

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई

IN THE INCOME TAX APPELLATE TRIBUNAL

"B" BENCH, CHENNAI

श्री एन.आर.एस. गणेशन, न्यायिक सदस्य एवं
श्री ए. मोहन अलंकामणी, लेखा सदस्य केसमक्ष

BEFORE SHRI N.R.S. GANESAN, JUDICIAL MEMBER AND
SHRI A. MOHAN ALANKAMONY, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.3104/Mds/2014

निर्धारण वर्ष / Assessment Year : 2002-03

Smt. R. Vijayakannan,
No.135-A, Kennedy Nagar,
Suramangalam,
Salem – 636 005.

v. The Income Tax Officer,
Ward – I(3),
No.3, Gandhi Road,
Salem – 636 007.

PAN : ACPPV 1306 H

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Sh. G. Baskar, Advocate

प्रत्यर्थी की ओर से/Respondent by : Sh. S. Das Gupta, JCIT

सुनवाई की तारीख/Date of Hearing : 06.04.2015

घोषणा की तारीख/Date of Pronouncement : 08.04.2015

आदेश / O R D E R

PER N.R.S. GANESAN, JUDICIAL MEMBER:

This appeal of the assessee is directed against the order of the Commissioner of Income Tax (Appeals), Salem dated 28.11.2014 and pertains to assessment year 2002-03.

2. Shri G. Baskar, Ld.counsel for the assessee, submitted that the Assessing Officer made an addition of ₹10,00,000/-. In the first round of litigation, this Tribunal by an order dated 12.01.2011 remanded back the matter to the file of the Assessing Officer. The Assessing Officer confirmed the addition once again to the extent of ₹10,00,000/- on the ground that the contemporaneous evidence in the form of return of income was not filed by the assessee. According to the Ld. counsel, when the investments were made in M/s Vetrivel Explosives Private Limited for the period from 01.04.1999 to 31.03.2001, there cannot be any addition for the financial year 2001-02 which is relevant to the assessment year 2002-03. At the best, the addition could be made only for the financial year 2000-01 which is relevant to the assessment year 2001-02. Referring to paper-book, more particularly pages 35 and 36, the Ld. counsel submitted that all the payments were made by cash before 31.03.2001. Hence, there cannot be any addition for the year under consideration.

3. On the contrary, Shri Das Gupta, the Ld. Departmental Representative, submitted that the assessee made investments in M/s Vetrivel Explosives Private Limited for the period from 01.04.1999 to 31.03.2001 towards share capital and advances to

the extent of ₹ 12,85,000/-. The Assessing Officer found that the assessee would not have earned so much of money for the period from 01.04.1999 to 31.03.2001. As per the direction of this Tribunal, the Assessing Officer as well as the CIT(Appeals) examined the matter and found that ₹10,00,000/-, which was credited to the capital account for the year ending 31.03.2001, as income from other sources. The Assessing Officer has rightly rejected the claim of the assessee with regard to ₹10,00,000/- considering as income from other sources and this was rightly confirmed by the CIT(Appeals).

4. We have considered the rival submissions on either side and perused the relevant material on record. The Assessing Officer made an addition of ₹10,00,000/- on the ground that the investments made in share capital of M/s Vetrivel Explosives Private Limited remains unexplained. The Assessing Officer, after considering the claim of the assessee that all the investments were made till 31.03.2001, found that the amount credited to the capital account to the extent of ₹10,00,000/- in the year ending 31.03.2001 as income from other sources was not explained. The fact remains that the investments in M/s Vetrivel Explosives Private Limited were made in the year ending 31.03.2001 and the capital amount

credited is also in the year ending 31.03.2001. Therefore, if at all there is any addition, it could be made only for the financial year 2000-01 which is relevant to the assessment year 2001-02. Hence, the addition made for the assessment year 2002-03 is not sustainable. In view of the above, the orders of the lower authorities are set aside and the addition of ₹10,00,000/- is deleted.

5. In the result, the appeal of the assessee is allowed.

Order pronounced on 8th of April, 2015 at Chennai.

sd/-
(A.Mohan Alankamony)
(ए. मोहन अलंकामणी)
लेखा सदस्य/Accountant Member

sd/-
(N.R.S. Ganesan)
(एन.आर.एस. गणेशन)
न्यायिक सदस्य/Judicial Member

चेन्नई/Chennai,
दिनांक/Dated, the 8th April, 2015.

Kri.

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त (अपील)/CIT(A), Salem
4. आयकर आयुक्त/CIT, Salem
5. विभागीय प्रतिनिधि/DR
6. गार्ड फाईल/GF.