

आयकर अपीलीय अधिकरण, जयपुर न्यायपीठ, जयपुर
IN THE INCOME TAX APPELLATE TRIBUNAL, JAIPUR BENCHES, JAIPUR

श्री विजय पॉल राव, न्यायिक सदस्य एवं श्री विक्रम सिंह यादव, लेखा सदस्य के समक्ष
BEFORE: SHRI VIJAY PAL RAO, JM & SHRI VIKRAM SINGH YADAV, AM

आयकर अपील सं./ITA. No. 07/JP/2015
निर्धारण वर्ष / Assessment Years : 2010-11

Income- Tax Officer Ward-7(3), Jaipur	बनाम Vs.	M/s Dhanlaxmi Equipment Pvt. Ltd. F-79C, Udyog Vihar, Jaitpura, Chomu Road, Jaipur
स्थायी लेखा सं./जीआईआर सं./PAN/GIR No.: AAACD5583A		
अपीलार्थी / Appellant		प्रत्यर्थी / Respondent

राजस्व की ओर से / Revenue by: Shri Ajay Malik (Addl.CIT)
निर्धारित की ओर से / Assessee by : Shri Rajeev Sogani &
Shri Rohan Sogani (CA)

सुनवाई की तारीख / Date of Hearing : 25/01/2018
उद्घोषणा की तारीख / Date of Pronouncement : 21/03/2018

आदेश / ORDER

PER: VIKRAM SINGH YADAV, A.M.

This is an appeal filed by the Revenue against the order of Id. CIT (A)-III, Jaipur dated 29.10.2014 for Assessment Year 2010-11 wherein the Revenue has taken the following sole ground of appeal:-

"On the facts and circumstances of the case and in law, the Id. CIT(A) has erred in deleting the addition of Rs. 1,70,00,000/- made u/s 68 on account of unexplained credits introduced in the form of share application money and share premium."

2. The facts of the case are that during the year under consideration, the assessee received an amount of Rs. 1.70 Crores consisting of share application money amounting to Rs 17 lacs and share premium money amounting to Rs. 1.53 Crores against fresh issue of share capital. To verify their identity, credit worthiness and genuineness of the transaction, the Assessing officer, based on name and address details of the investor companies based out of Kolkata, as provided by the assessee during the course of assessment proceedings, issued a commission u/s 131(1)(d) of IT Act was issued to the DDIT, Unit-3, Kolkata. The DDIT thereafter submitted a report as under:-

"A commission u/s 131(1)(d) is received from you in the case of M/s Dhanlaxmi Equipments Private Limited. Summons were issued to the assessee by dak for personal appearance and to verify the identity, genuineness and creditworthiness of the transactions. In response to the summons nobody appeared to prove the identity or genuineness of the shareholder companies. Then ITI was deputed to verify the physical existence of the companies. ITI submitted that none of the companies are existing at given address and no Books of accounts are maintained at the given address. Further on the basis of earlier search and surveys done, it is gathered that the given addresses of the companies are known as jamakharchi/paper companies addresses which are used for providing accommodation entry. As nobody appeared, the identity, genuineness and creditworthiness of the directors and transactions cannot be verified. However, documents submitted in dark are being sent for your kind perusal. It can be concluded from the above facts that prima facie it appears that the shareholder companies are jamakharchi/paper companies of Kolkata which are used for providing

accommodation entry and share capital infused in M/s Dhanlaxmi Equipment Pvt. Ltd. is their own unaccounted cash in the form of entry."

3. The AO confronted the report of the DDIT to the assessee and the latter was asked to show-cause why such share capital money may not be treated to be of unexplained nature and added u/s 68 of IT Act. In response, the assessee submitted that the statement of the DDIT, Unit-3, Kolkata was totally wrong and that all the shareholders to whom notices were issued appeared before the DDIT on 05.03.2013 and that the DDIT showed his busyness and asked to submit the papers to prove their identity and genuineness. Accordingly the shareholder companies submitted their papers on 07.03.2013 which were accepted by the DDIT. The assessee also enclosed copies of receipts of these documents by the DDIT. It was also contended by the assessee that the finding of the DDIT that such companies do not exist on the given address is incorrect in as much as notices sent by post were duly received by these companies. However the AO noted that the shareholder companies appeared before the DDIT on 05.03.2013 and papers were submitted before the DDIT on 07.03.2013 and that both these facts are contradictory in as much as if the shareholder companies were present before the DDIT on 05.03.2013, then the documents could have been submitted on the same date. The AO further noted that these shareholder companies are paper companies used for providing accommodation entry. The AO also doubted the payment of premium of Rs. 90/- per share and in view of these facts, the share application money including the premium amounting to Rs. 1.70 crores was treated to be unexplained money of the assessee within the

meaning of sec. 68 of IT Act and added to the total income in the hands of the assessee company.

