

**आयकर अपीलीय अधिकरण, 'सी' न्यायपीठ, चेन्नई**

IN THE INCOME TAX APPELLATE TRIBUNAL 'C' (SMC) BENCH : CHENNAI

**श्री अब्राहम पी. जॉर्ज, लेखा सदस्य के समक्ष।**

[BEFORE SHRI ABRAHAM P. GEORGE, ACCOUNTANT MEMBER]

आयकर अपील सं./I.T.A. No. 475/Mds/2017

निर्धारण वर्ष /Assessment year : 2007-2008.

Mrs. P. Shanthi,  
No.6, Muthupettai Road,  
Tiruthuraipoondi

**Vs.** The Income Tax Officer,  
Ward 1(2)  
Nagapattinam.

**[PAN AZHPS 7732H]**

**(अपीलार्थी/Appellant)**

**(प्रत्यर्थी/Respondent)**

अपीलार्थी की ओर से/ Appellant by

: Shri. D. Anand, Advocate

प्रत्यर्थी की ओर से /Respondent by

: Shri. B. Sagadevan, IRS, JCIT.

सुनवाई की तारीख/Date of Hearing

: 12-12-2017

घोषणा की तारीख /Date of Pronouncement

: 19-12-2017

**आदेश / ORDER**

Assessee in this appeal is aggrieved on an addition of ₹6,88,559/- confirmed by the Id. Commissioner of Income Tax (Appeals) through his order dated 09.12.2016.

2. Facts apropos are that assessee a partner in one M/s. Raja Agencies had filed her return of income for the impugned assessment year disclosing income of ₹1,92,000/-. In the capital account filed

alongwith return, there were credits of ₹6,88,559/- in cash. Assessee was required to explain the source of the cash introduced. Reply of the assessee was that she had sold a property at Ponniah Chetty Street, Thiruthuraipoondi for a sum of ₹4,16,600/-. Further as per the assessee in the return of income for the assessment year 2006-2007, she had shown a sum of ₹1,40,000/- under the head 'income from Other Sources'. Apart from this, as per the assessee for the impugned assessment year also she had shown income of ₹1,65,000/- under the same head. Thus, as per the assessee she was having ₹7,21,600/- with her and out of such amount capital of ₹6,88,559/- was introduced. However, Id. Assessing Officer was not impressed by the above arguments. According to him, income under the head Other Sources could not be considered as source for money introduced in the capital account. Further, according to him, assessee's explanation regarding sale consideration received on sale of property alone could not be accepted since there was difference between sale amount and actual payment received. An addition of ₹6,88,559/- was made.

**3.** Assessee's appeal before the Id. Commissioner of Income Tax (Appeals) did not meet with any success. According to the Id. Commissioner of Income Tax (Appeals), assessee did not produce any

evidence for substantiating its claim for the source of money introduced in the capital account.

**4.** Now before me, Id. Authorised Representative strongly assailing the orders of the lower authorities submitted that assessee had sufficient source for cash introduced in her capital account. According to him, this was disbelieved for no reasons.

**5.** Per contra, Id. Departmental Representative strongly supported the orders of the authorities below.

**6.** I have considered the rival contentions and perused the orders of the authorities below. Assessee has not disputed that she had introduced ₹6,88,559/- in cash through her capital account. Assessee claimed ₹4,16,600/- as coming out of sale of a property at Ponniah Chetty Street, Thiruthuraipoondi. Further, as per the assessee she had shown income from other sources of ₹1,40,000/- and ₹1,65,000/- respectively for assessment years 2006-07 and 2007-2008. None of these contentions were found wrong or incorrect by the lower authorities. They simply refused to accept the explanation on a reasoning that income from other sources, for an earlier year could not be considered as source for capital introduced during the currency of the relevant previous year. I am afraid I cannot accept the

view taken by the Id. Assessing Officer and Id. Commissioner of Income Tax (Appeals). Assessee had shown an aggregate amount ₹3,05,000/- as income under the head other sources in her returns for assessment years 2006-07 and 2007-2008. Sale of the property was not been disputed by the Revenue. In such circumstances, I am of the opinion that assessee had sufficient source for the capital of ₹6,88,559/- introduced by her in her capital account. A addition of ₹6,88,559/- stands deleted.

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

Order pronounced on Tuesday, the 19th day of December, 2017, at Chennai.

Sd/-

(अब्राहम पी. जॉर्ज)

**(ABRAHAM P. GEORGE)**

**लेखा सदस्य/ACCOUNTANT MEMBER**

चेन्नई/Chennai

दिनांक/Dated: 19th December, 2017

**KV**

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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