

Gifts from NRI unrelated to assessee and without an occasion held as as unexplained

Summary – The High Court of Punjab & Haryana in a recent case of Hanuman Dass, (the Assessee) held that where assessee received a sum as gift from his family friends but neither could establish any relationship nor able to show occasion to receive such a huge gift, said sum was undisclosed income of assessee.

Facts

- The assessee had received a certain sum from his family friends living in foreign country.
- The Assessing Officer found that the donors were not related to the assessee by blood and had capacity to pay, but no specific occasion was disclosed by the assessee on which the alleged gifts were received by him. The Assessing Officer made addition to assessee's income treating same as undisclosed income.
- However, the Commissioner (Appeals) deleted the addition.
- On appeal, the Tribunal restored the order of the Assessing Officer.
- On further appeal:

Held

- The gifts had been made by the donors who were neither related to the assessee nor there was any specific occasion on which the alleged gifts could have been given and were to be received by them. These are not small gifts, particularly keeping in view the contemporaneous times when these were given in the year 1989.
- No one would part with such big amounts as gifts even if donors are having capacity to pay. Neither donors nor donees have shown that such gifts of huge amounts had ever been given by the donors to any of their relatives or had been received by the donees from their relatives or from such donors.
- The Tribunal had discussed not only the facts but even law on the point threadbare.
- Taking up the case in hand, even when the donor had the means to make the gifts, there being neither any relationship nor there being any circumstance to show natural love and affection of the donor for the donee nor there being any occasion to make such gifts to the assessee, there is no perversity or impropriety in the impugned order and sequently the same is upheld.