4. Being aggrieved, the assessee company carried the matter in appeal before the Id CIT(A) who has set-aside the order of the AO and now, the Revenue is in appeal against the findings of the Id CIT(A).

5. Before we proceed further, it would be relevant to examine the relevant findings of the Id. CIT(A) which are contained at Para 5.3, page 29 to 33 of his order which are reproduced as under:-

"....On careful consideration of all relevant facts discussed above, it may be noted that there is no dispute on the fact that in respect of all the 20 companies who have subscribed for share capital, the appellant company has furnished their confirmation, evidence of their address, PAN, balance sheet, copies of Income Tax Returns as also bank statements from where payment was made. It is also fact that the A.O. has not brought on record any adverse material which may indicate any falsity in respect of the documents submitted by the appellant company in respect of share holders companies. The A.O. made a reference to the DDIT, Kolkata for verification of identity of these share holder companies, credit worthiness of these companies and genuineness of the transactions. It is fact that summons were issued by the DDIT to the share holder companies for personal presence on 05.03.2013 and as per the appellant in compliance of summons representatives of these share holder companies appeared before the DDIT on 05.03.2013 and also submitted necessary documents in respect of share application money with the appellant company on 07.03.2013. In the report the DDIT, Kolkata has reported that on the given date i.e. 05.03.2013

nobody attended whereas as per the appellant the representatives of 20 companies attended on 05.03.2013 but as the DDIT was busy and the DDIT asked the representatives to submit the necessary documents in 'Dak' therefore all necessary documents were submitted before the DDIT in support of share capital money on 07.03.2013. The appellant company has also stated the same facts before the A.O. In this connection it may be noted that if the A.O. disbelieved the submission of the appellant company in respect of attendance of the representatives of the share holder companies before the DDIT on 05.03.2013, the A.O. could have inquired the facts from the DDIT, Kolkata. Moreover, subsequently on 07.03.2013 all supporting documents in respect of share capital were furnished by the share holding companies before the DDIT, Kolkata and this fact is even not disputed by DDIT or the A.O. In this background the Inspector's report that no such companies were existing on the given address loses its authenticity and significance. Moreover, it may also be noted that out of 20 companies who have invested in share capital money, 14 companies mentioned at S. No. 1 to 14 of the list of companies (page 25-26) were the companies who were having existing share capital with the appellant company and in respect of these companies while completing the assessment for AY 2008-09, the AO has got conducted inquiries from the DDIT, Kolkata and the DDIT, Kolkata issued summons which were properly served and also recorded statement of the representatives of these 14 companies. The DDIT, Kolkata has accordingly not doubted the identity or the existence of these companies (paper book pages 536 to 548). In this background it cannot be said that these 14 companies are now not existing on the given

address. Moreover, the fact that summons were served on the 20 share holder companies is even not disputed by the DDIT. In this background it cannot be said that these share holder companies are not existing on the given address. It is also fact that the Inspector's report has not been made available to the appellant company and opportunity of cross examination was also not given to the appellant company or the share holder companies. It is also on record that all the 20 share holder companies submitted documents in support of their existence and identity, credit worthiness and genuineness by way of bank statements etc. but the DDIT, Kolkata without examining the same and without pointing out any falsity in such documents, simply forwarded these documents to the A.O. It is further noted that even the A.O. has not pointed out any falsity in such documents and simply relying on the report of the Inspector, made such addition of Rs. 1.7 Crores in the hands of the appellant company. It is also fact that out of 20 share holder companies, 14 share holder companies were already existing share holders of the appellant company and in respect of these 14 share holder companies (S. No. 1 to 14), while completing the scrutiny assessment for A.Y. 2008-09 detailed inquiries were made and the investment by way of share capital was found to be correct. In this background it may be mentioned that the PAN, complete address, confirmation, copies of ITR of these share holders companies definitely proved the identity of these share holder companies. Further the balance sheet and the bank statements of share holder companies further proved the credit worthiness and genuineness of the

transactions and accordingly the onus was duly discharged by the appellant company in terms of sec. 68 of IT Act. In this background the onus was shifted to the AO to prove that such documents in support of identity, credit worthiness and genuineness of the share holder companies were either false or incorrect. However, there is nothing on record to indicate any falsity in such documents. The undisputed fact remains that all the share holder companies are Pvt. Ltd. companies in respect of which the appellant has submitted confirmations, PAN No., copy of relevant Income Tax Return, bank statement of relevant period and in respect of share application money received by corporate entity, the ratio laid down by Hon'ble Supreme Court in the case of CIT Vs. Lovely Exports Pvt. Ltd. [2008], 216 CTR 195 is found to be quite relevant and to be followed. The Hon'ble Apex Court in this case has observed as under:-

