IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED :: 26-04-2016

CORAM

THE HONOURABLE MR.JUSTICE NOOTY. RAMAMOHANA RAO
AND
THE HONOURABLE MR.JUSTICE M.V.MURALIDARAN

T.C.A.No.332 OF 2016

A.Radhakrishnan ... Appellant

-vs-

1.The Commissioner of Income Tax (Appeals)-II,
Race Cource,
Coimbatore-18.

2.The Income Tax Officer,
Ward I (2),
Pollachi. ... Respondents

Appeal against the order of the Income Tax Appellate Tribunal "B" Bench, Chennai, dated 29.01.2016, passed in ITA No.1816/Mds/2013 against the order of the Commissioner of Income Tax (Appeals)-II, Coimabtore dated 20.6.2013 and made in I.T.Appeal No.141/10-11 for the Assessment year 2008-09 and against the order of Income tax Officer Ward I(2), dated 30.11.2010 and made in PAN.AJAPR 7599Q for the Assessment year 2008-09.

For appellant : Mr.P.Muthukrishnan

JUDGMENT

(Judgment of the Court was delivered by Nooty.Ramamohana Rao, J.)

This Appeal is preferred by the assessee under Section 260-A of the Income Tax Act, calling in question the correctness of the order passed by the Income-Tax Appellate Tribunal, "B" Bench, Chennai, in ITA No.1816/Mds/2013, on 29th January,2016.

2. The appellant/assessee challenged the order passed by the Commissioner of Income-Tax (Appeals) - II, Coimbatore, for the assessment year 2008-2009, before the Income-Tax Appellate Tribunal, "B" Bench, Chennai. The Assessing Officer has added certain cash deposits made by the assessee in his bank account, maintained with Indian Bank, for the purpose of income, running to a little more than Rs.11.69 lakhs. This amount, according to the Assessing Officer, has not been brought on

record and, consequently, escaped assessment. As a result of this, the Assessing Officer has provided an opportunity to the assessee to explain the sources for the above deposits, running to over Rs.11.69 lakhs.

3. It would be appropriate to notice that a huge sum of Rs.7,38,000/- had been deposided by the assessee on 01st June,2007, and, on 09.11.2007, he made another deposit of Rs.3,50,000/-. Since, on a single day, such huge amounts were deposited with the bank account, the Assessing Officer had a legitimate feeling that the said income was not reflected and accounted for properly, in the records. Though the assessee tried to explain the transactions, the Assessing Officer was not satisified and, hence, he passed an order of assessment. Against the said order, the appeal was preferred before the CIT (A).

4. Even before the Tribunal, the assessee could not explain as to wherefrom he could secure or generate so much of money to make the said deposits. It is also not out of place to mention here that the assessee had admitted his income as Rs.1,14,500/-, besides reporting the agricultural income, in a sum of Rs.4,90,000/. With only these sources of income, the deposits made into the bank account of substantial amounts remain wholly unexplained. That is the reason why, the Tribunal has also dismissed the appeal and upheld the order passed by the Assessing Authority, treating the income, which got reflected into the deposits made into the account of the assessee, as unaccounted.

5. Before us, Sri P.Muthukrishnan, learned counsel for the appellant, has made an attempt to demonstrate that the appellant has explained the sources for the deposits, but, nontheless, both the Assessing Officer and the Tribunal have erred in not taking the same into account or consideration.

6. We are of the considered opinion, that in a case of this nature, what matters is, not a mere or mechanical way of offering the explanation, but, what really matters is, the quality of the said explanation. It must form a ring of truth around it, so as to enable either the Assessing Authority or the Appellate Tribunal to take the same into consideration and bestow their attention thereon seriously. For the sheer lack of quality in the explanatioin offered by the appellant even before us, we do not find any merit in this appeal and, it is,

accordingly, dismissed, at the admission stage itself. No costs. Consequently, the connected C.M.P.No.7327 of 2016 also stands dismissed.

dixit

s/d-
Assistant Registrar(CO)

True Copy

Sub-Assistant Registrar

To

1. The Commissioner of Income Tax (Appeals)-II,
   Race Cource,
   Coimbatore-18.

2. The Income Tax Officer,
   Ward I (2),
   Pollachi.

3. The Income Tax Appellate Tribunal,
   "B'' Bench, Chennai.

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