinion of the Assessing Officer. Thus, the order of assessment is a non speaking order.

So far as the factual issues are concerned, the learned Tribunal has elaborately taken note of the factual position, analyzed the documents which were produced before the Assessing Officer and also the gist of all the information which were provided by the assessee which for the sake of convenience was placed in a tabulated form.

Thus, we find upon perusal of the factual position the learned Tribunal has granted relief to the assessee and we find no questions of law, much less substantial questions of law, arising for consideration"

The Hon'ble High Court of Calcutta in case of Principal Commissioner of Income-tax-2 vs. Vish Realty Solutions (P.) Ltd. (supra) has held as under:

"5. We have carefully perused the findings recorded by the Assessing Officer and the order passed by the CIT(A) and the conclusion arrived at by the learned Tribunal. The only reason assigned by the Assessing Officer for making addition under Section 68 is that the assessee did not prove the creditworthiness of the share subscribers, genuineness of the transaction and the identity. In this regard, the learned Tribunal has carefully examined the documents which were filed by the assessee in the form of a paper book which contained confirmation letters of all the share subscribers stating that they have given the share application money and the source of such share application money has also been brought on record. Therefore, the Tribunal was justified in coming to a conclusion that the source of shares has been explained by the assessee company.

6. Apart from that, summons under section 131 of the Act was issued to the directors of the assessee company who had appeared before the Assessing Officer and submitted all documents to establish the identity and creditworthiness of the shareholders and the genuineness of the transaction. Apart from that, the Tribunal found that the share applicants have sufficient funds and they have explained the investment and therefore, all the three ingredients stood proved and the onus shifted on the department and the department was not able to dislodge the burden of proof cast upon it. The

Tribunal after noting the factual position has referred to the various decisions of the coordinate Bench of the Tribunal and allowed the appeal."

The Hon'ble High Court of Calcutta in case of Principal Commissioner of Income-tax vs. Anmol Stainless (P.) Ltd. (supra) has held as under:

"5. The next aspect which was examined by the CIT(A) was whether the assessee was able to establish the identity or creditworthiness of the shareholders which according to the Assessing Officer was not established. After taking note of the submission made by the assessee, more particularly that the investments have been made by the assessee's own sister concern and group companies, the CIT(A) directed the Assessing Officer to verify the claim of the assessee that the investments have been made from the assessee's own sister concern/group companies having mostly common directors and, to treat the appeal filed by the assessee to be allowed on those grounds in case the aforesaid claim is found correct.

6. We find from the order passed by the tribunal that the Assessing Officer has complied with the direction issued by the CIT(A) and has given effect to the order and no adverse finding has been recorded by the Assessing Officer and accordingly the addition was deleted. Therefore, the tribunal would have been well justified in rejecting the revenue's appeal which was filed against the order passed by the CIT(A). Nevertheless the tribunal took upon itself the exercise to examine the factual position probably realising that they are the last fact-finding authority in the hierarchy of authorities provided under the Act. After making an elaborate factual exercise the tribunal examined the creditworthiness of the investors and found that three share applicants were income tax assessees; they were filing return of income; share application form and allotment letter were available on record; the share application money was paid by the account payee cheques; details of bank account belonging to the share applicants and their bank statements were available; the Assessing Officer did not find any amount to be deposited in cash; the share applicants have substantial creditworthiness; the share applicants have common directors; all the directors are income tax assessees and all the three share applicants are sister concern. Thus, the tribunal was satisfied that the creditworthiness and the genuinity of the investments have been sufficiently established by the assessee not only before the CIT(A), but also before the Assessing Officer on the matter being sent back to the Assessing Officer pursuant to the order passed by the CIT(A)."

The Hon'ble High Court of Calcutta in case of Principal Commissioner of Income-tax vs. Snowwhite Infrastructure (P.) Ltd. (supra):

"5. The share subscriber company was a holding company of the assessee company and both the companies were having common directors and that the share subscribing/holding company was interested in the business of the assessee. The nature of business activity was examined by the tribunal and noted that the assessee company had completed multiple pieces of land in

the State of UP for developing a project in phases. The estimated cost of the project at the relevant point of time was Rs.300 crores. The assessee company had registered its project before the Real Estate Development Authority, U.P. The tribunal noted that the funds of the investing company and its creditworthiness has been duly considered and discussed by the CIT[A] in its order dated 22.7.2020. The entire share subscription amount was received by the tribunal from its holding company, i.e., IBIPL which in turn is promoted by Infinity Infotech Parks Limited and provided funds for execution of the project either by own or through subsidiaries. 6. After discussing the other relevant facts, the Tribunal also took note that the CIT[A] called for a remand report from assessing officer in respect of various details and evidence was submitted by the assessee and thereafter after considering the remand report the CIT[A] passed the order. The Tribunal also took note of the decisions of this Court in the case of Principal Commissioner of Income Tax v. Anmol Stainless (P) Ltd. [2022] 138 taxmann.com 535 (Calcutta) and ultimately dismissed the appeal.

7. Thus, we find that there is no question of law, much less substantial question of law arising for consideration in this appeal and the same is dismissed."

17. Now to sum up , the AO recorded categorical findings in the two remand reports that assessee has furnshied all the evidences qua subscribers who are all group compies. AO also noted that the notices issued u/s 133(6) of the /act were fully complied by the subscribers by furnsihding all the details and evidences as called for during the remand proceedings. Besides /AO noted that summons issued u/s 131 of the Act to the directors of the subscribers were also complied by making personal appearance and their statements were recorded u/s 131 of the Act during the remand proceedings which have disussed thoroughly in the remand reports extracted above. The AO has also enquired into the first source and also into the second source of the subscribers and has not drawn any adverse inference.Thereforeconsidering the facts of the case in the light of decisions as discussed above and we are of the considered view that the assessee has fully proved the three

ingredients as envisaged by section 68 of the Act. Having perused the two remand reports we are of the cosndiered view that addition has wrongly been confirmed by the ld. CIT(A) and isnot sustainable in the eyes of law. Accordingly, we set aside the appellate order on this issue and direct the AO to delete the addition Rs. 69,76,50,000/- made u/s 68 of the Act.

18. The appeal of the assessee is allowed.

ITA No 1556/Kol/2026(AY 2012-13)

19. We note that the reassessment orderu/s 147/143(3) dated 24.12.2018was passed by the AO with no addition. But Ld. CIT(A) unnecessarily repeated order which is subject matter of ITSS(A) No 55/Kol/2026 (AY 2012-13). Hence, ITA 1556/Kol/2026 merges with appeal no IT (SS)A 55/Kol/2026 and consequently the CIT(A)'s order becomes infructuous.

IT(SS)A No 54/Kol/2026(AY 2011-12)

20. The only issue raised in grounds of appeal is against the confirmation of addition of Rs. 32,28,20,000/- by ld. CIT(A) as made by the AO in respect of share capital/share premium ny treating the same as unexplained cash credit u/s 68 of the Act.

