IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ITA-525-2006
Date of decision:- 25.01.2023

Commissioner of Income Tax, Ludhiana ....Appellant

vs.

Navjot Singh Sidhu ...Respondent

CORAM: HON'BLE MS. JUSTICE RITU BAHRI
HON'BLE MRS. JUSTICE MANISHA BATRA

Present: Ms. Pridhi Jaswinder Sandhu, Jr. Standing counsel for the appellant

Mr. Akshay Bhan, Sr. Advocate with
Mr. Shantanu Bansal, Advocate and
Mr. Sidhant Suri, Advocate, for the respondent.

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Ritu Bahri, J.

The present appeal has been filed under Section 260 of the Income Tax Act, 1961 (for short 'Act 1961') seeking setting aside of order dated 24.01.2006 (A-3) passed by Income Tax Appellate Tribunal, Chandigarh Bench 'A' passed in IT (SS) A. No. 20/Chandi/2003 and IT (SS) A. No. 25/Chandi/2003 for the block period 01.04.1990 to 20.07.2000.

The case in brief is that the residential premises of the assessee-respondent were searched under Section 132 (1) of Act 1961 and during the course of search, certain loose papers and valuables were found and seized from both the premises. In response to notice under Section 158 BC of Act 1961 issued on 03.11.2000, respondent filed return declaring undisclosed income of Rs.49,16,450/- for the block period 01.04.1990 to 20.07.2000. The Assessing Officer completed block assessment vide order dated 30.07.2002 passed under Section 158 BC declaring undisclosed income of Rs.2,38,71,600/- after making additions on account of undisclosed receipt of match fee, tour money, bonus money, prize money, unexplained investment in purchase of properties, uncorroborated gift from Sh. Arvinder Pal Singh; undisclosed notional income from house property; unexplained household expenses and unexplained credits in Bank A/cs etc.

Aggrieved with the aforesaid order of Assessing Officer, the respondent preferred an appeal before the CIT (A)-I, Ludhiana, who vide its order dated 03.03.2003 partly allowed the appeal filed by the respondent. The CIT (A)- Ludhiana deleted the additions made on account of (i) gift from Arvinder Pal Singh; (ii) notional rental income (iii) credits in bank account (iv) prize money, bonus money, match fee and tour fee (v) investment in purchase of jewellery (vi) investment in the purchase of property. However, additions made on account of household expenses were sustained.

Aggrieved against the above order, the respondent as well as the appellant filed appeal before the Income Tax Appellate Tribunal, Chandigarh Bench A, Chandigarh, who dismissed the appeal of the appellant and partly allowed the appeal of the respondent-assessee on 24.01.2006 and deleted the addition of Rs.3,60,000/- sustained by him on account of household expenses.

A bare perusal of the judgments dated 03.03.2003 and 24.01.2006 shows that the deposit was in the name of HUF and the source of deposit was explained. The return in the name of HUF was furnished after receiving the notice from the department and the bank account belonged to HUF. The department had issued notice under Section 142 (1) of Act 1961 dated 02.04.2002 and the assessee filed return in the capacity of HUF. The Bank account was in the name of the HUF and not in the individual name of the assessee. The assessee explained the source of deposit in the HUF. Further the Bonus Money was the prize money given by the Board and the said prize money was exempted from tax. It is also not in disputed that the issue with regard to match fee was covered by CBDT Circular No. 1432 dated 26.11.87 wherein guidelines for the treatment of tour money received by cricket player had been laid down by CBDT. It was withdrawn by circular dated 22.09.1998 but this could not have been applied retrospectively. Both these issued came up for consideration before CIT (A) Patiala during the course of assessment proceedings and the CIT (A) Patiala vide order dated 2.6.1999 had already adjudicated this issued infavour of the assessee. Further it has been noticed in the judgment that similar issue had been considered in the case of Dr. (Smt.) Navjot Kaur Sidhu w/o the assessee for the block period 01.04.1990 to 20.07.2000, vide order dated 30.08.2005 and keeping in view this fact, the appeal of the department was dismissed.

This issue has already been decided in favour of assessee by CIT (A) Patiala vide order dated 2.6.1999 and the issue has thus attained finality.

No substantial question of law arises for consideration in the present appeal

Dismissed.

(RITU BAHRI)
JUDGE

25.01.2023 **(MANISHA BATRA)**
G Arora **JUDGE**

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No