

**आयकर अपीलीय अधिकरण “डी” न्यायपीठ चेन्नई में।**  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“D” BENCH, CHENNAI**

**माननीय श्री महावीर सिंह, उपध्यक्ष एवं**  
**माननीय श्री मनोज कुमार अग्रवाल, लेखक सदस्य के समक्ष।**  
**BEFORE HON’BLE SHRI MAHAVIR SINGH, VP AND**  
**HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM**

**आयकर अपील सं ITA No.536/Chny/2023**  
**(निर्धारण वर्ष / Assessment Year: 1994-95)**

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**आयकर अपील सं ITA No.537/Chny/2023**  
**(निर्धारण वर्ष / Assessment Year: 1995-96)**

&

**आयकर अपील सं ITA No.538/Chny/2023**  
**(निर्धारण वर्ष / Assessment Year: 1996-97)**

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**& आयकर अपील सं ITA No.539/Chny/2023**  
**(निर्धारण वर्ष / Assessment Year: 1997-98)**

&

**& आयकर अपील सं ITA No.540/Chny/2023**  
**(निर्धारण वर्ष / Assessment Year: 1998-99)**

<b>Smt. Govindarajan Malliga,</b> Tamil Pannai House, Main Road, Kuzhumani, Trichy-639 103.	<b>बनाम</b> / Vs.	<b>ACIT</b> Central Circle-2(3), Chennai.
<b>स्थायी लेखासं./जीआइआरसं./PAN/GIR No. AFGPM-8105-H</b>		
<b>(पीलार्थी/ Appellant)</b>	<b>:</b>	<b>(प्रत्यर्थी / Respondent)</b>

<b>अपीलार्थी की ओर से/ Appellant by</b>	<b>:</b>	<b>Shri M. Karunakaran (Advocate)- Ld. AR</b>
<b>प्रत्यर्थी की ओर से/ Respondent by</b>	<b>:</b>	<b>Shri D. Hema Bhupal, (JCIT)-Ld.Sr. DR</b>

<b>सुनवाई की तारीख/Date of Hearing</b>	<b>:</b>	<b>24-07-2023</b>
<b>घोषणा की तारीख /Date of Pronouncement</b>	<b>:</b>	<b>27-09-2023</b>

## आदेश / ORDER

### Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeals by assessee for captioned assessment years have identical issues and the same arises out of common order passed by Ld. Commissioner of Income Tax (Appeals)-19, Chennai [CIT(A)] on 17-02-2023 in the matter of separate assessments framed by Ld. Assessing Officer [AO] u/s.143(3) r.w.s 254 of the Act on 24-02-2014. These appeals were heard along with lead case of Shri Ku.Pa. Krishnan in ITA No. 02/Chny/2016 which has separately been disposed-off by us partly allowing the appeal of the assessee.

2. In the present appeals, the grievance of the assessee is confirmation of certain addition of unexplained investment in purchase of land on protective basis. The assessee is also aggrieved by the fact that the agricultural income has been treated as income from other sources. The substantive addition was made in the hands of Shri Ku.Pa. Krishnan which has been deleted by us in that appeal. Accordingly, the issue of impugned addition in the hands of the assessee, on merits, is disposed-off by us as under.

3. From the fact, it emerges that the assessee is close associate of Shri Ku.Pa. Krishnan, Ex-Minister, Government of Tamil Nadu in whose case a search was conducted and an order was passed in his case u/s 158BC r.w.s. 143(3) r.w.s. 254 r.w.s. 260A of the Act on 28.03.2013. In the case of present assessee, an assessment was framed on 31.01.2000 determining total income of Rs.22.11 Lacs. The addition was made on protective basis since similar addition was made on substantive

basis in the hands of Shri Ku.Pa. Krishnan. However, Tribunal, vide order dated 09.05.2012, set aside the assessment of the assessee to the file of Ld. AO for fresh disposal considering the fact that substantive assessment made in the hands of Shri Ku.Pa. Krishnan was also remanded back to the file of Ld. AO. Pursuant to these, directions, impugned assessment has been framed on 24.02.2014 which has been confirmed by Ld. CIT(A) and accordingly, the same is in further challenge before us.

4. In the assessment order for AY 1994-95, Ld. AO has made addition of gift received for Rs.0.30 Lacs. The agricultural income of Rs.1.31 Lacs has been treated as income from other sources. The investment in land at Vadagaunchi for Rs.2.40 Lacs, investment in House Property situated at Trichy for Rs.9.91 Lacs, investment in flat situated at Adyar for Rs.6.59 Lacs has been treated as undisclosed investment and added on protective basis. The income from House property for Rs.1.22 Lacs has also been added on protective basis. The interest income for Rs.0.03 Lacs has also been added on protective basis.

