

Kuber Floritech: In this case, DHC in context of addition of share capital u/s 68 of the Act, affirming Delhi ITAT order relying on SC ruling in Lovely exports case, has given liberty to revenue to proceed against investor shareholders u/s 153(3) (without time limit assessment on appeal direction/finding in third party case) in following words:

“ In the present case, in view of the aforesaid, the Tribunal has categorically mentioned in the aforesaid extracted portion that the department can initiate proceedings against Sh. P.K.Sharma. Thus, when the department is not remediless and the contentions of the assessee that these shares were purchased by Sh. P.K.Sharma and in that situation, additions should have been made in the hands of Sh. P.K.Sharma and not in the case of assessee, it would be open to the Revenue to initiate proceedings by treating the same under Section153(3) of the Act as income in the hands of Sh. P.K.Sharma, in accordance with law.”