21. The fact in brief are that assessee has received share application money of Rs. 32,28,20,000/- from the group companies whose directors are also directors of share applicant companies & whose shareholders are either

directors/shareholders of the assessee company or their relatives or their other group companies. Out of the above share applicants, all the share applicants are common in AY 2011-12.The assessee has furnished details of source and second source during the assessment proceedings with all evidences . Notices u/s 133(6) issued to share applicants were fully replied with all evidences. Details of addition is as per

Sl No	Name of Share Applicant	Amount (Rs.)
1	Madrid Traders Pvt Ltd	8,06,00,000
2	Naman Health Food Industries Pvt Ltd	3,71,00,000
3	M/s Chordia Tarde Credits Pvt Ltd	16,68,45,000
4	Ridhi Sidhi Vanijya Pvt Ltd	37,00,000
5	M/s Gravity Sales Agency Pvt Ltd	7,45,75,000
	Total	**36,28,20,000**

22. We note that the assessee has furnished details of source and second source during the assessment proceedings which along with replies by share applicants to notices issued u/s 133(6) of the Act which are placed at Paper Book Page No 1 to 915 of paper book volume 1 & 2 of AY 2011-12 (M/s Chordia Tarde Credits Pvt Ltd&M/s Gravity Sales Agency Pvt Ltd) and in Paper book Volume 4 & 5 for AY 2012-13 from Page No 1158 to 1923 (M/s Madrid Traders Pvt Ltd, M/s Naman Health Food Industries Pvt Ltd& M/s Ridhi Sidhi Vanijya Pvt Ltd).

23. We note that the then Ld. CIT(A)-20 has also called for remand report for the impugned assessment year and the then Jurisdictional AO i.e. ACIT, Central Circle-2(1),Kolkatahas furnished remand report dated 30.11.2015 before the CIT(A)-20,Kolkata which is available from page no 952 to 964 of CP - 1.5). We note that the AO has given similar findings in the remand report mentioning that notices issued u/s 133(6) of the Act were replied by the investor comapnies.It was submitted that the directors of the investor companies are the main promoters of the assessee company. The summons u/s 131 of Income Tax Act, were issued to the directors of the above companies and their statements were recorded u/s 131 of the Income Tax Act.

24. The issue raised in this appeal is similar to one as decided by us in ITA No. IT (SS)A No. 55/KOL/2026 A.Y., 2012-13, wherein we have allowed the appeal of the assessee. Therefore, our decision in the above appeal would, mutatis mutandis , apply to this appeal as well. Consequently, we set aside the order of ld. CIT(A) on this issue and direct the AO to delete the addition of ₹. 32,28,20,000/-. The appeal of the assessee is allowed.

ITA No 1557/Kol/2026(AY 2013-14)

25. The issue raised in ground no. 1 is against the confirmation of addition of Rs. 32,67,50,000/- by ld. CIT(A) as made by the AO in respect of share capital/share premium by treating the same as unexplained cash credit u/s 68 of the Act.

26. The fact in brief are that assessee has received share application money of Rs. 32,67,50,000/- from the group companies whose directors are also directors of share applicant companies & whose shareholders are either directors/shareholders of the assessee company or their relatives or their other group companies. Out of the above share applicants, first 4 share applicants are common in AY 2011-12 & 2012-13 except M/s Paramount Financial Management Services Pvt Ltd. The assessee has furnished details of source and second source during the assessment proceedings with all evidences . Notices u/s 133(6) to share applicants were fully replied with all evidences which are placed at Page No 1 to 621 of Paper Book in volume 1 &2 for AY 2013-14. The AO treated the money received from the following subscribers as unexplained cash credit u/s 68 and added to the income of the assessee:

Sl No	Name of Share Applicant	(Amount(Rs.)
1	M/s SMR Business Pvt Ltd	50,00,000
2	M/s Gravity Sales Agency Pvt Ltd	10,00,000
3	M/s Bharat Finance & Industries Ltd	21,87,00,000
4	M/s Gulmohar Vyapaar Pvt Ltd (Now Known as Vana Nine Pvt. Ltd.)	5,00,000
5	M/s Paramount Financial Management Services Pvt Ltd	10,15,50,000
	Total	**32,67,50,000**

27. The then Ld. CIT(A)-20 has also called for remand report in the appellate proceedings and the then Jurisdictional AO i.e. ACIT, Central Circle-2(1), Kolkata has furnished remand report dated 30.11.2015 before the CIT(A)-20, Kolkata (placed at CP Page No 965 to 974 of CP -1.5). We observe

from the above remand report dated 30.11.2015 , that the directors of the share applicant companies appeared before the AO in response to summons u/s 131 of the Act during remand proceedings and their statements were recrdedand no adverse findings were made by the Ld. AO in the said remand report.

28. The issue raised in ground no. 1 is similar to one as decided by us in ITA No. IT (SS)A No. 55/KOL/2026 A.Y., 2012-13, wherein we have allowed the appeal of the assessee. Therefore, our decision in above appeal would, mutatis mutandis , apply to ground no. 1 of this appeal as well. Consequently, we set aside the order of ld. CIT(A) on this issue and direct the AO to delete the addition of ₹ . 32,67,50,000/-. The ground no. 1 is allowed.

Ground No 2 to 4

29. These grounds no. 2 to 4 raised by the assessee are against the order of ld. CIT(A) by not treating the Transport subsidy and VAT and ST remission received from government for setting up new industry in North East as capital receipt and notreducing same while computing income under normal provisions of Act as well as book profit u/s 115JB of the Act.

Ground No	Particular	Amount (Rs.)
2	Exclusion of Transport Subsidy in computing income under normal provisions as they are capital receipts.	3,06,05,054
3	Exclusion of Remission of VAT and CST in computing income under normal provisions as they are capital receipts.	39,45,459

4	Exclusion of Transport Subsidy and Remission of VAT and CST in computing book profit u/s 115JB as they are capital receipts	3,45,50,513

30. We have heard the rival contentions and perused the materials on records. We note that the assessee for the first time before CIT(A) in the appellate proceedings by way of additional ground raised the issue of subsidy and remission received form setting up industrial plant in a industrially backward area. We note that the assessee company has a set up a cement plant at Umlaper, Elaka Rymbai, Distt. East Jaintia Hills, Meghalay-793200 with production capacity of Clinker (2000 TPD) and cement (1850 TPD). The commercial production commenced on 21.12.2012. This fact is evident from the eligibility certificate under the Meghalaya Industrial & Investment Promotion Policy, 2012 placed at Page no 2 of Subsidy and Exemption Paper Book.The North East Industrial and Investment Promotion Policy (hereinafter referred to as "NEIIPP"), 2007 was introduced for promotion and development of industries in North East. As per the North East Industrial and Investment Promotion Policy (NEIIPP), 2007 dated 01.04.2007 (File No. 10(3)/2007-DBA-II/NER, all new units as well as existing units which go in for substantial expansion, unless otherwise specified and which commence commercial production within 10-year period from the date of notification of NEIIPP, 2007 will be eligible for incentives for a period of ten years from the date of commencement of commercial production. As per the said promotion policy the north Eastern States including Meghalaya are covered. The

said fact is evident from office memorandum dated 01.04.2007 of Ministry of Commerce & Industry. The relevant extract is reproduced below:

File No.10 (3)/2007-DBA-II/NER
Government of India
Ministry of Commerce and Industry
Department of Industrial Policy and Promotion
****

New Delhi dated the 1st April, 2007.