"If share application money is received by the assessee company from alleged bogus shareholders, whose names are given to the AO, then the department is free to proceed to reopen their individual assessments in accordance with law, but it cannot be regarded as undisclosed income of assessee company."

Similar issue was decided by the Hon'ble Jurisdictional High Court in the case of Barkha Synthetics Ltd. Vs. ACIT, 283 ITR 377 whereas it was held as under:

"The principle relating to burden of proof concerning the assessee is that where the matter concerns the money receipts by way of share application from investors through banking channel, the assessee has to prove existence of person in whose name share application is received. Once the existence of shareholder is proved, it is no further burden of

assessee to prove whether that person itself has invested said money or some other person had made investment in the name of that person. The burden then shifts on revenue to establish that such investment has come from assessee company itself."

The Hon'ble Jurisdictional High Court have given similar findings in the case of CIT Vs. First Point Finance Ltd. [2006], 286 ITR 477, CIT Vs. Morani Automobiles Pvt. Ltd. [2014], 45 Taxmann.com 473 and CIT Vs. Super Tech. Diamond Tools Pvt. Ltd. [2014], 44 Taxmann.com 460.

Even the Jurisdictional ITAT in the case of Shalimar Buildcom Pvt. Ltd. Vs. ITO [2011], 136 TTJ 701 decided the similar issue as under:

"Shareholder companies having admitted to have subscribed to the share capital of the assessee company and accounted for the source of funds in their books of accounts which is not shown to be incorrect or false, no case is made out for making addition under s. 68 in the absence of any evidence to show that the share capital represented accommodation entries".

Keeping in view the facts and circumstances discussed above as also placing reliance on various case laws relied upon by the appellant including decision of Hon'ble Apex Court in the case of Lovely Exports(supra) and decisions of Jurisdictional High Court(supra) on the similar issue, the addition of Rs. 1.7 Crores made by the A.O. u/s 68 of IT Act is deleted. The ground of appeal is allowed."

6. During the course of hearing, the Id. AR submitted that firstly, out of the 20 companies, from whom share capital amounting to Rs. 170 lacs, was received during the relevant previous year, 14 companies (S.No. 1 to 14 in the table below) were existing shareholders of the assessee company to whom shares were allotted/share application money received in AY 2008-09 and the transactions were accepted as genuine and identity and creditworthiness was found established during the assessment proceedings itself for the AY 2008-09. Further, out of such 14 companies, director of 11 companies were even examined by ADIT (Inv), Unit-III (3), Kolkata vide report dated 14.12.2010, and were found to be genuine, the findings of which were used by the Id. AO in the said assessment order u/s 143(3) for AY 2008-09. These facts have also been accepted by the Id. CIT(A). The details of these companies are as under:-

S. No.	Name of the Party	Shares Allotted	Share capital	Securities Premium	Amount Received
		(Nos.)	(Rs. In Lacs)		
1	Chitrakoot Tradelink Pvt. Ltd.	15,000	1.5	13.5	15
2	Fairdeal Dealcom Pvt. Ltd.	5,000	0.5	4.5	5
3	Gangotri Sales Pvt. Ltd.	5,000	0.5	4.5	5
4	Lagan Suppliers Pvt. Ltd.	10,000	1	9	10
5	Natraj Mercantile Pvt. Ltd.	5,000	0.5	4.5	5
6	Octac Vinimay Pvt. Ltd.	5,000	0.5	4.5	5
7	Raincom Commodities Pvt. Ltd.	10,000	1	9	10
8	Rankini Tracom Pvt. Ltd.	5,000	0.5	4.5	5
9	Ruchi Merchandise Pvt. Ltd.	5,000	0.5	4.5	5
10	Subh Vyapaar Pvt. Ltd.	5,000	0.5	4.5	5
11	Unitech Merchantile Pvt. Ltd.	10,000	1	9	10
	Sub Total (A) (1 to 11)	80,000	8	72	80
12	Energy Distributors Pvt. Ltd.	5,000	0.5	4.5	5
13	Hariom Vincon Pvt. Ltd.	5,000	0.5	4.5	5

