

## **Sum received by astrologer for predicting win of 'Jayalalithaa' was taxable as business receipts**

**Summary – The High Court of Kerala in a recent case of N.K. Unnikrishna Panicker, (the Assessee) held that where seven political leaders of Tamil Nadu had given certain amount to assessee, an astrologer by profession, on account of predication made by him in respect of election results, above amount was taxable in hands of assessee as income from business.**

### **Facts**

- During the course of assessment proceedings, the assessee, an astrologer by profession, made a statement that he had received a sum of Rs. 10 lakhs as gift from several persons of Tamil Nadu and claimed that it was not taxable under the Act.
- The Assessing Officer did not accept the claim of the assessee and treated the above amount as income from business.
- Both the Commissioner (Appeals) and the Tribunal upheld the order of the Assessing Officer.
- On appeal to High Court, the assessee submitted that (i) the above amount was received from seven political leaders of Tamil Nadu, and (ii) the said leaders had given confirmation letters indicating that the above amount was paid by them to the assessee, since he had predicated the election results of their leader and they were grateful to the predication made by him.

### **Held**

- The only question to be considered is whether the amount of 10 lakhs is the income from the business of the assessee or received by the assessee in the form of gift from the persons mentioned in the confirmation letters. On a reference to the assessment order, it is clear that the assessee had originally made a statement that the amount was received from seven persons from Tamil Nadu. It was later that he was able to produce the confirmation letters, which only indicated that the assessee was instrumental in the election victory of certain candidates and that as a mark of admiration, some amount was given to the assessee. The Assessing Officer proceeded on the basis that the assessee had rendered certain services in the form of performing poojas and further procedures. The amount was paid when certain candidates were elected in the election as stated by the assessee. This, according to the Assessing Officer, has to be treated as income from business. As without rendering service, there was no question of assessee getting such amount from the persons alleged to have given such amount to the assessee. Therefore, the appeal filed by the assessee was liable to be dismissed.