

HC justified sec. 69 additions relying on loose slips representing on-money payment made for purchase of property

Summary – The High Court of Madras in a recent case of Thiru S. Shyam Kumar., (the Assessee) held that where entries in loose slips were clear and legible pointing out on-money payment for purchase of property by assessee, addition under section 69 was justified

Facts

- A search was conducted in the business premises of the assessee wherein certain loose slips were recovered, which showed several entries pertaining to cash and cheque transactions in respect of purchase of a property. Before the Assessing Officer, the assessee had given statement accepting the on-money payment. Accordingly, the Assessing Officer treated on-money payment as undisclosed income of the assessee.
- On appeal before the Commissioner (Appeals), the assessee retracted from its statement given before the Assessing Officer and took a stand that the slips were only dumb sheets and there was no connection with the purchasing of residential property. The Commissioner (Appeals) dismissed appeal of the assessee holding that retraction was vague and a clear afterthought.
- The Tribunal also dismissed appeal of the assessee.
- On appeal:

Held

- The notings are clear and it is not any scribbling, which shows the figures and also shows whether the payments were in cash or in cheque. The retraction made by the assessee, after a period of two years, was rightly rejected as an afterthought.
- The case on hand is not a simple case of relying upon some scribbling and notings, but a case where the entries, which were clear and legible, were taken into consideration by the Assessing Officer. The correctness of which was examined by the Commissioner (Appeals) and further examined by the Tribunal. Thus, the assessee has not made out any good ground to interfere with the order of the Tribunal.