14	Monitor Suppliers Pvt. Ltd.	5,000	0.5	4.5	5
	Sub Total (B) (12 to 14)	15,000	2	14	15
15	Kushal Commodities Pvt. Ltd.	5,000	0.5	4.5	5
16	Starshine Dealcom Pvt. Ltd.	10,000	1	9	10
17	Swarna Laxmi Dealcom Pvt. Ltd.	20,000	2	18	20
18	Sweta Commodities Pvt. Ltd.	5,000	0.5	4.5	5
19	Tycoon Distributor Pvt. Ltd.	15,000	1.5	13.5	15
20	V.K. Mercantile Pvt. Ltd.	20,000	2	18	20
	Sub Total (C) (15 to 20)	75,000	8	68	75
	Total (A + B + C)	170,000	17	153	170

7. It was further submitted that the assessee Company produced all the required documents before the Id. AO to prove the identity, creditworthiness and genuineness of the companies investing money as well as genuineness of the transactions. All the investing entities are private limited companies duly regulated by the stringent provisions of the Companies Act, 2013 and their complete details could be verified from MCA Website (official website of Ministry of Company Affairs). The department has also issued them PAN and these investing companies are regularly assessed to tax. Thus the onus, on the part of the assessee company, stood fully discharged. As against the above, action of the Id. AO was solely based on the non- conclusive, scanty and unsupported report of DDIT Kolkata. Nothing was brought on record by the Id. AO to shift the burden again on the assessee company.

8. It was further submitted that there is no evidence, direct or indirect, to show that the money so received actually belonged to the assessee company. Nowhere the Id. AO has suggested that the money infused by different parties had actually flown from the assessee company. In absence of this finding, no addition can be made to the income of the assessee company merely on suspicion. Similar ratio was laid down by the Hon'ble Jurisdictional High Court in the case of Shumal Mines Private Limited (Income Tax Appeal No. 96/15), vide its order dated 03.05.2016. Since the identities of the Companies investing money was duly established by the assessee company, the Id. AO at best could have assessed such amount the hands of those companies.

9. It was further submitted that there is no allegation by the Id. AO or in the Report by DDIT Kolkata that these companies were part of any racket or were entry operators. It may be noted that Id. AO got the routine enquiry conducted through DDIT Kolkata. Further it is not a case where assessments were reopened on the basis of any information received from Investigation Wing.

10. Further reliance is placed on the following judicial pronouncements:

- CIT vs. Vacmet Packaging (India) (P.) Ltd. [2014] 367 ITR 217 (Allahabad)
- CIT vs. Vrindavan Farms (P) Ltd. ITA 71/2015, Delhi High Court
- CIT vs. Som Tobacco India Ltd. [2014] 42 taxmann.com 310 (Allahabad)

11. Further, ITAT Jaipur Bench, Jaipur in the case of M/s. Bells Paper Board (P) Ltd ITA No. 575/JP/2011 and M/s. Misty Meadows (P) Ltd. ITA No. 422/JP/2012 followed the ratio laid down by the Hon'ble Rajasthan High Court in the case of Shree Barkha Synthetics Ltd. [2006] 155 TAXMAN 289 (RAJ.) wherein the Hon'ble Jurisdictional High Court held that "...Once the existence of investor is proved, it is no further burden of the assessee to prove whether that person itself has invested said money or some other person had made investment in the name of that person. The burden then shifts on revenue to establish that such investment has come from assessee Company itself."

12. Further reliance is also placed on the following judicial pronouncements for the legal proposition that once the identity of the share applicants is established the assessee company need not establish the source of the money infused by them:-

- Kanhaialal Jangid vs. Asst. CIT (2008) 217 CTR (Raj) 354
- Aravali Trading Co v. ITO (2008) 220 CTR (Raj) 622
- Labh Chand Bohra v ITO (2010) 189 Taxman 141 (Raj)
- CIT vs. Jay Dee Securities & Finance Ltd. (2013) 350 ITR 220 (ALL.)

13. Further reliance was placed on the decision of Hon'ble Madhya Pradesh High Court in the case of Peoples General Hospital Ltd. [2013] 356 ITR 65 (MP) held that "...from the Heads Notes - Section 68 of the Income-tax Act, 1961 - Cash credit [Share application money] - Whether, where assessee had established identity of person providing share application money, burden of proving creditworthiness of said person was not on assessee, and, therefore, addition could not be made as cash credit under section 68-Held, yes...."

