

Principal Commissioner of Income Tax-2, Kolkata v. Karni Infraprojects Private Limited

ITAT/168/2025 (IA No: GA/2/2025)

ITAT/168/2025 (IA No: GA/2/2025) (Calcutta HC, decided 2026-01-28) | 2026-01-28

Deletion of Section 68 addition on share capital and share premium where the Assessing Officer conducted no independent inquiry to controvert the documentary evidence furnished by the assessee and the share subscribers.

Income-tax Act, 1961: sections 68, 131, 133(6), 143(3), 260A

High Court at Calcutta | 2-judge bench (Division Bench) | Justice Rajarshi Bharadwaj | Justice Uday Kumar

Assessment years: See ITAT order dated 19.12.2024

Decision turns on concurrent findings that AO failed to conduct independent inquiry

The Court dismissed the appeal under Section 260A because both appellate authorities recorded that the assessee discharged its initial onus with full financial documentation which the AO failed to rebut.

01 FACTS OF THE CASE

The Revenue appealed under Section 260A against the ITAT order dated 19.12.2024 affirming the CIT(A)'s deletion of an addition made under Section 68 in respect of share capital and share premium received by the assessee.

Source: [PDF pp. 1-2, paras 1-3](#)

02 DISCUSSION BY THE HON'BLE COURT

The Division Bench noted that the assessee had placed comprehensive documentary evidence before the AO—including ITRs, audited financial statements, bank statements, and confirmations of all subscriber companies—and that the subscribers had also responded to notices issued under Section 133(6). The AO made no independent inquiry to disprove these documents and relied solely on non-appearance under Section 131. Both the CIT(A) and the ITAT concurrently appreciated the evidence and deleted the addition.

Source: [PDF pp. 2-4, paras 4-7](#)

03 JUDICIAL DECISION

Finding no perversity in the concurrent factual findings and no substantial question of law, the High Court dismissed the Revenue's appeal.

Source: [PDF p. 4, para 8](#)

04 OUTCOME / IN WHOSE FAVOUR

Assessee - Revenue appeal dismissed; deletion of Section 68 share capital addition upheld.

Source: [PDF p. 4, para 8](#)

05 AKHB REVIEW POINT

Once the assessee and its share subscribers furnish complete Section 133(6) compliances and audited financial records, an addition under Section 68 cannot be sustained if the AO fails to conduct any independent inquiry to impeach the evidence.

Source: [AKHB analysis based on PDF pp. 2-4](#)

SOURCE & VERIFICATION

[High Court at Calcutta official judgment PDF - AKHB Repository \(20260128_WBCHCO0032702025.pdf\)](#)

4-page official High Court at Calcutta judgment PDF (20260128_WBCHCO0032702025.pdf, 138,890 bytes).

Supplied source-reviewed note retained; original bytes and identity validation checked in this release. Substantive re-review is not claimed for this record.

Open cited source rendition

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STATUTORY SCOPE

Applies Section 68 of the Income-tax Act, 1961. Income-tax Act, 2025 equivalence is not verified.

LATER TREATMENT

Source checked 2026-10-18. Full 4-page primary judgment PDF text read and verified page-by-page. Affirms concurrent factual findings of CIT(A) and ITAT deleting Section 68 share capital addition.

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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