OFFICE MEMORANDUM

Subject: North East Industrial and Investment Promotion Policy (NEIIPP), 2007

The Government has approved a package of fiscal incentives and other concessions for the North East Region namely the '**North East Industrial and Investment Promotion Policy (NEIIPP), 2007**', effective from 1.4.2007, which, inter-alia, envisages the following:

(i) Coverage:

The North East Industrial Policy (NEIP), 1997 announced on 24.12.1997 covered the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. Under NEIIPP, 2007, Sikkim will also be included. Consequently, the 'New Industrial Policy and other concessions for the State of Sikkim' announced vide O.M. No.14(2)/2002-SPS dated 23.12.2002 and the Schemes thereunder i.e. Central Capital Investment Subsidy Scheme, 2002, Central Interest Subsidy Scheme, 2002 and Central Comprehensive Insurance Scheme, 2002, notified vide Notifications No. F.No.14(2)/2002-SPS dated the 24.12.2002 will be discontinued from 1.4.2007.

Copy of the office memorandum dated 01.04.2007 is placed at **Page 3 to 7 of Subsidy and Exemption Paper Book.**

31. As per the aforementioned office memorandum, the Government has approved a package of fiscal incentives and concessions for the North Eastern Region, effective from April 1, 2007. To attract and foster investment and industrial development in the region, the Government of India introduced the North East Industrial & Investment Promotion Policy (NEIIPP), 2007. Under this scheme, the company became eligible for incentives and concessions due to the presence of its cement plant in Meghalaya. Notably, the company is duly registered under the Central Capital Investment Subsidy Scheme, Central Interest Subsidy Scheme, Central Comprehensive Insurance Scheme, and

Transport Subsidy Scheme of NEIIPP, 2007 .Copy of the certificate of registration under NEIIPP,2007 dated 25.11.2010 is placed at Page no 8 of Subsidy and Exemption Paper Book.

32. The assessee was eleible for the following subsidy and remission from the government for setting up new industry in North East under the NEIIPP,2007 :

xii. 100% exemption of excise duty in terms of SL no (v) of Office Memorandum No. 10(3)/2007-DBA-II/NER issued by DIPP, Ministry of Commerce and Industry, GOI dated 01.04.2007

xiii. Transport subsidyin terms of the Sl No (xiv) ofOffice Memorandum No. 10(3)/2007-DBA-II/NER issued by DIPP, Ministry of Commerce and Industry, GOI dated 01.04.2007

xiv. Interest Subsidy in terms ofSl No (viii) of Office Memorandum No. 10(3)/2007-DBA-II/NER issued by DIPP, Ministry of Commerce and Industry, GOI dated 01.04.2007

xv. Insurance subsidy in terms ofSl No (ix) Office Memorandum No. 10(3)/2007-DBA-II/NER issued by DIPP, Ministry of Commerce and Industry, GOI dated 01.04.2007

33. We note that the assessee has received Remission of VAT and CST in terms of The Meghalaya Industries (Tax

Remission) Scheme 2006 which was brought in by the state government for promoting industries in the state.

34. The Assessee has also received such subsidies which are exempt in terms of NEIIPP,2007 and Remission of VAT and CST in terms of The Meghalaya Industries (Tax Remission) Scheme 2006. The said receipts were inadvertently treated as Revenue receipts in place of Capital receipts in AY 2013-14 to AY 2015-16. The assessee during the course of appellate proceedings raised the additional grounds for exclusion of said receipts while computing profit under normal provisions as well as for computing book profit u/s 115JB as these amounts were capital receipts and were not chargeable to tax.

35. During the impugned year, the assessee has received the following amounts as remissions and subsidies from the government under North East Industrial and Investment Promotion Policy (NEIIPP), 2007 & The Meghalaya Industries (Tax Remission) Scheme 2006and claimed same as capital receipt. Details of same are as under:

Particulars	Amount
Transport subsidy (NEIIPP, 2007 read with Transport Subsidy Scheme,1971)	3,06,05,054
Remission of VAT and CST (The Meghalaya Industries (Tax Remission) Scheme 2006)	39,45,459
Total	**3,45,50,513**

36. We note that the Ld. CIT(A) dismissed the claim of the assesseevide its order dated 07.03.2026. In Para 15.1.1 CIT(A) firstly summarised the claim of the assessee to treat the transport subsidy and VAT and CST remission received as capital receipt. Then the Ld. CIT(A) stated that the nature of a subsidy or remission depends on the objective/purpose for which it was given, not on its form, source or the method of payment and relied on some old judgements which have already been distinguished or reversed in later judgements relied upon by the assessee. (Page no 132 to 139 of CIT(A) order)

37. We further note that , in Para 15.1.2 the Ld. CIT(A) relying on aforementioned judgements stating that it is well settled that subsidies received against or in respect of any revenue expenditure are liable to be treated as income and should either be reflected separately as income incidental to the business or be adjusted against the corresponding expenditure so as to reduce the quantum of such expenses and thus rejected the claim of the assessee on Page 139 of CIT(A) order.

38. Having heard the rival parties , we find merit in the submission of the AR that Transport subsidy under NEIIPP, 2007 read with Transport Subsidy Scheme,1971 and remission of VAT and CST under The Meghalaya Industries (Tax Remission) Scheme 2006 given to assessee to incentivize and stimulate industrial activity in the backward region, to generate employment opportunities and bring about

developments in the N.E. States and was not meant to provide higher profit for the entrepreneur. The same are discussed hereinunder:

i. Transport subsidy (NEIIPP, 2007 read with Transport Susbsidy Scheme,1971)

ii. The Assessee company received a transport subsidy of Rs. 3,06,05,054/-in terms of the Sl No (xiv) ofOffice Memorandum No. 10(3)/2007-DBA-II/NER issued by DIPP, Ministry of Commerce and Industry, GOI dated 01.04.2007 (Placed at page no 3 to 7 of Subsidy & Exemption Paper Book) read with Transport Subsidy Scheme,1971(Placed at page no 9 to 16 of Subsidy & Exemption Paper Book). The relevant extracts of both the schemes are reproduced below:

(xiv) Transport Subsidy Scheme

The Transport Subsidy Scheme would continue beyond 31.3.2007, on the same terms and conditions. However, an early evaluation of the scheme will be carried out with a view to introducing necessary safeguards to prevent possible leakages and misuse.

Transport Subsidy Scheme, 1971

The Transport Subsidy Scheme was announced on 23.7.1971. The Scheme was introduced to develop industrialization in the remote, hilly and inaccessible areas by providing for subsidy in the transportation cost incurred by the industrial units so that they could stand competition with other similar industries, which are geographically located in better areas.

2. Planning Commission, Ministry of Railways, Ministry of Finance (Department of Expenditure), State Governments and Industrialists in NER, were associated at the time of finalization of initial scheme.

3. The salient features of the Scheme are as under:

- Introduced on : 23.7.1971
- Applicability : The Scheme is applicable to all industrial units (barring plantations, refineries and power generating units both in public and private sectors irrespective of their size)
- Coverage :
  - 8 States of the North East
  - H.P.
  - Uttarakhand
  - J&K
  - Darjeeling District of West Bengal
  - Andaman & Nicobar Administration
  - Lakshadweep Administration
- Validity of Scheme : The scheme has been extended from time to time, the last being on 26.02.2009 when the Cabinet Committee on Economic Affairs (CCEA) approved its extension beyond 31.03.2008 till completion of the process of evaluation of the Scheme being done with a view to introducing necessary safeguards to prevent possible leakages and misuse, if any, under the Scheme.
- Period of eligibility : The subsidy is eligible to a unit for a maximum period of five years from the date of commencement of commercial production.

