

आयकर अपीलिय अधिकरण , ' डी /SMC' न्यायपीठ,चेन्नई
IN THE INCOME TAX APPELLATE TRIBUNAL "D/SMC" BENCH, CHENNAI
श्री जॉर्जमथन,न्यायिक सदस्य एवं श्री एस जयरामन, लेखा सदस्य के समक्ष
**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER AND
SHRI S. JAYARAMAN, ACCOUNTANT MEMBER**

आयकर अपील सं./I.T.A. No. 3190/Chny/2018s

निर्धारण वर्ष/Assessment Year : 2010-11

Pradeep Dadha First Son Trust,
No. 250, Lloyds Road,
Royapettah,
Chennai 600 014.

Income Tax Officer,
Vs. Non-Corporate Ward – 12(3),
BSNL Building,
No. 16, Greams Road,
Chennai 600 034.

[PAN: AAATP 0023A]

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थीकीओरसे/Appellant by

: Shri. D. Anand, Advocate

प्रत्यर्थीकीओरसे/Respondent by

: Ms. R. Anita, JCIT

सुनवाईकीतारीख/Date of Hearing

: 05.12.2019

घोषणाकीतारीख/Date of Pronouncement

: 28.02.2020

आदेश/ O R D E R

PER S. JAYARAMAN, ACCOUNTANT MEMBER :

The assessee filed this appeal against the order of Commissioner of Income Tax (Appeals)-13, Chennai, in ITA No. 104/CIT(A)-13/2010-11 dated 27.09.2018 for the assessment year 2010-11.

2. The Ld. AR submitted that the assessee, M/s. Pradeep Dadha First Son Trust, is a private discretionary trust and has been assessed the tax for over three decades. Consequent to the search and seizure action conducted by the investigation wing in the group cases of Shri. Rajendra Jain, Shri. Sanjay Choudhary and Shri. Dharmichand Jain, Mumbai on 03.10.2013, the AO received information to the effect that these persons are entry providers operating in Mumbai, who have indulged in providing accommodation entries in the nature of bogus sales and unsecured loans. As per their list of beneficiaries, the assessee trust M/s. Pradeep Dadha First Son Trust was also stated to be one of the beneficiaries. Therefore, the AO re-opened the assessee's assessment. During the course of assessment, the assessee produced various details of documents viz., bank account statement, bank book, journal ledger, journal register, copy of the trust deed, invoices for the purchase of polishing of diamond articles issued by Shri. Nazar, director of M/s. Nazar Impex Pvt. Ltd., Surat towards purchase of diamond articles for Rs. 10,21,800/- and M/s. Dial Forever Trading Company for polishing of diamond articles at Rs. 12,795/- etc. The AO has verified the transactions with the companies also. However, the AO assessed Rs. 10,21,800/- as income from other sources and completed the assessment. Aggrieved, the assessee filed an appeal before the Ld. CIT(A). The Ld. CIT(A) dismissed the appeal.

3. In this regard, the Ld. AR submitted that though the assessee has purchased the diamond articles and polished it and paid the impugned sum through banking transactions and the bank details were furnished, the lower authorities have assessed the transaction disregarding the money paid by the assessee and the impugned jewelry were possessed by the assessee. Therefore, they have wrongly assessed the assessee and hence he pleaded to allow the appeal. In this regard, he invited our attention to the copies of the invoices issued by the company which were furnished before the Ld. AO, bank statement and also a copy of the wealth tax return filed by the assessee in the office of the Additional Commissioner business of income tax, business range -9 and the ITO, ward -IX(3) on 29.07.2010 for assessment year 2010-11, wherein the assessee has clearly disclosed precious stones weighing 51.09 cts @ 10,34,595/- and the copies of wealth tax returns filed for assessment year 2011-12 on July 2011 and retail invoice issued by Nazar Impex Pvt. Ltd. and the copy of the description of the jewelry and relied on them . Further, the Ld. AR has brought the original jewelry and shown before the bench which matched with the drawings issued by the sellers. Per contra, the Ld. DR supported the orders of the lower authorities.

4. We have heard the rival submissions. It is clear from the material furnished by the assessee that the assessee was having adequate money

for purchasing the impugned articles and it was paid through banking chancel as reflected in the account of the assessee with Tamilnadu Mercantile Bank Ltd. The assessee has also disclosed the possession of asset with the wealth tax returns filed for assessment years 2010-11 and 2011-12. Further, it brought and shown the said jewelry before the bench also. It is also seen that the AO verified the transaction with the sellers. Thus, the assessee has made out a case, therefore, the addition made by the AO is held as unwarranted and is deleted.

5. In the result, the assessee's appeal is allowed.

Order pronounced on 28th February, 2020 at Chennai.

Sd/-
(जॉर्जमाथन)
(GEORGE MATHAN)
न्यायिकसदस्य/Judicial Member

Sd/-
(एसजयरामन)
(S. JAYARAMAN)
लेखासदस्य/Accountant Member

चेन्नई/Chennai,

दिनांक/Dated: 28th February, 2020

JPV

आदेशकीप्रतिलिपिअग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त) अपील(/CIT(A)
4. आयकरआयुक्त/CIT
5. विभागीयप्रतिनिधि/DR
6. गार्डफाईल/GF