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

ITAT168/2025 with IA GA2/2025

ITAT168/2025 with IA GA2/2025 (Calcutta High Court, 2026-01-28) | 2026-01-28

Share-capital/premium deletion sustained because the evidentiary explanation was unrebutted and the AO identified no discrepancy.

Income-tax Act,1961: sections 68

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

Assessment years: Not specified in order text

01 FACTS OF THE CASE

Revenue appealed in the Karni Infraprojects dispute, raising questions about section 68 share-capital and premium additions. The Court referred to the ITAT order dated 26 November 2024. It recorded that the assessee had supplied evidence addressing identity, creditworthiness and genuineness.

Source: PDF pp.1–3

02 DISCUSSION BY THE HON'BLE COURT

The Court accepted that the explanation and supporting documents were available in the AO/CIT record. The AO had not made the necessary enquiry or identified discrepancies; if dissatisfied, the assessee should have been confronted. The Tribunal's conclusion was therefore upheld as raising no substantial question.

Source: PDF pp.3–4

03 JUDICIAL DECISION

Revenue's appeal was dismissed without costs.

Source: PDF p.4

04 OUTCOME / IN WHOSE FAVOUR

Tribunal deletion sustained on the evidentiary record described by the Court.

Source: PDF pp.3–4

05 EXPERT COMMENTS

AKHB Expert Comments — editorial analysis, distinct from the Court's findings.

The burden shifted because an explanation was supported: The Court's reasoning begins with evidence addressing the three section 68 elements. It does not hold that merely filing an unspecified bundle ends every enquiry. The useful sequence is the taxpayer's supported explanation, the AO's assessment of it, and any identified deficiency requiring a response. (PDF p.3)

Enquiry and confrontation were missing: The Court emphasised the lack of investigation or a specified discrepancy despite the available record. For a comparable dispute, an adverse conclusion should be linked to an actual evidentiary defect and the opportunity to answer it. This case does not prevent additions where unreliable evidence is investigated and properly confronted. (PDF pp.3–4)

Do not infer an absent summons history: The short order does not enumerate every document, an addition amount, the assessment year, or compliance with particular summons and notices. Its conclusion should not be expanded into an account of section 131 or 133(6) proceedings that it does not describe. The underlying Tribunal and assessment record are needed for those factual comparisons. (PDF pp.3–4)

Source: PDF p.3

SOURCE & VERIFICATION

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

Complete 4-page original read and every page visually reviewed; source bytes verified. Commentary is editorial analysis of this order, not current-law clearance.

Full original and all five note panels re-reviewed on 21 October 2026; unsupported supplied assertions removed.

Open cited source rendition

Complete original source and all five note panels checked; original docket identities preserved.

STATUTORY SCOPE

Only provisions expressly stated in this order are indexed. Subsequent treatment and current law have not been independently verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent proceedings and current judicial treatment have not been 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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