39. Thus, from the above it is evident that the assessee has received a transport subsidy in accordance with the provisions outlined in the NEIIPP, 2007. This incentive, provided in the form of financial assistance for transportation costs, was specifically designed to foster industrial development in the North Eastern states, including Meghalaya. The primary objective of introducing this subsidy was not merely to augment the profitability of individual enterprises but to act as a strategic enabler for broader economic growth. By alleviating logistical and transportation challenges faced by

businesses operating in the region, the subsidy aimed to incentivize entrepreneurs to establish new industrial ventures or expand existing ones. In doing so, it sought to generate employment opportunities, attract investment, and strengthen the overall industrial ecosystem of the North Eastern states, thereby reducing regional economic disparities and fostering long-term sustainable development. Hence, the incentive so received under the aforementioned scheme of the government is a Capital Receipt.

40. The case of the assessee is squarely covered by decision of Hon'ble Gauhati High Court in case of Shiv Shakti Flour Mills (P.) Ltd. vs. Commissioner of Income-tax, Assam [2017] 77 taxmann.com 115 (Gauhati) wherein Transport Subsidy has been held as capital receipt reversing the decision of Hon'ble ITAT Guwahati Bench (Third Member) in case of Assistant Commissioner of Income-tax, Circle Tinsukia v. Shiv Shakti Flour Mills (P.) Ltd. [2014] 44 taxmann.com 135 (Gauhati - Trib.) (TM) relied by the Ld. CIT(A)as under:

"Section 4 of the Income-tax Act, 1961 - Income - Chargeable as (Subsidy) - Assessment year 2010-11 - Whether question of subsidy being revenue or capital receipt need not be answered on basis of accounting procedure followed by assessee but on basis of applicable principle of law - Held, yes - Assessee flour mills, situated in North Eastern State received transport subsidy - Purpose of transport subsidy was to stimulate industrial activity in this backward region and to bring about developments of this area - It was not meant to provide higher profit for existing entrepreneur - Whether subsidy received could not be treated as revenue receipt; it was capital receipt and, thus, not taxable in hands of assessee - Held, yes [Paras 22 and 25] [In favour of assessee]"

41. The Assessee company has received a remission of VAT and CST of Rs. 39,45,459 in terms of The Meghalaya Industries

(Tax Remission) Scheme 2006. The details relating to claim of remission of VAT and CST are placed at Page No 90 to 125 of Subsidy and Exemption Paper Book.This incentive was introduced with the primary aim of fostering industrial growth in the North Eastern States, including Meghalaya. The fundamental objective of this financial relief was not solely to boost the profitability of individual businesses but rather to serve as a strategic measure to stimulate economic development. By providing such incentives, the government sought to encourage entrepreneurs to establish new industrial units and expand existing ones, thereby enhancing industrial activity and contributing to the overall economic progress of the region. The remission of VAT and CST functioned as a key driver in reducing the financial burden on businesses, making it more feasible for them to invest in infrastructure, production, and workforce expansion. This initiative played a crucial role in creating a favourable business environment, attracting investments, and promoting sustainable industrialization, ultimately leading to long-term economic benefits for the state and its residents.Thus, the primary objective of the subsidy in the form of remission of VAT and CST was to promote industrial development in backward areas by encouraging the establishment of new industries. Hence, the incentive so received under the aforementioned scheme of the government is a Capital Receipt.

42. We note that similar Sales-tax/VAT remission received under Assam Industrial Policy Scheme,2008 and West Bengal

Incentive Scheme, 1993/1999/2000 for setting up new industries in the respective States have been held by Hon'ble High Court and coordinate benches as capital receipt which are discussed below:

- *Hon'ble Calcutta High Court in case of Graphite India Ltd. vs. Commissioner of Income-tax [2026] 186 taxmann.com 1199 (Calcutta):*

  "Section 4 of the Income-tax Act, 1961 / Section 4 of the Income-tax Act, 2025 – Firm Assessable as (Subsidy) - Assessee received sales-tax remission under West Bengal Incentive Scheme, 1993, which was granted to encourage expansion and modernization of industrial units located in backward areas and was directly linked to investment in fixed capital - Tribunal treated remission/subsidy as revenue in nature - Whether nature of such subsidy must be determined by applying well-settled "purpose test" - Held, yes - Whether a perusal of West Bengal Incentive Scheme, 1993 clearly demonstrated that remission was intended to induce fresh capital investment and expansion of industrial capacity and it was not a subsidy to assist assessee in carrying on its trade more profitably - Held, yes Whether therefore, Tribunal erred in treating said subsidy as revenue in nature - Held, yes [Paras 6 and 8] [In favour of assessee]"

- *Hon'ble Calcutta High Court in case of Principal Commissioner of Income-tax vs. Budge Budge Refineries Ltd. [2022] 139 taxmann.com 124 (Calcutta):*

  "Section 4 of the Income-tax Act, 1961 - Income - Capital or revenue receipts (Subsidy) Whether object for which subsidy/assistance is given determines nature of incentive subsidy and form or mechanism through which subsidy is given would be irrelevant - Held, yes Whether where assessee was granted subsidy under West Bengal Incentive Scheme, 2000 and amount of subsidy which was given, was in nature of reimbursement of 75 per cent of sales tax/VAT actually paid by assessee, since object of assistance under subsidy scheme was to enable assessee to set up a new unit and reimbursement of 75 per cent of sales tax paid had been termed as Industrial Promotion Assistance, receipt of subsidy would be a capital receipt - Held, yes [Paras 5 and 6] [In favour of assessee]"

- *Sunrise Biscuit Co. (P.) Ltd. vs. Income-tax Officer [2022] 140 taxmann.com 6 (Gauhati - Trib.)*

  "Section 4 of the Income-tax Act, 1961 - Income - Chargeable as (VAT subsidy) Assessment year 2014-15 - Assessee-company had received VAT subsidy from State Govt. under industrial promotion scheme for expansion of its existing industrial unit and claimed it to be capital in nature - Assessing Officer noted that same was given to assessee for carrying on its manufacturing business more profitably and, therefore, same was in nature of revenue receipt and, accordingly, brought it to tax - It was noted that this scheme was not made available to existing units to run their business more profitably but to encourage private industries to set up/substantially expand industrial units and, thus, attract capital investment in State - Whether since object of VAT subsidy was to accelerate industrial development and generation of employment in State, same was capital in nature - Held, yes"

- *Hon'ble ITAT Kolkata Bench DCIT, Circle-5(1), Kolkata v M/s Dhunseri Ventures Ltd ITA No.1780/Kol/2025 order dated 16.10.2025*

43. In view of the above facts and judicial pronouncements relied upon, we hold that receipts of Transport subsidy and Remission of VAT and CST amounting to Rs. 3,45,50,513/- being capital receipts is liable to be excluded for computing income under normal provisions of the Act.