In AY 1995-96, Ld. AO has made addition of gift received for Rs.0.30 Lacs. The agricultural income of Rs.1.39 Lacs has been treated as income from other sources. The investment in property situated at Trichy for Rs.11.59 Lacs has been treated as undisclosed investment and added on protective basis. The income from House property for Rs.1.73 Lacs has also been added on protective basis. The Fixed Deposit for Rs.10 Lacs has also been added on protective basis. The interest income for Rs.0.22 Lacs has also been added on protective basis.

In AY 1996-97, the agricultural income of Rs.2.25 Lacs has been treated as income from other sources. The income from House property for Rs.0.87 Lacs has also been added on protective basis. The Fixed Deposit for Rs.0.60 Lacs has also been added on protective basis. The interest on FDR for Rs.0.24 Lacs has also been added on protective basis.

In AY 1997-98, the agricultural income of Rs.2.25 Lacs has been treated as income from other sources. The income from House property for Rs.1.93 Lacs has also been added on protective basis. The interest on FDR for Rs.0.03 Lacs has also been added on protective basis.

In AY 1998-99, the agricultural income of Rs.2.25 Lacs has been treated as income from other sources. The income from House property for Rs.1.93 Lacs has also been added on protective basis.

During assessment proceedings, the assessee relied on evidences / documents furnished during original assessment proceedings which were rejected by Ld. AO. The Ld. CIT(A) has confirmed the assessment for want of any response from the assessee. Aggrieved as aforesaid, the assessee is in further appeal before us.

### **Our findings and Adjudication**

5. As stated earlier, the lead order has been passed by us in the case of Shri Ku.Pa. Krishnan in ITA No. 02/Chny/2016 wherein substantiative addition relating to present assessee has been deleted by us. So far as the present assessee is concerned, we find that Ld. AO has made impugned addition by rejecting the claim of agricultural income. However, upon perusal of certificate of Village Administrative Officer as placed on record, it could be seen that the assessee is having sufficient

cultivable land. The same is also backed up by Adangal, lease copies which support the claim of the assessee that it had land holding giving rise to agricultural income. Therefore, the claim of the assessee *qua* earning of agricultural income was to be accepted in all the years. The Ld. AO is directed to treat the income as agricultural income only.

6. So far as the addition of undisclosed investment in land in at Vadagaunchi for Rs.2.40 Lacs, investment in House Property situated at Trichy for Rs.9.91 Lacs, investment in flat situated at Adyar for Rs.6.59 Lacs is concerned, the undisputed position that emerges is that the assessee has disclosed the above investment in her return of income which has been filed much before the date of search in the case of Shri Ku.Pa. Krishnan. These investments are duly disclosed in the Balance Sheet. Therefore, the impugned additions, in that respect, is not sustainable. We order so.

7. So far as the addition of investment in property situated at Trichy for Rs.11.59 Lacs is concerned, Ld. AR, in the written submissions, has submitted that the cost of improvement on assessee's land was only to the extent of Rs.10.16 Lacs and therefore, the impugned addition was to be restricted to that extent. Accepting the same, we direct Ld. AO to reduce the impugned addition to the extent of Rs.10.16 Lacs as against Rs.11.59 Lacs.

8. So far as the Income from house property is concerned, Ld. AO has tabulated the same on Page No.5 of the written submissions. The Ld. AR submitted that the house property situated at Nehru Nagar was self-occupied property and therefore, no income need to be computed against the same. With respect to other properties situated at Fernhill

(Kodaikanal) and Banker's Colony is concerned, Ld. AR has submitted that the estimation of rental income is on the higher side. We concur with the submissions that no income on property situated at Nehru Nagar need to be computed this being self-occupied property. However, the estimation of rental income against other two properties is quite reasonable. Therefore, the addition to that extent, in all the years, is sustained. The corresponding grounds, in all the years, stand disposed-off accordingly.

9. The gift of Rs.0.30 Lacs in each of AYs 1994-95 & 1995-96 has been received by the assessee. However, the assessee is unable to file any details of the same. Therefore, this addition, in both the years, stand confirmed.

10. The addition of FDR and interest thereon from AYs 1994-95 to 1997-98 stand confirmed since this addition has been deleted by us in the case of Shri Ku.Pa. Krishnan.

11. All the appeals stand partly allowed.

*Order pronounced on 27<sup>th</sup> September, 2023*

**Sd/-**  
**(MAHAVIR SINGH)**  
उपाध्यक्ष / **VICE PRESIDENT**

**Sd/-**  
**(MANOJ KUMAR AGGARWAL)**  
लेखा सदस्य / **ACCOUNTANT MEMBER**

चेन्नई Chennai; दिनांक Dated :27-09-2023  
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**आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :**

- 1.अपीलार्थी/Appellant 2.प्रत्यर्थी/Respondent 3.आयकरआयुक्त/CIT 4.विभागीयप्रतिनिधि/DR  
5.गार्डफाईल/GF