14. It was further submitted that the case of the assessee company, on facts, is completely distinguishable from those cases where on account of search/survey, incriminating documents have been unearthed by the department to establish non genuineness of the transaction or cases where companies/individuals have themselves admitted of providing entries.

15. It was further submitted that in respect of the cross examination of the Inspector, solely on the basis of whose report additions were made by the Id. AO, reliance is placed on the recent judgment dated 2.09.2015 of the Hon'ble Supreme Court in the case of Andaman Timber Industries Civil Appeal No. 4228 of 2006 in which it was held that "not allowing the assessee to cross-examine the witnesses by the Adjudicating Authority though the statements of those witnesses were made the basis of the impugned order is a serious flaw which makes the order nullity inasmuch as it amounted to violation of principles of natural justice because of which the assessee was adversely affected....

16. Finally, it was submitted that the case of the assessee is covered by the judgment of the Hon'ble Rajasthan High Court in assessee's own case for AY 2008-09, wherein Hon'ble Rajasthan High Court has dismissed the revenue's appeal. It was submitted that the Hon'ble Rajasthan High Court under identical set of facts had held that the assessee had discharged its onus of proving identity, credit worthiness and genuineness of transactions under section 68. The question of law framed for consideration before the Hon'ble High Court:-

"whether in the Tribunal is justified in law and on facts in deleting the addition of Rs. 2.16 crore made under section 68, ignoring that the assessee company had failed to discharge the onus cast upon of

proving identity and creditworthiness of the creditors and genuineness of transaction u/s 68 of the IT. Act, 1961?

17. It was submitted that while answering the above question in favour of the assessee and against the Revenue, the Hon'ble Rajasthan High Court affirmed the findings of the Hon'ble ITAT as under:

"3. However the Tribunal while considering the matter observed as under:-

"6. We have heard the rival contentions of both the parties and perused the materials available on record. The Id. Assessing Officer during the course of assessment proceedings, noticed that the assessee has shown deposits, fresh capital of Rs. 6,11,50,000/- in different form i.e. unsecured loan, reserve and surplus and share capital money. The Id. Assessing Officer verified the information submitted by the assessee through ADIT, Kolkata, who had sent interim report, which was received on 14.12.2010 whereas assessment was completed on 30.12.2010. In interim report, as per Assessing Officer in 9 cases, notices were returned back but it was not informed to the assessee about the conclusion of the enquiry by the ADIT, Kolkata or Assessing Officer of the assessee. The Id. Assessing Officer heavily relied on the Inspector's report in confirming the addition but result of the enquiry of the Inspector has not been communicated to the assessee, which is against the principles of natural justice. As per Assessing Officer, in case of 5 companies, the source of fund was not found explained. The Id. Assessing Officer again gave show cause notice on 23.12.2010. The

assessee filed reply on 27.12.2010 and it was claimed before the Assessing Officer that no enquiry has been made by the Assessing

Officer on changed addresses. The Id. Assessing Officer had not considered the evidence filed by the assessee during the course of assessment proceedings i.e. affidavits confirming the transaction, PAN number, complete addresses of creditors, copy of balance sheet, ITR for AY 2008-09, bank statement and form No. 18. The assessee had discharged its onus by providing the requisite evidences to prove the identity, genuineness and creditworthiness of the cash creditors. The Id. Assessing Officer herself had accepted the remaining cash creditors to the tune of Rs. 3.95 crores explained on the basis of similar evidences produced by the assessee as genuine. The loan/share capitals were received from the private limited companies. They also are filing return under the company's law and all information is available on MCA website. The ADIT report was not conclusive to held that the cash creditors were not genuine. It is not required under the law to prove the source of source u/s 68 of the Act, Primary burden lies on the assessee has been discharged by filing the requisite evidences before the Assessing Officer and shifted on the Assessing Officer to disprove the cash creditor's transactions are not genuine or bogus. The share application money was received by the appellant and subsequently returned through banking channel. In case of 7 companies, the notices were served on it on given addresses. There is no evidence directly or indirectly with the Assessing Officer that the assessee had routed undisclosed money in the guise of share application money or loan. The Id DR's argument have also not convinced us that these parties were in accommodation entries in form of loan and share application money after charging certain commission

as such no survey/search has been carried out on the creditors to prove that these companies are habitual to provide loan/share application

money even there is no evidence with the Id. DR for making such allegation during the course of written submissions. The case laws relied by the Id. AR are squarely applicable on the given facts and circumstances. The Id. DR has also not controverted the finding given by the Id. CIT(A). Accordingly, we upheld the order of the Id. CIT(A)."

