

आयकर अपीलीय अधिकरण, 'बी' / SMC न्यायपीठ, चेन्नई
IN THE INCOME TAX APPELLATE TRIBUNAL, 'B' /SMC BENCH, CHENNAI
श्री महावीर सिंह, उपाध्यक्ष के समक्ष
BEFORE SHRI MAHAVIR SINGH, VICE-PRESIDENT

आयकरअपीलसं./I.T.A.No.1448/Chny/2023

(निर्धारणवर्ष / Assessment Year: 2006-07)

M/s. Armaan Agro Industries 30-A5 Mahadi Nagar, Palacode, Dharmapuri-636 808.	Vs	The Income Tax Officer, Ward-1(1), Krishnagiri.
PAN: AAKFA 8624 N		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

अपीलार्थीकीओरसे/ Appellant by	:	Mr. Arjun Raj, C.A.
प्रत्यर्थीकीओरसे/Respondent by	:	Mr. D.Hema Bhupal, JCIT

सुनवाईकीतारीख/Date of hearing	:	21.02.2024
घोषणाकीतारीख /Date of Pronouncement	:	21.02.2024

आदेश / ORDER

1. This appeal filed by the assessee is arising out of order of the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi vide appeal No. ITBA/APL/S/250/2023-24 / 1056954787(1) dated 10.10.2023. The assessment was framed by the Income Tax Officer, Ward - 1(1), Krishnagiri for the assessment year 2006-07 u/s. 143(3) of the Income Tax Act, 1961 (hereinafter 'the Act') vide order dated 30.12.2008. The sole grievance of the assessee is confirmation of addition of Rs.15 Lacs which represent capital contribution by two partners to the assessee firm.
2. During assessment proceedings, the assessee was directed to prove the source of capital contribution of Rs.15

Lacs, Rs.13.50 Lacs & Rs.1.50 Lacs as contributed by its three partners viz. M. Ameer Jan, Zafreen Zehra and Mir Athar Ali. One of the partners M. Ameer Jan submitted that the same was sourced out of gift received. The same was accepted. However, the other two partners denied having made any capital contribution. The same resulted into addition of Rs.15 Lacs in the hands of the assessee.

3. During appellate proceedings, the assessee submitted that addition, if any, was to be assessed in the hands of the partners. However, this argument was rejected by Ld. CIT(A) and the assessment was confirmed against which the assessee is in further appeal before me.

4. The Ld. AR, inter-alia, argued that the impugned capital has been introduced in AY 2005-06 and therefore, this addition could not be sustained in this year. The Ld. AR also argued that the source for the firm was capital contribution and the addition, if any, has to be made only in the hands of the partners.

5. Finding substance in both the pleas of Ld. AR, I direct Ld. AO to reconsider this issue in the light of arguments made before me. If the capital has been introduced in AY 2005-06, no such addition could be made in this year. Secondly, Ld. AO

may also consider assessability of the same in the hands of the assessee-firm after affording opportunity of hearing to the assessee. The assessee is expected only to prove the source and not source of source in this year.

6. The appeal stand allowed for statistical purposes.

Order pronounced in the open court on 21st February, 2024

Sd/-
(महावीर सिंह)
(Mahavir Singh)
उपाध्यक्ष/ Vice-President

चेन्नई/Chennai,

दिनांक/Dated 21.02.2024

DS

आदेश की प्रतिलिपि अद्येष्ठित/Copy to:

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