

आयकर अपीलीय अधिकरण 'सी' न्यायपीठ चेन्नई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH, CHENNAI

माननीय श्री वी. दुर्गा राव, न्यायिक सदस्य एवं
माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष।
BEFORE HON'BLE SHRI V. DURGA RAO, JUDICIAL MEMBER AND
HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM

आयकर अपील सं./ **ITA No.359/Chny/2018**
(निर्धारण वर्ष / **Assessment Year: 2011-12**)

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| Padmanaban Balasubramanian No.13, Shyamalavadana Street West Mambalam, Chennai – 600 033. | बनाम/ Vs. | DCIT Company Circle-II(2), Chennai – 600 034 |
| स्थायी लेखा सं./जीआइ आर सं./ PAN/GIR No. AEWPB-1873-J | | |
| (□ पीलार्थी/ Appellant) | : | (प्रत्यर्थी / Respondent) |

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| अपीलार्थी की ओरसे/ Appellant by | : | Shri S. Rajagopalan (CA) – Ld. AR |
| प्रत्यर्थी की ओरसे/ Respondent by | : | Shri P. Sajit Kumar (JCIT) –Ld. DR |
| सुनवाई की तारीख/ Date of Hearing | : | 10-04-2023 |
| घोषणा की तारीख / Date of Pronouncement | : | 12-06-2023 |

आदेश / O R D E R

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by assessee for Assessment Year (AY) 2011-12 arises out of the order of learned Commissioner of Income Tax (Appeals)-6, Chennai [CIT(A)] dated 24-11-2017 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s.143(3) of the Act on 12-03-2014. In this appeal, the assessee is aggrieved by certain additions of unexplained cash credits. The Ld. AR placed on record loan statements, declaration, sale deed etc. in support of assessee's claim. The Ld. Sr. DR submitted that the assessee could not prove the

source of cash deposits. Having heard rival submissions and after perusal of case records, the appeal is adjudicated as under.

2. The assessee earned income from salary from M/s Grahalaya Constructions Private Ltd. (GCPL) and Income from House Property. During assessment proceedings, it transpired that the assessee made cash deposit of Rs.57.89 Lacs in IDBI Bank, West Mambalam Branch. In the absence of any satisfactory explanation forthcoming from the assessee, the said amount was added to assessee's income as unexplained cash credit u/s 68.

3. The assessee filed description of cash deposit during appellate proceedings which was subjected to remand proceedings. The Ld. AO furnished remand report on 14.07.2017 which has been extracted in the impugned order. The source of cash deposit was stated to be Jewel Loans received from Kumbakonam Mutual Benefit Funds Ltd. and Rent received. It was also submitted that certain amounts were received by the assessee from customers of GCPL and the same was accounted for in the books of GCPL. Certain amount was stated to be deposited by B. Jeeva (wife of the assessee) and director of GCPL who in turn withdrew this amount from Indian Bank account standing in the name of proprietor concerns namely Grahalaya Constructions. In support, the assessee produced statement of jewel loans. In the remand report, Ld. AO accepted the source to the extent of Rs.28.28 Lacs but retained additions of Rs.29.61 Lacs. The same include amount of Rs.19 Lacs of jewel loan received by the assessee on 16.07.2010 on the ground that source of repayment of jewel loan was not explained. The jewel loan of Rs.0.70 Lacs received on 02.03.2011 was similarly been retained on the ground that there was no

reasonable matching between dates of loans and deposit. The amount of Rs.8.90 Lacs stated to be deposited by B. Jeeva was also disbelieved by Ld. AO. The Ld. AO also added the amount of Rs.1.01 Lacs stated to be received as rental income. Considering the remand report, Ld. CIT(A) confirmed the addition to the extent of Rs.29.61 Lacs against which the assessee is in further appeal before us.

Our findings and Adjudication

4. We find that the issue to be in a narrow compass. The assessee deposited sum of Rs.57.89 Lacs out of which it was able to explain the source satisfactorily to the extent of Rs.28.28 Lacs. The dispute is only with respect to balance retained addition of Rs.29.61 Lacs.

5. We find that the assessee has offered rental income of Rs.1.20 Lacs and therefore, the source to the extent of Rs.1.01 Lacs as denied by Ld. AO was to be accepted. Similarly, the addition of Rs.0.70 Lacs as deposited on 02.03.2011 is a duplicate entry and Ld. AO has rendered a finding that there was reasonable matching between the dates of loan amount received and cash deposited by the assessee. Therefore, the addition to the extent of Rs.1.71 Lacs stand deleted.

6. The remaining Rs.27.90 Lacs comprise of Rs.19 Lacs Jewel Loan and Rs.8.90 Lacs stated to be withdrawn by B. Jeeva from Grahalaya Constructions. We find that the assessee is not fully able to demonstrate the source of repayment of jewel loan. Further, there is no reasonable explanation for withdrawal from the account of Grahalaya Constructions and depositing the same in the personal account of the assessee. Considering the given factual matrix, we estimate addition of Rs.15 Lacs and delete the balance addition of Rs.12.90 Lacs under this head.

7. In other words, addition to the extent of Rs.15 Lacs stand confirmed whereas the remaining addition of Rs.14.61 Lacs stand deleted.

8. The appeal stands partly allowed in terms of our above order.

Order pronounced on 12th June, 2023.

Sd/-
(V. DURGA RAO)
न्यायिक सदस्य / JUDICIAL MEMBER

Sd/-
(MANOJ KUMAR AGGARWAL)
लेखक सदस्य / ACCOUNTANT MEMBER

चेन्नई / Chennai; दिनांक / Dated : 12-06-2023
EDN/-

आदेश की प्रतिलिपि ँ ग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/Appellant 2. प्रत्यर्थी/Respondent 3. आयकर आयुक्त/CIT 4. विभागीय प्रतिनिधि/DR 5. गार्ड फाईल/GF