

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

**माननीय श्री एबी टी. वर्की, न्यायिक सदस्य एवं  
माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष।  
BEFORE HON'BLE SHRI ABY T. VARKEY, JM AND  
HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM**

**आयकर अपील सं./ ITA No.1293/Chny/2024  
(निर्धारणवर्ष / Assessment Year: 2019-20)**

<b>Shri Palaniappan Ramanathan</b> 130-B, Near Vesumani Bunk Salem Road, Namakkal – 637 001	<b>बनाम/ Vs.</b>	<b>ITO</b> Central Circle-3 Coimbatore
स्थायी लेखासं./जीआइआरसं./PAN/GIR No. <b>AHOPR-4556-M</b>		
(अपीलार्थी/ <b>Appellant</b> )	:	(प्रत्यर्थी / <b>Respondent</b> )

अपीलार्थीकी ओरसे/ <b>Appellant by</b>	:	Shri T.S.Lakshmi Venkataraman (CA)- Ld. AR
प्रत्यर्थीकी ओरसे/ <b>Respondent by</b>	:	Shri Nilay Baran Som (CIT) -Ld. DR

सुनवाईकी तारीख/ <b>Date of Hearing</b>	:	21-08-2024
घोषणाकी तारीख / <b>Date of Pronouncement</b>	:	03-09-2024

**आदेश / O R D E R**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeal by assessee for Assessment Year (AY) 2019-20 arises out of the order of learned Commissioner of Income Tax (Appeals)-20, Chennai [CIT(A)] dated 31.03.2024 in the matter of an assessment framed by Ld. Assessing Officer [AO] u/s.153A r.w.s. 143(3) of the Act on 30.09.2021. The sole grievance of the assessee is confirmation of addition of unexplained investment u/s 69 for Rs.52.48 Lacs and another addition of business income u/s 28 for Rs.2.13 Lacs. The Ld. CIT(A) confirmed the same against which the assessee is in

further appeal before us. The assessee assails the reopening on legal grounds also. Having heard rival submissions, the appeal is disposed-off as under.

2. From assessment order, it could be seen that the assessee is trustee of M/s Green Park Educational institutions. The group was searched u/s 132. Survey u/s 133A was also conducted in the case of three firms wherein the assessee acted as Manager. The summons u/s 131 were issued to the assessee and his statement was also recorded. The requisite notice u/s 153A was issued to the assessee and the assessee filed return of income on 25.08.2021. The incriminating document as found during search revealed that the assessee advanced loan of Rs.63 Lacs and accordingly, the assessee was required to explain the sources thereof. The assessee filed various documents in support of the same. The assessee offered additional income of Rs.10.82 Lacs and the remaining amount of Rs.52.48 Lacs was stated to be sourced out of opening cash balance, agricultural income, earlier loans realized and gifts from family members. The assessee furnished cash flow statement which was rejected and Ld. AO added the amount of Rs.52.48 Lacs to the income of the assessee. The interest receipts as per impounded material were Rs.10.95 Lacs whereas the assessee admitted interest of Rs.8.82 Lacs and accordingly, balance amount of Rs.2.13 Lacs was added as business income.

3. During appellate proceedings, the assessee, inter-alia, submitted that it advanced only a sum of Rs.48.80 Lacs during this year which has been tabulated in para 7.3.8 of the impugned order. The remaining amount of Rs.15 Lacs was stated to be advanced out of wife's bank account which was reflected in her return of income. Accepting the

same, Ld. CIT(A) directed Ld. AO to verify the same. The assessee also submitted that loans recovered to the extent of Rs.11.50 Lacs were further advanced during this year. The Ld. CIT(A) granted relief of Rs.5 Lacs in this regard. In support of agricultural income and gift from parents in AYs starting from AYs 2013-14 to 2018-19, the assessee had furnished before Ld. AO proof of ownership of agricultural land, Adangal register, letter from leaseholder, confirmation letter, copies of gift deeds etc. Considering all these, the closing cash in hand for AY 2018-19 was Rs.9.22 Lacs. The Ld. CIT(A) accepted the claim to that extent. However, the agricultural income of Rs.1.99 Lacs and gift of Rs.4.90 Lacs as received during this year was not accepted. Aggrieved, the assessee is in further appeal before us.

4. It emerges that total advances under consideration are Rs.63 Lacs out of which the assessee has admitted additional income of Rs.10.82 Lacs. The addition thus sustained by Ld. AO is Rs.52.18 Lacs. The Ld. CIT(A) has granted relief to the extent of Rs.14.22 Lacs and directions have been issued to verify the source of loan of Rs.15 Lacs. The remaining addition has been confirmed. We find that the assessee has furnished complete cash flow statement for the period 01.04.2018 to 31.03.2019 which has also been placed before us in the written submissions. In the said statement, the assessee has reflected agricultural income of Rs.1.99 Lacs and gift of Rs.4.90 Lacs as received from family members. Similar cash inflows have been accepted in earlier years also and the requisite documents, in this regard, has already been furnished by the assessee before lower authorities. Therefore, both these items are to be accepted. Proceeding further, the assessee has reflected advances realized from debtors for Rs.23.75 Lacs. To

demonstrate the realization thereof, the assessee has placed on record cash flow statements from financial years 2012-13 to 2017-18. After perusal of all these documents, it could very well be said that the source of advances was duly established by the assessee. The assessee furnished cash flow statements from FYs 2012-13 to 2018-19 which substantiate the cash inflows and outflows. Therefore, the remaining addition, as confirmed in the impugned order, is liable to be deleted. We order so.

5. The appeal stands partly allowed.

*Order pronounced on 3<sup>rd</sup> September, 2024*

**Sd/-**  
**(ABY T. VARKEY)**  
**न्यायिक सदस्य / JUDICIAL MEMBER**

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

चेन्नई Chennai; दिनांक Dated :03-09-2024  
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**आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :**

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