

Admission by partner that sum received from NRI was firm's own money - Sec. 69A additions valid

Summary – The High Court of Madras in a recent case of Swathi Enterprises., (the Assessee) held that Section 69A addition was valid on admission by partner that sum received from NRI was firm's own money

Facts

- A search was conducted and the partner's statement was recorded with regard to the NRI gifts received by partners of firm in which he had contended that it was firm's own moneies in the accounts of other partners who were his son, wife and daughter. The partner also confirmed that these amounts were out of his own income chargeable to tax and were nor disclosed to the department. The Commissioner (Appeals) made the said additions in the hands of the assessee.
- On further appeal, the Tribunal also upheld the addition made by Commissioner (Appeals).
- The assessee not being satisfied with the said findings of the Tribunal preferred a miscellaneous petition before the Tribunal which came to be rejected.
- On the assessee's appeal to the High Court:

Held

- The HC held that there can be no better evidence than the admission of the assessee.
- On the admission of the assessee himself that such money was his own undisclosed income brought back in the country through NRI gifts it was sufficient to bring it to tax in the hands of the assessee firm. The Tribunal was justified in rejecting the Miscellaneous Petition of the assessee. Therefore, there is no substantial question of law arising in the present case and there is no any merit in the appeal filed by the assessee. Accordingly, the appeal is dismissed.