Principal Commissioner of Income Tax, Central-2, Kolkata v. M/s. Kunjal Synergies Private Limited

ITAT/42/2025 (IA No: GA/2/2025)

ITAT/42/2025 (IA No: GA/2/2025) (High Court at Calcutta, 2025-12-01) | 2025-12-01

No substantial question of law arose; the Revenue appeal was dismissed without costs.

Income-tax Act, 1961: 68, 56(2)(viib), 260A

High Court at Calcutta | Division Bench | Rajarshi Bharadwaj | Uday Kumar

Assessment years:

Scope of this source order

The source's concluding paragraphs refer to lenders and loan transactions despite the share-subscription facts, and contain a section-number anomaly. Preserve those inconsistencies. Do not assume a particular AY not expressly established by this source.

01 FACTS OF THE CASE

Revenue challenged the Tribunal's 29 February 2024 order concerning share subscriptions of Rs.2.80 crore from five companies. Shares of face value Rs.10 were issued at Rs.990 premium. Revenue questioned the premium and non-appearance of directors, pointing to near-simultaneous postal replies. The quoted assessee submission described petrochemical-related trading and declared income of Rs.2,06,04,670. The exact assessment year is not stated.

Source: Questions p.1; Tribunal extract pp.2–4

02 DISCUSSION BY THE HON'BLE COURT

The Tribunal extract considered company growth, shareholder net worth, returns, accounts, banking and corporate records, confirmations and assessments of certain subscribers. It stated that section56(2)(viib), effective from AY2013–14, did not apply to the year before it. The High Court accepted the factual appraisal and availability of supporting material before the authorities. Its concluding terminology contains inconsistencies disclosed in the Expert Comments.

Source: Tribunal extract pp.2–4; High Court reasoning p.4

03 JUDICIAL DECISION

The High Court found no substantial question of law and dismissed Revenue's appeal without costs.

Source: Operative paragraphs, PDF p.5

04 OUTCOME / IN WHOSE FAVOUR

Assessee-favourable result on the accepted documentary record. Neither high premium nor non-appearance was treated as sufficient to overturn that appraisal here; the order does not make net worth alone conclusive proof of a share subscription.

Source: Questions p.1; factual appraisal pp.3–4; disposition p.5

05 EXPERT COMMENTS

Distinguish the two statutory questions — The Tribunal extract treats section56(2)(viib) as inapplicable to the year, but separately examines section68 evidence. Non-application of the premium provision does not by itself prove identity, capacity or genuineness. The source's reference to AY2013–14 is an effective-date statement, not this assessee's identified assessment year.

Evaluate the full documentary record — Revenue relied on non-appearance and coordinated postal replies. The accepted record included corporate, tax and banking material and subscriber financial capacity; the table totals Rs.2.80 crore. This outcome should not become a general permission to ignore summons or a rule that a large net-worth figure alone establishes the actual investment.

Preserve visible source inconsistencies — Page4 shifts from share subscribers to lenders and loan transactions, refers to section136 rather than the earlier summons under section131, and describes a Revenue appeal at Tribunal level despite the preceding extract describing the assessee's challenge. These inconsistencies require the underlying Tribunal record for exact procedural use. The final High Court dismissal of Revenue's appeal is clear and is preserved without silently rewriting the source.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

High Court at Calcutta source judgment/order

Complete 5-page source PDF; corrected note based on this document.

All 5 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

Source-era statutory provisions only; no Income-tax Act, 2025 equivalence asserted.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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