44. Simialrly the subsidies & Remission of VAT and CST for setting up new industry as per policy of government received from government for setting up new industry has to be treated as capital receiptand also to be excluded for computing Book profit u/s 115JB as have been held in the following decisions:

a) *Hon'ble Calcutta High Court in case of Principal Commissioner of Income-tax, Central-2, Kolkata vs. Ankit Metal & Power Ltd. [2019] 109 taxmann.com 93 (Calcutta):*

"Section 115JB of the Income-tax Act, 1961 - Minimum alternate tax - Payment of tax (Computation of book profit) - Assessment year 2010-11 - Whether where a receipt is not in nature of income, it cannot be included in book profit under section 115JB - Held, yes Whether therefore, interest subsidy and Power subsidy being capital receipts could not form part of book profit under section 115JB - Held, yes"

b) *Hon'ble Calcutta High Court in case of Principal Commissioner of Income-tax vs. Krishi Rasayan Exports (P.) Ltd. [2022] 145 taxmann.com 191 (Calcutta)*

"Section 4, read with section 115JB, of the Income-tax Act, 1961 - Income - Capital or revenue receipts (Subsidy and excise refund) - Assessment year 2012-13 - Whether interest subsidy and excise refund should be treated as capital receipt for purpose of computation of book profit under provisions of section 115JB - Held, yes"

c) *Hon'ble Gauhati High Court in case of Principal Commissioner of Income-tax vs.Greenply Industries Ltd. [2025] 172 taxmann.com 294 (Gauhati)*

"Section 115JB of the Income-tax Act, 1961 - Minimum alternate tax - Payment Of (Computation of book profit) - Assessment year 2014-15 - Whether excise duty exemption being purely a capital receipt, not chargeable to tax under normal provisions of Act, cannot be included as part of book profit for computing minimum alternate tax as per provisions of section 115JB- Held, yes"

d) *Hon'ble ITAT, Gauhati in case of Greenlam Industries Limited v ACIT, Circle-Tinsukia, Assam I.T.A. No.: 402/Gau/2019 order dated 19.12.2022*

"21. From perusal of the above judgments and decisions and more specifically from the recent decision of this Tribunal in assessee's parent company case of Greenply Industries Limited (supra), we find that they are squarely applicable on the issues raised in the instant appeal and there remains no dispute that the alleged sum of excise duty exemption received by the assessee is a capital receipt not chargeable to tax and it is to be

excluded for the purpose of computing book profit u/s 115JB of the Act. We also find that this Tribunal after considering the settled judicial pronouncements has clearly held that the excise duty exemption received by the assessee during the course of running manufacturing units in the backward areas, notified by the Ministry of Commerce and Industry are to be considered as capital receipt not chargeable to tax and they also need to be excluded from the book profit for the purpose of computing MAT u/s 115JB of the Act.

22. We, therefore, respectfully following the settled judicial precedence, are of the considered view that the alleged sum of excise duty exemption of Rs. 19,25,59,001/- is a capital receipt not chargeable to tax and even for the purpose of computing MAT u/s 115JB of the Act the said sum needs to be reduced from the net profit shown in the audited profit and loss account. Therefore, ground nos. 2 & 3 raised by the assessee are allowed."

e) *Hon'ble ITAT Gauhati Bench in case of Sunrise Biscuit Co. (P.) Ltd. vs. Income-tax Officer [2022] 140 taxmann.com 6 (Gauhati - Trib.)*

"Section 115JB of the Income-tax Act, 1961 - Minimum alternate tax - Payment of (VAT subsidy) - Assessment year 2014-15 - Whether VAT subsidy received by assessee under State industrial scheme being capital in nature was liable to be excluded from computation of book profit under section 115JB - Held, yes"

f) *Hon'ble ITAT Mumbai Bench in case of Assistant Commissioner of Income-tax, Mumbai vs. Shree Pushkar Chemicals & Fertilizers Ltd. [2021] 133 taxmann.com 371 (Mumbai - Trib.)/[2022] 192 ITD 618 (Mumbai - Trib.)[09-08-2021]*

"Section 115JB of the Income-tax Act, 1961 - Minimum alternate tax - Payment of tax (Computation of book profit) - Assessment year 2015-16 - Whether when a receipt is not in nature of income, it cannot form part of taxable profit - Held, yes - Whether therefore, where fertilizer subsidy received by assessee was treated as capital receipt and not chargeable to tax, it had to be excluded from computing book profit under section 115JB - Held, yes [Para 15]"

g) *Hon'ble ITAT, Kolkata in case of Sicpa India (P.) Ltd. vs. Deputy Commissioner of Income-tax, Circle-8, Kolkata [2017] 80 taxmann.com 87 (Kolkata - Trib.)/[2017] 186 TTJ 289 (Kolkata - Trib.)[22-03-2017]*

"Section 115JB of the Income-tax Act, 1961 - Minimum alternate tax (Computation of book profit) - Assessment year 2007-08 - Whether excise duty subsidy and interest subsidy received by assessee in respect of undertaking situated in notified area of Sikkim could not be regarded as income for purpose of book profit even though same was credited in profit and loss account - Held, yes"

45. Considering the facts of the case and the ratio laid in the above decisions , we set aside the order of ld. CIT(A) on this issue and direct the AO to exclude the transport subsidy of ₹ 3,06,05,054/- and remission of VAT and CST of ₹ 39,45,459/- while computing the income under the normal provisions of the Act as well as while computing the MAT u/s 115JB of the Act. Consequently, the ground nos. 2 to 4 are allowed.

46. In the result the appeal of the assessee is allowed.

ITA No 1558/Kol/2026(AY 2015-16)

47. The issue raised in ground no. 1 is against the confirmation of addition of Rs. 16,27,75,000/- by ld. CIT(A) as made by the AO in respect of share capital/share premium ny treating the same as unexplained cash credit u/s 68 of the Act.

48. The fact in brief are that assessee has received share application money of Rs. 16,27,75,000/- from the group companies whose directors are also directors of share applicant companies & whose shareholders are either directors/shareholders of the assessee company or their

relatives or their other group companies. The assessee has furnished details of source and second source during the assessment proceedings with all evidences . Notices u/s 133(6) to share applicants were fully replied with all evidences.

Sl No	Name of Share Applicant	Amount(Rs.)
1	M/s Bharat Finance & Industries Ltd	11,66,25,000
2	M/s Gulmohar Vyapaar Pvt Ltd (Now Known as Vana Nine Pvt. Ltd.)	79,00,000
3	M/s Prabhudhan Finance Pvt Ltd	3,45,00,000
4	M/s Paramount Financial Management Services Pvt Ltd	37,50,000
	Total	**16,27,75,000**

49. All the above share applicants are common as in AY 2011-12, AY2012-13 & AY 2013-14.The assessee has furnished details of source and second source during the assessment proceedings which along with along with reply to Notice u/s 133(6) by share applicants is placed at Page No 1 to 618 of Paper Book in volume 1 & 2 for AY 2015-16.

50. The issue raised in ground no. 1 is similar to one as decided by us in ITA No. IT (SS)A No. 55/KOL/2026 A.Y., 2012-13, wherein we have allowed the appeal of the assessee. Therefore our decision in above appeal would, mutatis mutandis , apply to ground no. 1 of this appeal as well. Consequently we set aside the order of ld. CIT(A) on this issue and direct the AO to delete the addition of ₹ 16,27,75,000/-. The ground no. 1 is allowed.

51. The ground no 2 is against the order of ld. CIT(A) confirming the addition of Rs. 75,00,000/- as made by the AO on account

of unsecured loans received during the year u/s 68 of the Act.