4. In view of the above, submissions made by the respondent is required to be accepted. The issue is answered in favour of the assessee and against the department."

18. The Id DR has vehemently argued the matter. He took us through the findings of the AO and relied heavily on the same. He further submitted that the assessee has not discharged the primary onus placed on it in terms of identity, creditworthiness and genuineness of the transaction.

19. We have heard the rival contentions and perused the material available on record. During the year under consideration, the assessee company has received share application money along with share premium from 20 companies totaling to Rs 17 crores. Out of these 20 companies, first 14 companies as detailed in list of these companies as per Para 6 above are existing shareholder companies which have invested and hold shares in the assessee company. The Revenue has accepted the identity of these companies and genuineness of the share transaction while framing the assessment under 143(3) for AY 2008-09 after conducting the detailed enquiry. Where the same set of existing shareholders invest further sum of money by way of share application and the assessee company issues shares to them, it would not be appropriate for the Revenue to challenge the identity and genuineness

of the share transaction which has occurred during the year. More so, when the assessee company has again furnished complete particulars of all these companies in terms of name, address, PAN no., copy of their confirmation, copy of their income tax returns, copy of their balance sheet and bank statements through which the cheque payment has been made. Further, the Id CIT(A) has returned a finding that the balance sheet and bank statement of these companies prove the credit worthiness of making further investment during the year. There is nothing on record which controvert the said findings of the Id CIT(A). In light of the same, we confirm the findings of the Id CIT(A) and set-aside the order of the AO in respect of these 14 companies who are existing shareholders and have made fresh investment during the year.

20. In respect of remaining 6 companies, we find that the assessee company has again furnished complete particulars of all these companies in terms of name, address, PAN no., copy of their confirmation, copy of their income tax returns, copy of their balance sheet and bank statements through which the cheque payment has been made. We find that these documents have been submitted before the DDIT, Kolkatta who has not examined these documents and merely forwarded these documents to the AO. Therefore, in absence of such examination, even the prima facie view of the DDIT, Kolkatta that these are paper companies which are used for providing the accommodation entries cannot be accepted. Even the prima facie view has to be formed on basis of certain tangible evidence and investigation and examination which is clearly absent in the present case. Further, we

find that even the AO has not taken any efforts to examine these documents and has gone by the so called prima facie view of the Id DDIT, Kolkatta and such a prima facie view without further examination cannot be a basis for forming a final view. The Courts have held that "if the Assessing Officer harbours doubts of the legitimacy of any subscription he is empowered, nay duty-bound, to carry out thorough investigations. But if the Assessing Officer fails to unearth any wrong or illegal dealings, he cannot obdurately adhere to his suspicions and treat the subscribed capital as the undisclosed income of the Company." We therefore agree with the findings of the Id CIT(A) that in absence of any falsity which have been found in the documents so submitted by the assessee company to prove the identity, creditworthiness and genuineness of the share transaction, these documents cannot be summarily rejected as has been done by the AO in the instant case.

21. Further, we find that on similar fact pattern, the Hon'ble Rajasthan High Court in assessee's own case referred supra has ruled in favour of the assessee. Hence, in light of above discussions and respectfully following the decision of the Hon'ble Rajasthan High Court, we affirm the order of the Id CIT(A) and the addition so made by the AO is hereby deleted.

In the result, the appeal of the revenue is dismissed.

Order pronounced in the open Court on 21/03/2018.

Sd/-

(विजय पॉल राव)

(Vijay Pal Rao)

न्यायिक सदस्य / Judicial Member

Sd/-

(विक्रम सिंह यादव)

(Vikram Singh Yadav)

लेखा सदस्य / Accountant Member

जयपुर / Jaipur

दिनांक / Dated:- 21/03/2018.

*Ganesh Kr.

आदेश की प्रतिलिपि अग्रेषित / Copy of the order forwarded to:

1. अपीलार्थी / The Appellant- Income Tax Officer, Jaipur
2. प्रत्यर्थी / The Respondent- M/s Dhanlaxmi Equipment Pvt. Ltd., Jaipur
3. आयकर आयुक्त / CIT
4. आयकर आयुक्त / CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, जयपुर / DR, ITAT, Jaipur.
6. गार्ड फाईल / Guard File { ITA No. 07/JP/2015 }

आदेशानुसार / By order,

सहायक पंजीकार / Asst. Registrar