

ITAT upholds Addition as Assessee has failed to offer any explanation with regard to Nature and Source of Credit in his Bank Account

FACT OF THE CASE

1. In the present case Arun Duggal is the assessee
2. The entire deposits in the bank account of the assessee, Arun Duggal did not belong to him and therefore, there is no real income accrued or received to the assessee.
3. It was unable to accept such a contention for the reason that, firstly, there are actual deposits in the bank account of the assessee for which no explanation about the nature and the source was explained which has led to addition u/s 68. Secondly, Section 68 is a deeming provision wherein the statute provides that if the assessee is unable to explain the nature and source of the credits, then it is deemed to be income of the assessee as undisclosed sources and is taxed accordingly.
4. No presumption under any other section does not override or exclude Section 68, that is, it does not obviate the necessity to establish by independent evidence the genuineness of the cash credits under Section 68, nor does it do away with the burden which is on the assessee to establish the requisites of cash credits.

DECISION OF THE CASE

The coram of Judicial Member, Amit Shukla and Accountant Member, Dr. B. R. R. Kumar held that, firstly, the action of the revenue authorities on the issue of notice u/s 148, approval under section 151 was in accordance with the law and secondly, addition u/s 68 has rightly been made as assessee has failed to offer any explanation with regard to nature and source of credit in his bank account and the primary burden cast upon the assessee for proving the credits has not been discharged either before AO or CIT(A).