Subhash Chand Verma v. Commissioner of Income Tax, Chandigarh and another

ITA 108/2007

ITA 108/2007 | 2007-07-09

NRI gift addition sustained: capacity and genuineness unproved

260A

High Court of Punjab and Haryana | Chandigarh | M.M. Kumar | Ajay Kumar Mittal

Assessment years: 1997-98

01 FACTS OF THE CASE

Subhash Chand Verma challenged the Tribunal's restoration of a Rs.4 lakh addition claimed as a gift from UK resident Arun Wangoo. The CIT(A) had accepted friendship, capacity and illness-related assistance; the Tribunal reversed that view after examining the bank record and the unsupported medical explanation.

Source: PDF pp.2–5

02 DISCUSSION BY THE HON'BLE COURT

The Court accepted the Tribunal's findings that donor capacity and the alleged need for medical assistance were not established. Identity, acquaintance and banking transmission did not by themselves prove a genuine gift. The proposed legal questions assumed proven capacity, contrary to those findings.

Source: PDF pp.2–5

03 JUDICIAL DECISION

The appeal was dismissed as not warranting admission; the Tribunal's restored Rs.4 lakh addition remained undisturbed.

Source: PDF pp.2–5

04 OUTCOME / IN WHOSE FAVOUR

Revenue succeeded in the appeal. The result rests on the combined evidentiary deficiencies, not merely the absence of a family relationship or ceremonial occasion.

Source: PDF pp.2–5

05 EXPERT COMMENTS

Banking evidence proves transmission more readily than capacity — The Tribunal considered deposits and two cheques but found that they did not establish the donor's financial standing. The High Court treated identity and banking channels as insufficient by themselves. A statement that every bank-transferred gift is genuine would disregard the unresolved capacity and genuineness findings.

The alleged medical purpose needed support on this record — Counsel had conceded the absence of evidence of a serious ailment requiring financial help. The Court relied on that gap together with capacity, rather than deciding an abstract rule that every valid gift needs a special occasion. The assessing officer's separate RBI and relative-status objections should not all be promoted into independent High Court holdings.

The proposed questions could not assume away adverse facts — The appeal framed its questions as though credibility and capacity were proved, while the Tribunal had found otherwise. That mismatch explains non-admission under section 260A. The source mentions other statutes and authorities in the assessment history; it does not expressly identify the Income-tax Act charging section for this addition, so none is inferred here.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

Punjab and Haryana High Court order; verified source copy

Complete source PDF reviewed: 5 physical pages.

All 5 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

Sections and disposition are recorded only to the extent stated in this source order.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.