52. The facts in brief are that the appellant has taken unsecured loans of Rs. 75,00,000/- from three loan creditors during the year. During the course assessment proceedings the assessee furnished before the AO all the evidences qua the loan creditors comprising names, addresses, copes of PAN, confirmations, audited financial statements and bank statement etc.The said loans were also duly repaid in the subsequent financial years. The AO without considering the documents furnished by the assessee before him and by relying on inspector report without providing the said inspector report to the assessee and without affording opportunity to cross examine added the unsecured loans to the income of the assessee bytreating the same as unexplained cash credit u/s 68 of the Act.

53. The Ld. CIT(A) also confirmed the addition without considering the details and documents furnished before him or pointing out any defect in the same.

54. We have heard the rival contentions and perused the material on records. We note that the assessee furnished all the details and evidences qua loans creditors before the AO as well as before the ld. CIT(A). The documents relating to loan creditors along with details of repayment of loanswere furnished before the Ld. CIT(A) which are available from Page No 619 to 680 of Paper Book Volume-3 for AY 2015-16. In our considered

opinion if the assessee has furnished all the documents relating to the loans creditors before the AO and AO has not done any enquiry into those evidences and loans are also repaid either in the current fianancialyears or subsequent finanaical years , then no addition can be made u/s 68 of the Act.The case of assessee is squarely covered by the decisions of the Hon'ble Calcutta High court in number of cases namely PCIT-2, Kolkata Vs. Rahul Premier India Agency Private Limited in ITAT/133/2025, IA No.GA/2/2025 vide order dated 05.08.2025, PCIT Vs. M/s Narayan Tradecom Pvt. ltd. in ITAT/76/2025, IA No. GA/1/2025 dated 10.06.2025, PCIT Vs. Alom Extrusions Ltd. ITAT/268/2024, IA no. GA/1/2024, GA/2/2024 dated 17.12.2024, PCIT Vs. M/s Edmond Finvest Pvt. ltd., in ITAT/28/2024, GA/2/2024 dated 26.02.2024, PCIT Vs. Parwati Lakh Udyong, ITAT/2/2024, IA No.GA/1/2024 dated 19.02.2024. In all the above decisions the Hon'ble court has held that where the assessee has filed all the evidences qua the loan creditors before the ld. AO and loans are also repaid then the same cannot be added us/ 68 of the Act. Similarly, the case of assessee is squarely covered by the decision of the Hon'ble Gujarat High Court in the case of Ambe Tradecorp (P.) Ltd., reported in [2022] 145 taxmann.com 27 (Gujarat).Thus in view of the above facts and the ratio laid by the Hon'ble Jurisdicitonal Hingh Court and also by the Hon'ble Gujrat High Court , we are inclined to set aside the appellate order on this issue and direct the AO to delete the addition of Rs. 75,00,000/-. The ground no. 2 is allowed.

Ground No. 3 to 7

55. These grounds are against the order of ld. CIT(A) not treating the subsidy and remissions received from government for setting up new industry in North East as capital receipt and reducing same while computing income under normal provisions of Income Tax Act,1961

Ground No	Particular	Amount (Rs)
3	Exclusion of Excise duty exemption received in computing income under normal provisions as they are capital receipts.	15,29,63,653
4	Exclusion of Transport Subsidy in computing income under normal provisions as they are capital receipts.	14,55,55,317
5	Exclusion of Interest Subsidy in computing income under normal provisions as they are capital receipts.	37,09,613
6	Exclusion of Insurance subsidy in computing income under normal provisions as they are capital receipts.	47,90,029
7	Exclusion of Remission of VAT and CST in computing income under normal provisions as they are capital receipts.	4,13,88,388

56. During the impugned year, the assessee has received the following amounts as exemptions and subsidies from the government under North East Industrial and Investment Promotion Policy (NEIIPP), 2007 &The Meghalaya Industries (Tax Remission) Scheme 2006 and claimed same as capital receipt.Details of same are as under:

Particulars	Amount
100% exemption of excise duty (North East Industrial and Investment Promotion Policy (NEIIPP), 2007)	15,29,63,653
Transport subsidy (NEIIPP, 2007 read with Transport Susbsidy Scheme,1971)	14,55,55,317

Interest Subsidy (NEIIPP, 2007)	37,09,613
Insurance Subsidy (NEIIPP, 2007)	47,90,029
Remission of VAT and CST (The Meghalaya Industries (Tax Remission) Scheme 2006)	4,13,88,388
Total	**34,84,07,000**

57. The Ld. CIT(A) dismissed the claim of the assessee vide its order dated 12.03.2026. In Para 15.1, Ld. CIT(A) firstly summarised the claim of the assessee to treat the transport subsidy and VAT and CST remission received as capital receipt in his own words. Then the Ld. CIT(A) stated that the nature of a subsidy or remission depends on the objective/purpose for which it is given, not on its form, source or the method of payment and relied on some old judgements which have already been distinguished or reversed in later judgements relied upon by the assessee. (Page no 178 to 184 of CIT(A) order)

58. Thereafter, in Para 14.2(should be para 15.2) the Ld. CIT(A) relying on aforementioned judgement stating that it is well settled that subsidies received against or in respect of any revenue expenditure are liable to be treated as income and should either be reflected separately as income incidental to the business or be adjusted against the corresponding expenditure so as to reduce the quantum of such expenses and rejected the claim of the assesee.(Page 184 of CIT(A) order).In para 14.3(should be para 15.3) Ld. CIT(A) stated that PCIT vs. Ankit Metals & Power Ltd. (2019) ITA No. 155 of 2018 (Cal.) is not applicable in case of as remission of VAT

and CST, as well as refund of excise duty duly paid or deposited have been held to be in the nature of revenue receipts in view of judgements relied in Para 15.1. Thereafter, he stated that since, all these subsidies are directly connected with the day-to-day business operations of the appellant and relate to expenditure incurred in the course of business, they are in the nature of revenue receipts (Page 184 & 185 of CIT(A) order)

59. The ld. AR submitted that 100% exemption of excise duty, transport subsidy, interest subsidy and insurance subsidy under NEIIPP, 2007 and remission of VAT and CST under The Meghalaya Industries (Tax Remission) Scheme 2006 given to assessee was to stimulate industrial activity in the backward region, to generate employment opportunities and bring about developments in the N.E. States and was not meant to provide higher profit for the entrepreneur.

60. We have heard the rival contentions and perused the materials on records. We find the issues of Transport Subsidy of Rs. 14,55,55,317/- and Remission of VAT and CST of Rs. 4,13,88,388/- are similar to ones as decided by us in in AY 2013-14. Accordingly our decision would , mutatis mutanids , apply to these issues as well

61. So far as 100% Exemption of Excise Duty as per North East Industrial & Investment Promotion Policy (NEIIPP), 2007 is concerned , we note that assessee has received Rs. 15,29,63,653/- in terms of the SLno (v) ofOffice

Memorandum No. 10(3)/2007-DBA-II/NER issued by DIPP, Ministry of Commerce and Industry, GOI dated 01.04.2007(Placed at page No 3 to 7 of Subsidy and Exemption Paper Book), the manufacturing unit of the assessee situated at Umlaper, Elaka Rymbai, Dist: East Jaintia Hills, Meghalay-793200, are eligible for 100% excise duty exemption in respect of goods manufactured and cleared from the said unit for a period of 10 years from the date of commencement of commercial production. The relevant extracts of the memorandum is reproduced hereunder:

> **(ii) Duration**:
>
> All new units as well as existing units which go in for substantial expansion, unless otherwise specified and which commence commercial production within the 10 year period from the date of notification of NEIIPP, 2007 will be eligible for incentives for a period of ten years from the date of commencement of commercial production.
>
> **(v) Excise Duty Exemption:**
>
> 100% Excise Duty exemption will be continued, on finished products made in the North Eastern Region, as was available under NEIP, 1997. However, in cases, where the CENVAT paid on the raw materials and intermediate products going into the production of finished products (other than the products which are otherwise exempt or subject to nil rate of duty) is higher than the excise duties payable on the finished products, ways and means to refund such overflow of CENVAT credit will be separately notified by the Ministry of Finance.

