

IN THE INCOME TAX APPELLATE TRIBUNAL
INDORE SMC BENCH, INDORE

BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER

ITA No.272/Ind/2018
A.Y. 2008-09

Smt. Kiran Shah, Indore
PAN – ATNPS 8406 L :: Appellant

Vs

ITO-3(2), Indore :: Respondent

Assessee by	Shri Atiq Bansal, CA
Respondent by	Shri V.J. Boricha, Sr. DR
Date of hearing	15.1.2020
Date of pronouncement	16.1.2020

O R D E R

This appeal is filed by the assessee against the order of Id. CIT(A)-III, Indore dated 20.1.2018 for the assessment year 2008-09.

2. The only ground raised by the assessee is that the Id. CIT(A) has erred in adding all the payment made to the credit card co. of Rs.2,72,358/- without considering the drawings made by the assessee herself and her son. Facts giving rise to the ground of appeal are that

the return of income of Rs.2,02,500/- was voluntarily filed on 24.9.2008 and the case was selected under scrutiny on the basis of AIR relating to verification of source of credit card payments of Rs.2,72,358/-. The Assessing Officer completed the assessment and added Rs.2,72,358/- to the total income of the assessee, which was challenged before the Id. CIT(A). The Id. CIT(A) confirmed the action of the Assessing Officer. Thus, the assessee is before this Tribunal.

3. Before me, learned counsel for the assessee has reiterated the submission made before the authorities below and submitted that the assessee is divorcee lady aged about 45 years in the year under assessment. She along with her son was earning her livings by providing tuition classes. In the year 2006-07 also, the assessee was assessed at Rs.1,91,500/- and her returned income was accepted with no additions. In the year 2007-08, the Assessing Officer made the addition of Rs.35,000/- on account of low household withdrawals despite the fact that she had contributed Rs.6000 herself and Rs.48,000/- was contributed by her son and the Assessing Officer was satisfied with total withdrawals of Rs.89,000/- and in that year also,

there were credit card payments. During the year under appeal, the assessee's drawings were of Rs.84,000/- and her son also contributed Rs.1 lakh but due to her son's accident and shifting from one place to another, the assessee later on took a loan of Rs.2 lakhs to meet out payments to the credit card co. and other day to day needs. The assessee had filed copies of return along with computation of income of her son and also her capital account. Out of Rs.2,72,358/-, Rs.1,27,710/- was paid in cash on different dates and rest of the payments were made by cheques, which pertain to current year income and savings of past accumulated. The assessee and her son grossly earned Rs.5,55,987/- during the year under appeal. Therefore, if total family withdrawals are considered, there are sufficient funds with the assessee to meet out cash payments of credit card, thus, the addition is unjustified. On the other hand, Id. Sr. DR relied on the orders of the Revenue Authorities but could not controvert the submission of the assessee by bringing any contrary material on record.

4. I have considered the rival submissions of both the parties and gone through the material available on the file. On consideration of above facts, I find that in the previous year, the assessee had contributed Rs.6000 herself and Rs.48,000/- was contributed by her son and the Assessing Officer was satisfied with total withdrawals of Rs.89,000/- as reasonable and in that year and there were credit card payments. However, during the year under appeal, the assessee's drawings were of Rs.84,000/- and her son also contributed Rs.1 lakh but due to her son's accident and shifting from one place to another, the assessee later on took a loan of Rs.2 lacs to meet out payments to the credit card co. and other day to day needs. The assessee by filing copies of return along with computation of income of her son and also her capital account furnished evidence in support of the contention explaining that out of Rs.2,72,358/-, Rs.1,27,710/- was paid in cash on different dates and rest of the payments were made by cheques. The assessee and her son grossly earned Rs.5,55,987/- during the year under appeal. Looking to these facts, I find that if total family withdrawals and previous years assessments as discussed hereinabove are considered, there are sufficient funds with the

assessee to meet out cash payments of credit card, thus, I direct the Assessing Officer to delete the addition of Rs.2,72,358/-. Accordingly, ground no.1 raised by the assessee is allowed.

8. In result, the appeal of the assessee is allowed.

Order was pronounced in the open court on 16.1.2020.

**Sd/-
(KUL BHARAT)
JUDICIAL MEMBER**

Dated : 16.1.2020

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Appellant/Respondent/Pr.CIT(A)/Pr.CIT/DR, Indore