

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

श्री महावीर सिंह, उपाध्यक्ष एवं श्री जगदीश, लेखासदस्य के समक्ष
BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT AND
SHRI JAGADISH, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.807/Chny/2023
निर्धारण वर्ष /Assessment Year: 2018-19

The Income Tax Officer,
Corporate Ward-6(1),
Chennai.

Sankaran Nirmala,
Vs. Steeple Reach, first Floor,
Cathedral Road,
Chennai – 600 086.
[PAN: ACGPN-0803-N]

(अपीलार्थी/**Appellant**)

(प्रत्यर्थी/**Respondent**)

अपीलार्थी की ओर से/ Assessee by

: Shri Suhriith Parthasarathy,
Advocate

प्रत्यर्थी की ओर से /Revenue by

: Shri P. Sajit Kumar, JCIT

सुनवाई की तारीख/Date of Hearing

: 29.05.2024

घोषणा की तारीख /Date of Pronouncement

: 29.05.2024

आदेश / **ORDER**

PER JAGADISH, A.M :

Aforesaid appeal filed by Revenue is directed against the order of Learned Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 16.05.2023 arising from the assessment order of National e Assessment Center for the Assessment Year 2018-19.

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2. The main grievance of the Revenue is against deletion by Ld. CIT(A) of addition of Rs 3,43,46,812/- made by the A.O u/s. 69 of the Act of the increase in peak balance in foreign bank account in Citibank Singapore Ltd. of which assessee is an authorized signatory.

3. The brief facts of the case are that the assessee is a salaried employee and is signing authority of account No.0408126029 of Sankhyaa Ltd. in City Bank Singapore Ltd. The Ld. A.O, on the basis of information that the assessee in the FA schedule of IT return filled has shown herself as the signing authority of bank account 0408126029 in Citibank Singapore Ltd. of Sankhyaa Ltd. made addition of peak balance in the account. The Ld. AO has made the addition stating that assessee has not proved the genuineness of the transaction, nature and source of income in bank account in which she was signing authority with documentary evidence. The Ld. CIT(A) has deleted the addition held as under:

"5.3 In the letter, it is mentioned that Ms Nirmala Sankaran is an Authorized Signatory and interest income of Rs. 13,739/- accrued in these accounts is not taxable in her hands. The assessee was asked to provide the complete bank statements in which she was signing authority during the F.Y. 2017-18. As per schedule FA, the assessee is signing authority for bank account of Sankhyaa Ltd having account no. 0408126029 in Citibank Singapore Limited. From the submission, it is observed that assessee has submitted bank statement bearing only "Checking : xXXXXx6029" without having the name of account holder or signing authority or account number. Further, the letter from Sankhyaa Ltd only mentioned that interest accrued in the afore mentioned accounts was wholly the income of the company and not the income of Ms Nirmala Sankaran. The onus is on the assessee to

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prove the genuineness of the transaction, nature and source of income in bank accounts in which she was signing authority with documentary evidence. The assessee has only furnished the details for increase in peak balance with comparison to previous year without bank statement. Hence, the assessee has not offered explanation about the nature and source for increase in peak balance with Comparison to previous year in foreign bank account no. 0408126029 in Citibank Singapore Limited. In view of the above, Rs. 3,43,46,812/- has remained unexplained and added back to the total income of the assessee under the head income from other sources u/s. 69 of the I.T. Act, 1961. Penalty proceeding is initiated separately u/s. 271AAC of the I.T. Act, 1961 on this issue.”

4. The Ld. D.R relied upon the orders of A.O and argued that the assessee has not discharged complete onus and therefore, addition should be confirmed.

5. The Ld. A.R supported the order of Ld. CIT(A) and argued that the assessee is only signing authority and the bank account is in the name of company, which has been duly disclosed in the hands of company. Therefore, the Revenue's appeal should be dismissed.

6. We have heard the rival contentions, perused the materials available on record. Admittedly, the assessee is only a signing authority of foreign account and not owner of the account. The assessee has submitted a copy of letter from the company M/s. Sankhyaa Ltd. which was incorporated under the provisions of the UK Companies Act, 1985 and that assessee is only an authorized signatory for and on behalf of the company for the bank account with

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Citibank Singapore. The company has also confirmed that the bank account is duly recorded in the books of account of the company. The AO has not brought out any material contrary to the fact that assessee is an employee and merely signing authority of the bank account. The mere fact that the assessee is a signing authority does not make deposit in the bank account the income of the assessee. In view of the above, we are of the considered view that the Ld. CIT(A) has correctly deleted the addition of Rs 3,43,46,812/- made by A.O.

7. In the result, the appeal filed by the Revenue is dismissed.

Order pronounced in the open Court on 29th May, 2024.

Sd/-
(महवीर सिंह)
(Mahavir Singh)
उपअध्यक्ष / Vice President

Sd/-
(जगदीश)
(Jagadish)
लेखा सदस्य / Accountant Member

चेन्नई/Chennai, दिनांक/Dated: 29th May, 2024.
EDN/-

आदेश की प्रतिलिपि अग्रेषित/**Copy to:**

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