62. The incentive, in the form of an Excise Duty Exemption, was introduced with the primary objective of promoting industrialization in the North Eastern States, including Meghalaya, while also creating employment opportunities. The

purpose of this financial relief was not merely to enhance the profitability of individual businesses but to serve as a catalyst for economic growth by encouraging entrepreneurs to establish new industrial units or expand existing ones. By providing such incentives, the government aimed to stimulate industrial development, attract investments, and contribute to the overall socio-economic progress of the region. Hence, the incentive so received under the aforementioned scheme of the government is a Capital Receipt.

63. Further we note that similar Excise Duty Exemption schemes for the states of Jammu & Kashmir (56&57/2002 - CE dated 14-11-2002) and Himachal Pradesh and Uttaranchal(50/2003-CE dated 10-06-2003) have been notified by Central Government/State Government and Excise Duty Exemption received under such schemes were held to be capital receipt in nature. The case of the assessee is squarely covered by the decisions as discussed below:

- *Hon'ble Gauhati High Court in case of Principal Commissioner of Income-tax vs. Greenply Industries Ltd. [2025] 172 taxmann.com 294 (Gauhati) has held as under:*

  "Section 4 of the Income-tax Act, 1961 - Income - Chargeable As (Excise duty exemption) Assessment year 2014-15 - Assessee-company received excise duty exemption in terms of policy decision pertaining to new industrial policy and other concessions granted by Ministry of Commerce and Industry, Government of India, for States of Uttaranchal and Himachal Pradesh for local employment generation and use of local resources - In terms of said policy, new industrial units and/or existing industrial units fulfilling conditions set-out, were entitled to 100 per cent outright excise duty exemption for a period of 10 years from date of commencement of

commercial production - Whether in view of judicial precedents, excise duty exemption received by assessee-company under policy decision of Ministry of Commerce and Industry, Government of India, was to be treated as capital receipt and not as revenue receipt - Held, yes"

- *Hon'ble Supreme Court in case of Commissioner of Income Tax vs. Shree Balaji Alloys [2017] 80 taxmann.com 239 (SC) has held as under:*

  "Section 4 of the Income-tax Act, 1961 - Income - Capital or revenue receipts (Subsidy) Excise refund and interest subsidy received by assessee in pursuance of industrial policy of Government for State would be capital receipt"

- *Hon'ble Delhi High Court in case of Principal Commissioner of Income-tax vs. Crystal Crop Protection (P.) Ltd. [2022] 143 taxmann.com 61 (Delhi) has held as under:*

  "Section 4, read with section 254, of the Income-tax Act, 1961 - Income - Capital or revenue receipt (Excise duty, subsidy, etc.) - Assessment year 2011-12 - On appeal before Tribunal, assessee raised an additional ground that excise duty, subsidy and interest subsidy received by it from State under 'New Industrial Policy and Other Concessions Scheme' were to be treated as 'capital receipt', however, assessee had wrongly reported same as revenue receipt in return of income - Tribunal admitted said additional ground raised by assessee and allowed excise duty, subsidy and interest subsidy to be treated as capital receipts Revenue contended that Tribunal had wrongly admitted additional ground raised by assessee - It was noted that, pertinently, no submissions were advanced by department on merits of claim of subsidy allowed by Tribunal - Whether no error was committed by Tribunal in admitting said additional ground raised by assessee at stage of appeal because there was no dispute raised by department as to fact that said subsidies given by State to assessee was to be treated as capital receipt - Held, yes "

64. The Assessee has received interest subsidy of Rs. 37,09,613/- in terms of the Sl No (viii) of Office Memorandum No. 10(3)/2007-DBA-II/NER issued by DIPP, Ministry of Commerce and Industry, GOI dated 01.04.2007 (Placed at

Page 3 to 7 of Subsidy and Exemption Paper Book). The relevant extracts of the scheme are reproduced below:

> **(viii) Interest Subsidy:**
>
> Interest Subsidy will be made available @ 3% on working capital loan under NEIIPP, 2007 as was available under NEIP, 1997.

65. We note that the assessee has received an incentive in the form of an interest subsidy on working capital. This subsidy was introduced with the primary objective of fostering industrial development in the North Eastern States, including Meghalaya. The underlying intent of this financial assistance extends beyond merely increasing the profitability of individual businesses. Instead, it serves as a strategic initiative aimed at stimulating economic growth by incentivizing entrepreneurs to set up new industrial ventures or scale up their existing operations. By reducing the financial burden associated with working capital requirements, this subsidy creates a more favorable business environment, encouraging investment, enhancing production capacity, and ultimately contributing to the overall economic prosperity of the region. We note that similar Interest Subsidy under New Industrial Policy and Other Concessions Scheme of Jammu & Kashmir and West Bengal Incentive Scheme, 2000 and Technological Upgradation fund Scheme for setting up new industries/expansion in the respective states has been held to be capital receipt. We accordingly hold that interest subsidy received by the assessee is a capital receipt.The case of the assessee is squarely covered by the following decisions:

- Hon'ble Calcutta High Court in case of Principal Commissioner of Income-tax, Central-2, Kolkata vs. Ankit Metal & Power Ltd. [2019] 109 taxmann.com 93 (Calcutta) has held as under:

  "Section 4 of the Income-tax Act, 1961 - Income - Chargeable as (Subsidy) - Assessment year 2010-11 - Whether if an incentive/subsidy is given as a general assistance to assessee to carry on his business or trade, it would be an operational incentive and, thus, a trading receipt in hands of assessee; however if object of subsidy, irrespective of its source, is to enable assessee to acquire new plant and machinery or for further expansion of its manufacturing capacity or for setting up a new unit, entire subsidy must be held to be a capital receipt - Held, yes - Whether interest subsidy and power subsidy granted to assessee by State Government with sole intention of setting up new industry and attracting private investment in State of West Bengal in specified areas which is industrially backward was in nature of non-taxable capital receipt - Held, yes"

- Hon'ble Supreme Court in case of Commissioner of Income Tax vs. Shree Balaji Alloys [2017] 80 taxmann.com 239 (SC) has held as under:

  "Section 4 of the Income-tax Act, 1961 - Income - Capital or revenue receipts (Subsidy) Excise refund and interest subsidy received by assessee in pursuance of industrial policy of Government for State would be capital receipt"

- Hon'ble Delhi High Court in case of Principal Commissioner of Income-tax vs. Crystal Crop Protection (P.) Ltd. [2022] 143 taxmann.com 61 (Delhi) has held as under:

