

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, चण्डीगढ़
**IN THE INCOME TAX APPELLATE TRIBUNAL
DIVISION BENCH, "B" CHANDIGARH**

**BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER AND
SHRI VIKRAM SINGH YADAV, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No 713/CHD/2022

निर्धारण वर्ष / Assessment Year : 2012-13

The DCIT, Circle, Chandigarh.	Vs	Shri Prakash Ghanshyamdas Chandani, C/o Flat No. 204, Lotus Block Quality, Gardenia Apartments, Chappal Bazar, Kachhi Guda, Hyderabad.
स्थायीलेखासं./PAN NO: AMRPC9101B		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

निर्धारिती की ओर से/Assessee by: Shri Parikshit Aggarwal, CA

राजस्व की ओर से/ Revenue by : Shri Dharam Vir, JCIT, Sr. DR

सुनवाई की तारीख/Date of Hearing : 15.02.2024

उद्घोषणा की तारीख/Date of Pronouncement : 27.02.2024

HYBRID HEARING

आदेश/Order

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the Revenue against the order of the ld. Commissioner of income Tax-43, New Delhi [hereinafter referred to as 'ld.CIT(A)'] dated 20.09.2022 pertaining to 2012-13 assessment year.

2. The Revenue in this appeal is aggrieved by the action of the ld. CIT(A) in deleting additions made by the Assessing Officer (in short 'the AO') in respect of investment in Mutual

Funds of Rs.1,84,29,178/-, credit card bill payments of Rs.10,95,275/- and other income of Rs.21,02,880/- totaling Rs.2,16,27,333/- on account of failure of the assessee to explain the source of the aforesaid investments/payments. The assessment in the case of the assessee was reopened by the AO on receipt of information that the assessee had made high investments in Mutual Funds. Since the assessee could not disclose the source of the aforesaid investments/expenditure, the AO made the impugned addition treating the same as unexplained income of the assessee.

3. Before the ld. CIT(A), the assessee furnished additional evidences and submitted that the investment in Mutual Funds were made out of redemption of the earlier investment in Mutual Funds. It was submitted that the investment in mutual funds was from switch-in switch-out from the same Mutual Fund company. A chart in this respect has been reproduced in the order of the ld. CIT(A) in para 4 of the impugned order. In respect of the expenditure of credit card, it was submitted that the same was from bank account only. The source of the same was either from rent received, dividend received, interest received or own funds transferred from other account. In respect of the other income, it was explained to the ld. CIT(A) that the same was correctly

reported by the assessee and there was some mistake done by the AO in computation of the same. The ld. CIT(A) deleted the addition so made by the AO considering the aforesaid submissions and explanations of the assessee, observing as under :

5.3 Aggrieved by the assessment and the addition made by the Assessing Officer the appellant is in appeal before this office. The written submissions in context of the unexplained income on investment in mutual fund amounting to Rs.1,84,29,178/- and unexplained income for payment towards credit card of Rs. 10,95,274/- and unexplained income of Rs.6,57,662/- has been provided in the course of appellate proceedings. The source of investment of Rs.1,84,29,178/- has been explained in detail in the submissions. The various investments have been reflected in the bank statements enclosed with the submissions. After considering the various details evidencing the source of investment. After considering the various details the AO is directed to delete the addition of Rs.1,84,29,178/-.

5.4 As regards the unexplained income for the payments towards credit card the source of payment of Rs.10,95,274/- has been explained in detail in the submissions. It is evident from the' documents filed in the paper book that these credit card expenditure have been made from the bank account only. The source towards this payment is either rent received, dividend received, interest received or own funds transferred from other accounts. It is seen from the details submitted by the appellant that no payments have been made in cash for credit card expenses. After considering the reply submitted by the appellant and evidences on records that AO is directed to delete this addition of Rs.10,95,274/-.

5.5 In context of addition of other income of Rs.6,57,662/- it is seen that AO has made comparison between the income of Rs.21,03,218/- and total taxable income of Rs.14,45,218/-. Thus the AO has wrongly arrived at this figure of Rs.6,57,662/-. It is seen that the appellant has correctly reported the other income at Rs.21,03,218/- in the return of income as against the income reported in Form 26AS of Rs.21,02,880/-. Thus looking at the facts of the case the addition of Rs.6,57,662/-would not sustain. Therefore the AO is directed to delete this addition.

5.6 As regards the chapter VI A deduction of Rs.1,00,000/- in the return of income the AO is directed to verify the contents and allow accordingly.

4. Now the sole grievance of the Revenue before us is that the ld. CIT(A) has considered the submissions and explanations given by the assessee without giving any opportunity to the AO to examine the same. We do not find any merit in the aforesaid submissions of the ld. DR. The assessee before the ld. CIT(A), who is the appellate authority of the AO, had given detailed submissions explaining the source of investment and expenditure. The ld. CIT(A) duly considered and discussed in the impugned order about the explanation given by the assessee and held that the assessee has duly explained the source of investment/expenditure. It is not a case where any complicated facts or evidence are to be examined, it is a simple case where the assessee has explained that investment in Mutual Fund was made out of proceeds received on redemption of the earlier investment in Mutual Funds and in fact it was just a case of re-investment of the proceeds. No useful purpose would be served in this case by remitting the matter to the A.O, when the assessee has duly explained the source of the investment/expenditure by way of convincing evidence to the ld. CIT(A). The powers of the ld. CIT(A) are co-terminus with that of the AO and the ld. CIT(A) has duly examined the issue. Therefore, we do not find any infirmity in the order of the ld. CIT(A) and the same is upheld.

5. In the result, appeal of the revenue is hereby dismissed.

Order pronounced on 27th February,2024.

Sd/-
(VIKRAM SINGH YADAV)
ACCOUNTANT MEMBER

Sd/-
(SANJAY GARG)
JUDICIAL MEMBER

“Poonam”

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकरआयुक्त/ CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
5. गार्डफाईल/ Guard File

आदेशानुसार/ By order,
सहायक पंजीकार/ Assistant Registrar