IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 09-03-2026

CORAM

THE HONOURABLE DR. JUSTICE G. JAYACHANDRAN
AND
THE HONOURABLE MR.JUSTICE R.SAKTHIVEL

T.C.A.No.167 of 2015

Shri C.Animuthu,
Sannathi Street, Thiruvadanai,
Ramanathapuram D.T.623 407.
PAN:ACOPA0860G

..Appellant/Respondent

Vs.

The Income Tax Officer,
Ward 1(1), Pudukottai.

..Respondent/Appellant

Prayer:

Tax Case Appeal is filed under Section 260-A of the Income Tax Act, 1961, to frame the Substantial Questions of Law referred to above and answer the same in favour of the appellant. The appellant prays that the appeal be allowed in their favour with costs.

For Appellant: Mr.A.S.Sriraman
(w/d vakalat)

For Respondent: Mr.V.Mahalingam,
Sr.Standing Counsel

JUDGMENT

The learned counsel appearing for the appellant reports 'no instruction'.

2. The learned Senior Standing Counsel appearing for the respondent/Department states that, on verification, he found that the assessee has not opted for the Vivas Se Vishwas Scheme.

3. Taking note of the fact that the appeal is directed against the order passed by ITA.No.883/MDS/2009, which was preferred by the Department challenging the correctness of the order passed by the first appellate authority, namely, CIT(A), Tiruchirapalli, restoring the order of the Assessing Officer and reversing the order of the CIT(A) deleting the addition of Rs.20.50 lakhs, the Tribunal has found that the unexplained income admitted by the assessee was neither retracted nor was any return filed including such unexplained income.

4. The claim of the assessee that a portion of the unexplained income was received by the family members for investment in the form of an HUF in a joint venture has not been corroborated by any document. At the time of admitting the appeal, the following substantial question of law was framed:-

> Whether the appellate Tribunal is correct in law in sustaining the addition of Rs.20,50,000/-

being the investments made in two partnership firms from the monies received from the appellant's HUF account on the consideration of Section 69 of the Act in the computation of taxable total income forming part of the re-assessment order framed for the assessment year 2003-04 even though there is no statutory mandate vested with the respondent to probe into source for source in the present assessment proceedings.

5. On perusing the materials placed before us and Section 69 of the Act, which deals with unexplained investments, while computing taxable total income, we find that the Assessing Authority has not made any probe into source of the source, but had sought for an explanation for the investments made in the two HUFs, for which the assessee was not able to provide satisfactory explanation. It is a pure question of fact, which has been considered by the Assessing Authority as well as the Tribunal, and both have arrived at the conclusion that the explanation for the source of the investments made by the assessee in the two HUFs was not properly explained. We find no merit in the appeal. Hence, this Tax Case Appeal stands dismissed. No order as to costs.

(G.JAYACHANDRAN, J.) (R.SAKTHIVEL, J.)
09.03.2026

Neutral Citation:Yes/No
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Dr.G.JAYACHANDRAN, J.
AND
R.SAKTHIVEL, J.

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