Chandan Sukhani Vs. Cit

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Court : Rajasthan

Decided On : Dec-02-2005

Reported in : (2006)202CTR(Raj)288

Appeal No. : D.B. IT Appeal No. 332 of 2005 2 December 2005

Appellant : Chandan Sukhani

Respondent : Cit

Advocate for Pet/Ap. : Sanjay Jhanwar, *for the Appellant.*

Judgement :

This appeal under section 260A of the Income Tax Act, 1961 arises from the order of the Income Tax Appellate Tribunal, Jaipur Banch, dated 20-5-2005 in ITA No. 550/JP/2000 rejecting in part the appeal of the appellant.

2. During verification of income of the appellant under section 143(3) of the Income Tax Act it was found that he had purchased a house at Jawahar Nagar - A posh locality in the city of Jaipur for under two sale-deeds Rs. 8,50,000 on 7-7-1995. Being prima facie of the view that the price shown in the sale-deeds was too low. The assessing officer referred the matter to the Valuation Cell. The Departmental Valuation Officer (DVO) submitted report on 20-1-1999 valuing the property at Rs. 11,48,400. The assessing officer held that the amount shown as consideration money in the sale-deeds was under-statement and did not reflect the true price of the land, treating the excess amount of Rs. 3,48,400 as

unexplained investment, he added the amount to the appellant's income. The CIT upheld the order. The Tribunal reduced the addition to Rs. 2 lakhs granting ad hoc relief of Rs. 1,48,400. Not satisfied, the appellant has come in appeal to this Court.

3. Shri Sanjay Jhanwar, appearing for the appellant, submitted that the consideration shown in the registered sale-deed cannot be rejected without evidence to the contrary. Reliance was placed on K.P. Varghese v. ITO : [1981]131ITR597(SC) and CIT v. Shivakami Co. (P) Ltd. : [1986]159ITR71(SC) .

4. As proposition of law submission of the counsel is well founded but in the facts and circumstances of the case we do not think the order requires any modification. Indeed, on facts found, no question of law arises for decision by this Court.

5. The Tribunal in its order noticed that from the report of the DVO price of the land comes to Rs. 8,88,084 at the rate of Rs. 2741 per sq. mtr. The Tribunal ignored the difference of Rs. 38,084 as marginal but took the view that consideration money stated in the sale deeds reflected only price of the land and not the house and, accordingly, it allowed addition of Rs. 2 lakhs instead of Rs. 3,48,400 directed by the assessing officer and the commissioner of Income Tax.

6. In our opinion, there was certainly a basis for the assessing officer or commissioner of Income Tax and the Tribunal for holding that consideration shown in the sale deeds did not truly reflect the price of the property and the consideration shown in the sale-deeds reflected the price of land alone. In fact the sale deeds themselves provided some basis for drawing the inference that the price of land was in the vicinity of Rs. 8,50,000. In the circumstances, addition of Rs. 2 lakhs to the appellant's income being price of the house, i.e., total price of the property as his unexplained investment cannot be said to be without basis or evidence. We are of the view that the appeal is concluded by findings of fact and no case is made out for admission of this appeal.

7. The appeal is, therefore, summarily dismissed.