

Income-Tax Appeal No. 224 of 2012 (O&M) 1

IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH.

Income-Tax Appeal No. 224 of 2012 (O&M)
Date of Decision: 01.08.2013

Rajinder Mohan Lal ..Appellant

Versus

Deputy Commissioner of Income-Tax Circle-1(I), Chandigarh

..Respondent

CORAM: HON'BLE MR. JUSTICE RAJIVE BHALLA
HON'BLE MR. JUSTICE DR. BHARAT BHUSHAN PARSOON

Present: Mr. Sandeep Goyal, Advocate, for the appellant

Mr. Urvashi Dugga, Advocate, for the respondent.

CM No. 24587-CII of 2012

Prayer in this application is to condone the delay of 26
days in re-filing the appeal.

Heard.

For reasons stated in the application and arguments
addressed, application is allowed and delay of 26 days in re-filing the
appeal is condoned.

Income-Tax Appeal No. 224 of 2012

The appellant challenges order dated 04.1.2012 passed
by the Income Tax Appellate Tribunal, Chandigarh Bench-B,
Chandigarh, dismissing his appeal by raising the following substantial
questions of law:-

“ Whether on the facts and circumstances of the case,
the Ld. Tribunal was justified in holding that the clause (b)

of proviso to sub-clause (vi) to sub-section (2) of section 56 would apply to the gifts received on occasion of the marriage of the assessee and not on the gifts received on account of marriage of his daughter?”

The appellant, an individual assessee, filed a return, for the assessment year 2007-08, showing a gross total income of Rs.16,71,877/-. The appellant's case was taken up for scrutiny under Section 143(3) of the Income Tax Act, 1961 (hereinafter referred to as the “Act”) by raising an objection with respect to Rs.21,07,513/- allegedly received as gifts from relatives and friends on the occasion of his daughter's marriage. In response, the assessee, produced evidence, confirming receipt of `shagun' and `gifts' from relatives and friends. The Assessing Officer, however, ordered an addition of Rs.21,07,513/- to the income of the assessee by holding that Section 56(2)(vi) of the Act, does not permit gifts received on account of an assessee's daughter wedding to be computed as “income from other sources”. Aggrieved by this order, the assessee filed an appeal, which was dismissed by the Commissioner of Income Tax (Appeals) on 19.1.2011. A further appeal filed before the Income Tax Appellate Tribunal (for short the “Tribunal”), was dismissed on 04.1.2012.

Counsel for the appellant submits that clause (b) of the proviso to sub-clause (vi) to sub-section (2) of Section 56 of the Act, provides that gifts received in excess of Rs.50,000/- are to be treated as income, except where gifts are received on the marriage of an individual. The word “individual” has to be interpreted, to

include gifts received on the marriage of an assessee's children. It is further submitted that in Indian society, parents receive gifts from relatives and friends on the occasion of marriage of their children. The view taken by the Tribunal that gifts received at the time of marriage of the assessee's daughter do not fall within meaning of word "individual", should be set aside and the word "individual" may be interpreted to include gifts received on the occasion of marriage of an assessee's child.

Counsel for the respondent submits that the exemption clause operates only with respect to marriage of an individual and not to the marriage of an individual's children. While interpreting the word "individual", the Tribunal has rightly held that gifts received at the marriage of the appellant's daughter, are not exempted.

We have heard counsel for the parties, perused the impugned orders and have no hesitation in holding that there is no ambiguity in proviso (b) to Section 56(2)(vi) of the Act and as no question of law arises for adjudication, the appeal must fail. The proviso (b) to Section 56 (2)(vi) reads as follows:-

“Provided that this clause shall not apply to any sum of money received—

(a) from any relative; or

(b) on the occasion of the marriage of the individual; or

(c) under a will or by way of inheritance; or

(d) in contemplation of death of the payer; or

(e) from any local authority as defined in the *Explanation* to clause (20) of section 10;

The expression “individual” appearing in proviso (b) of Section 56(2)(vi) of the Act, is preceded by the words “marriage” and therefore, relates to the marriage of the individual concerned, i.e., the assessee and not to the marriage of any other person related to him in whatsoever degree, whether as his daughter or son. The expression “marriage of the individual” is unambiguous in its intent and does not admit to an interpretation, that it would include an amount received on the marriage of a daughter. If legislature had intended that gifts received on the occasion of marriage of the assessee's children should be exempted, nothing prevented Legislature from adding the words “or his children”, after the words “marriage of the individual”.

In view of unambiguous legislative intent, appearing in the proviso, the addition made to the appellant's income on account of gifts received on the occasion of his daughter's marriage, is affirmed and the appeal, consequently, dismissed.

(RAJIVE BHALLA)
JUDGE

01.08.2013
VK

(DR. BHARAT BHUSHAN PARSOON)
JUDGE