

आयकर अपीलीय अधिकरण, 'बी' न्यायपीठ, चेन्नई

IN THE INCOME TAX APPELLATE TRIBUNAL

'B' BENCH, CHENNAI

श्री एन.आर.एस. गणेशन, न्यायिक सदस्य एवं

श्री अब्राहम पी.जॉर्ज, लेखा सदस्य केसमक्ष

BEFORE SHRI N.R.S. GANESAN, JUDICIAL MEMBER AND
SHRI ABRAHAM P. GEORGE, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.3027/Chny/2016

निर्धारण वर्ष / Assessment Year : 2009-10

Shri R. Amrith Krishna,
No.30, Desika Road, Mylapore,
Chennai - 600 004.

v. The Assistant Commissioner of
Income Tax,
Non-Corporate Circle – 1,
Chennai - 600 034.

PAN : AGYPA 1305 J

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : None

प्रत्यर्थी की ओर से/Respondent by : Shri N. Gopikrishna, JCIT

सुनवाई की तारीख/Date of Hearing : 21.06.2018

घोषणा की तारीख/Date of Pronouncement : 26.06.2018

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) -2, Chennai, dated 20.09.2016 and pertains to assessment year 2009-10.

2. The appeal of the assessee was fixed for hearing on 21.06.2018 and the notice of hearing was served on the assessee

by RPAD. The Registry has placed postal acknowledgement as proof of service of notice on the assessee. In spite of receipt of notice through RPAD, the assessee chose not to appear before this Tribunal when the appeal was taken up for hearing. Therefore, we heard Ld. Departmental Representative and proceeded to dispose the appeal on merit.

3. Shri N. Gopikrishna, the Ld. Departmental Representative, submitted that the assessee claimed cost of improvement to the extent of ₹25 lakhs. According to the Ld. D.R., the assessee has also claimed the payment of ₹25 lakhs towards interest to M/s Ramcons. The assessee also appears to have obtained a loan of ₹1,17,27,069/- from the bank for the purpose of acquisition of said property. Since the loan was obtained from bank for acquisition of very same property, according to the Ld. D.R., the so-called claim of improvement to the extent of ₹25 lakhs is not connected with that property. The payment was, in fact, said to be made to the assessee's father. The expenditure was said to be incurred by the assessee after the sale of property. In the absence of any material evidence to support the claim of cost of improvement, according to the Ld. D.R., the Assessing Officer disallowed the same and the

CIT(Appeals) has also rightly confirmed the disallowance made by the Assessing Officer.

4. We have considered the rival submissions on either side and perused the relevant material available on record. Argument of the Ld. D.R. that the claim of ₹25 lakhs said to be incurred for improvement of the property was in respect of the property acquired after availing loan from bank. The property was also sold before incurring the expenditure. Therefore, the claim of expenditure creates a doubt. In the absence of any details of improvement said to be made by the assessee to the property, this Tribunal is of the considered opinion that the CIT(Appeals) has rightly confirmed the order of the Assessing Officer. Moreover, the assessee is also having alternative claim of payment towards interest. Therefore, it is for the assessee to prove whether the sum of ₹25 lakhs paid to M/s Ramcons was towards interest or towards cost of improvement. In the absence of specific details and related material before this Tribunal, we do not find any reason to interfere with the order of the lower authority and accordingly the same is confirmed.

5. In the result, the appeal filed by the assessee is dismissed.

Order pronounced on 26th June, 2018 at Chennai.

Sd/-

(अब्राहम पी.जॉर्ज)

(Abraham P. George)

लेखा सदस्य/Accountant Member

चेन्नई/Chennai,

दिनांक/Dated, the 26th June, 2018.

Kri.

Sd/-

(एन.आर.एस. गणेशन)

(N.R.S. Ganesan)

न्यायिक सदस्य/Judicial Member

आदेश की प्रतिलिपि अग्रेषित/Copy to:

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