

**IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH "G", MUMBAI**

**BEFORE JUSTICE (RETD.) C.V. BHADANG, PRESIDENT AND
SHRI VIKRAM SINGH YADAV, ACCOUNTANT MEMBER**

ITA NO. 3847/MUM/2025

:

A.Y. : 2015-16

Income Tax Officer-19(3)(1), Mumbai. Vs. Sarla Murli Teckchandani
(Appellant) 705, Wallace Apartment, Sleater
Road, Grant Road West,
Mumbai 400 004.
PAN : AAOPT7429E (Respondent)

Appellant by : Shri Swapnil Choudhary
Respondent by : Shri Murli Alidas Teckchandani

Date of Hearing : 05/08/2025

Date of Pronouncement : 05/08/2025

ORDER

PER JUSTICE (RETD.) C.V. BHADANG, PRESIDENT :

By this appeal, the Revenue is challenging the order dated 29.03.2025 passed by the National Faceless Appeal Centre, Delhi ('CIT(A)' for short) thereby deleting the addition of Rs.4,24,97,520/- made by the Assessing Officer ('AO' for short) vide order dated 30.12.2017 under Section 68 of the Income Tax Act, 1961 ('Act' for short) as unexplained cash credit. The appeal pertains to assessment year 2015-16.

2. The respondent-assessee filed her Return of Income (RoI) for the relevant assessment year declaring a total income of Rs.9,85,850/-. The case was picked up for scrutiny during which it was found that the respondent-assessee had received a sum of Rs.4,24,97,520/- in her bank account from her brother, Shri Gul. During the assessment proceedings, the respondent-assessee claimed that the said amount was received as

consideration for relinquishing her undivided 1/4th share in the ancestral property in favour of her brother. The respondent-assessee, *inter alia*, produced the remittance advice dated 19.11.2014 from Standard Chartered Bank in which the purpose of transfer was shown as "*inheritance*". She further submitted a copy of the Memorandum of Transfer recorded on the Share Certificate dated 08.12.2014 by which her name was deleted from the record alongwith a Memorandum of Family Arrangement dated 05.01.2015 which records the assessee having received the aforesaid amount from her brother, which is a document duly notarized and signed by the respondent-assessee and her three siblings. Finally, she also produced a copy of the Release Deed dated 10.01.2015 by which she had relinquished her 1/4th share in ancestral property in favour of her brother, Shri Gul purportedly without consideration.

3. The AO refused to accept the explanation of the assessee mainly on the ground that she had failed to file the confirmation of her brother, Shri Gul. Secondly, the Release Deed mentions that she had released her share without any consideration. The AO came to the conclusion that the assessee, in all probability, had routed her own undisclosed income through the bank account of her brother for purchase of a property. In that view of the matter, the AO made the impugned addition under Section 68 of the Act.

4. In appeal, the assessee raised various contentions including whether the transfer of the amount in the bank account can be said to be credit of a sum during the year in the books of account maintained by the assessee. The principal contention was that the assessee having already received the amount under the Family Arrangement, which was prior in point of time to the execution of the Release Deed, there was no occasion to have mentioned the consideration in the Release Deed dated 10.01.2015. It is necessary to note that the assessee subsequently in the year 2018 also produced a confirmation letter from her brother, Shri Gul before the authorities.

5. The learned CIT(A) has allowed the appeal thereby deleting the addition, which order is the subject matter of challenge in this appeal.

6. We have heard parties. Perused record.

7. The learned DR submitted that the recitals in the Release Deed do not support the case of the respondent-assessee. It is submitted that the Release Deed specifically records that the relinquishment was without consideration. He, therefore, submitted that the learned CIT(A) was not justified in deleting the addition.

8. The learned AR submitted that the documentary evidence produced clearly shows that the amount was received as a consideration for relinquishment of 1/4th undivided share in the ancestral property and once the source is properly explained, there is no occasion for the AO to make the addition, which has been rightly deleted by the learned CIT(A).

9. We have considered the submissions made. The only question is whether the respondent-assessee has satisfactorily explained the source of Rs. 4,24,97,520/-. For this purpose, the nature and effect of the documentary evidence and the attendant circumstances have to be looked together. It is true that the Release Deed mentions that the relinquishment was without consideration, which is one of the reasons why the AO chose to make the addition. The second reason was the absence of confirmation by Shri Gul, brother of the respondent-assessee. So far as the second aspect is concerned, the respondent-assessee indeed produced the confirmation, albeit in the year 2018. Therefore, in our view, the second reason no longer survives. The respondent-assessee has produced the remittance advice from Standard Chartered Bank which records the purpose of transfer as "*inheritance*", which document is from a third party and deserves credence. The Memorandum of Transfer dated 08.12.2014 also shows that in consequence of the relinquishment, the name of the respondent-

assessee was deleted from the Record of Rights. Thirdly, there is a Memorandum of Family Arrangement dated 05.01.2015, which is prior in point of time to the Release Deed, which records that the respondent-assessee was to relinquish her 1/4th undivided share in the ancestral property for a consideration of Rs. 4,24,97,520/-. These aspects have been considered by the learned CIT(A). The learned CIT(A) has also found that the AO has not been able to bring forth any other source of income of the respondent-assessee from where she could have earned undisclosed income.

10. In that view of the matter, the learned CIT(A) has found that the impugned addition is based on suspicion, ignoring the documentary and third party evidence filed by the respondent-assessee. On a careful consideration of the circumstances and the submissions made, we find that no exception can be taken to the impugned order passed by the learned CIT(A) deleting the addition. The appeal is accordingly dismissed.

Order pronounced in the open court on 05/08/2025.

Sd/-
(VIKRAM SINGH YADAV)
ACCOUNTANT MEMBER

Sd/-
(JUSTICE (RETD.) C.V. BHADANG)
PRESIDENT

Mumbai; Dated : 05/08/2025

SSL

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent
3. The PCIT/CIT concerned
4. DR, ITAT, Mumbai
5. Guard File.

//True Copy//

BY ORDER,

(Assistant Registrar)
ITAT, Mumbai