  "Section 4, read with section 254, of the Income-tax Act, 1961 - Income - Capital or revenue receipt (Excise duty, subsidy, etc.) - Assessment year 2011-12 - On appeal before Tribunal, assessee raised an additional ground that excise duty, subsidy and interest subsidy received by it from State under 'New Industrial Policy and Other Concessions Scheme' were to be treated as 'capital receipt', however, assessee had wrongly reported same as revenue receipt in return of income - Tribunal admitted said additional ground raised by assessee and allowed excise duty, subsidy and interest subsidy to be treated as capital receipts Revenue contended that Tribunal had wrongly admitted additional ground raised by assessee - It was noted

that, pertinently, no submissions were advanced by department on merits of claim of subsidy allowed by Tribunal - Whether no error was committed by Tribunal in admitting said additional ground raised by assessee at stage of appeal because there was no dispute raised by department as to fact that said subsidies given by State to assessee was to be treated as capital receipt - Held, yes "

66. We note that the Assessee has received insurance subsidy of Rs. 47,90,029 in terms of theSl No (ix) Office Memorandum No. 10(3)/2007-DBA-II/NER issued by DIPP, Ministry of Commerce and Industry, GOI dated 01.04.2007(Placed at Page 3 to 7 of Subsidy and Exemption Paper Book). The relevant extracts of the scheme are reproduced below:

(ix) Comprehensive Insurance:

New industrial units as well as the existing units on their substantial expansion will be eligible for reimbursement of 100% insurance premium.

67. The assessee has received an incentive in the form of an insurance subsidy. This subsidy was introduced with the primary objective of fostering industrial development in the North Eastern States, including Meghalaya. The underlying intent of this financial assistance extends beyond merely increasing the profitability of individual businesses. Instead, it serves as a strategic initiative aimed at stimulating economic growth by incentivizing entrepreneurs to set up new industrial ventures or scale up their existing operations. By reducing the financial burden associated with insuring its assets, this subsidy creates a more favourable business environment, encouraging investment, enhancing production capacity, and ultimately contributing to the overall economic prosperity of the region.The same is also a capital receipt in view of the

aforementioned judgements in above para where in it has been held that where subsidies are received for setting up new industries and promoting growth in the region the same are not revenue receipt but are capital receipts.

68. In view of the above facts and judicial pronouncements relied upon, receipts of Excise duty exemption, Transport subsidy, Interest subsidy, Insurance subsidy and Remission of VAT and CST amounting to Rs. 34,84,07,000/- being capital receipts is liable to be excluded for computing income under normal provisions.Accordingly we set aside the order of ld. CIT(A) on this issue and direct the AO to exclude these receipts from computation of income. The ground nos.3 to 7 are allowed.

69. The ground no. 8 relates to exclusion of subsidy and exemption/remissions received from government for setting up new industry in North East as same are capital receipt while computing book profit u/s 115JB of the Act.

70. The assessee has not pressed the ground no. 8 as in the AY 2015-16 as there is book loss and accordingly ground no. 8 is dismissed as not pressed.

ITA No 1559/Kol/2026(AY 2016-17)

71. The only issue raised in this appeal by the assessee is against the confirmation of addition of Rs. 6,76,50,000/- by ld. CIT(A) as made by the AO in respect of share capital/share premium ny treating the same as unexplained cash credit u/s 68 of the Act.

72. The fact in brief are that assessee has received share application money of Rs.6,76,00,000/- from the group company namely M/s Prabhudhan Finance Pvt Ltdwhose directors are also directors of share applicant companies & whose shareholders are either directors/shareholders of the assessee company or their relatives or their other group companies. The assessee has furnished details of source and second source during the assessment proceedings which is placed at Page No 1 to 248 of Paper Book AY 2016-17. The said share applicant company is common share applicant as of AY 2012-13. The Notice u/s 133(6) to share applicant was fully replied with all evidences.

73. Since the issue raised in ground no. 1 is similar to one as decided by us in ITA No. IT (SS)A No. 55/KOL/2026 A.Y., 2012-13, wherein we have allowed the appeal of the assessee, therefore our decision above appeal would, mutatis mutandis, apply to ground no. 1 of this appeal as well. Consequently, we set aside the order of ld. CIT(A) on this issue and direct the AO to delete the addition of ₹ 6,76,00,000/-.

74. The appeal of the assessee is allowed.

ITA No 1564/Kol/2026(AY 2017-18)

75. The issue raised in this appeal is against the confirmation of addition of Rs. 8,47,50,000/-by ld. CIT(A) as made by the AO in respect of share capital/share premium ny treating the same as unexplained cash credit u/s 68 of the Act.

76. The fact in brief are that assessee has received share application money of Rs.8,47,50,000/-from the group company namely M/s Prabhudhan Finance Pvt Ltdwhose directors are also directors of share applicant companies & whose shareholders are either directors/shareholders of the assessee company or their relatives or their other group companies. The assessee has furnished details of source and second source during the assessment proceedings which is placed at Page No 1 to 248 of Paper Book AY 2016-17. The said share applicant company is common share applicant as of AY 2012-13. The Notice u/s 133(6) to share applicant was fully replied with all evidences.

77. Since the issue raised in ground no. 1 is similar to one as decided by us in ITA No. IT (SS)A No. 55/KOL/2026 A.Y., 2012-13, wherein we have allowed the appeal of the assessee, therefore our decision above appeal would, mutatis mutandis, apply to ground no. 1 of this appeal as well. Consequently, we set aside the order of ld. CIT(A) on this issue and direct the AO to delete the addition of ₹8,47,50,000/-.

78. The appeal of the assessee is allowed.

ITA No 2162/Kol/2026(AY 2018-19)

79. The issue raised in this appeal is against the confirmation of addition of Rs. 3,34,00,000/-by ld. CIT(A) as made by the AO in respect of share capital/share premium ny treating the same as unexplained cash credit u/s 68 of the Act.

80. The fact in brief are that assessee has received share application money of Rs.3,34,00,000/- from the group company namely M/s Prabhudhan Finance Pvt Ltd₹ 1,71,50,000/- and M/s AryadeepCommotrade Pvt. Ltd₹ 1,62,50,000/- whose directors are also directors of share applicant companies & whose shareholders are either directors/shareholders of the assessee company or their relatives or their other group companies. M/s Prabhudhan Finance Private Limited is also common share applicant as of AY 2012-13. Hence covered in IT(SS) A 55/Kol/2026(AY 2012-13).

81. The other share applicant i.e. M/s AryadeepCommotrade Private Limited is regularly assessed to tax with ITO, Ward 1(1),Kolkata and has been subject to scrutiny assessment also, copy of the assessment order for AY 2017-18 dated 14.05.2019 is placed at Page no 975 to 977 of CP-1.5.The assessee has furnished details of source and second source during the assessment proceedings which is placed at Page No 1 to 427 of Paper Book AY 2018-19.The Notice u/s 133(6) to share applicant was fully replied with all evidences.

82. Since the issue raised in ground no. 1 is similar to one as decided by us in ITA No. IT (SS)A No. 55/KOL/2026 A.Y., 2012-13, wherein we have allowed the appeal of the assessee, therefore our decision above appeal would, mutatis mutandis, apply to ground no. 1 of this appeal as well. Consequently we set aside the order of ld. CIT(A) on this

issue and direct the AO to delete the addition of ₹3,34,00,000/-

83. The appeal of the assessee is allowed.

84. In the result, all the appeals of the assessee are allowed.

Order pronounced on 13.10.2026.

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

Kolkata, Dated: 13.10.2026
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//

Dy. Registrar
Income Tax Appellate Tribunal,
Kolkata