

IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD BENCH "SMC", HYDERABAD  
(Through Virtual Hearing)

BEFORE SHRI A. MOHAN ALANKAMONY,  
ACCOUNTANT MEMBER

ITA No. 400/Hyd/2021		
A.Y. 2017-18		
Nagarjuna Reddy Sallepalli, Hyderabad. PAN: BNIPS 6166 D	VS.	Income Tax Officer, Ward-11(5), Hyderabad.
(Appellant)		(Respondent)
Assessee by:	None	
Revenue by:	Smt. Aditi Goyal, DR	
Date of hearing:	11/11/2021	
Date of pronouncement:	05/01/2022	

ORDER

This appeal is filed by the assessee against the order of the Ld. CIT(A), National Faceless Appeal Centre (NFAC), Delhi in DIN No. ITBA/NFAC/S/250/2021-22/1034762565(1), dated 10/08/2021 passed U/s. 143(3) r.w.s 250(6) of the Act for the Assessment Year 2017-18.

2. The assessee has raised sixteen grounds in its appeal however the curx of the issue is that:

*"The Ld. CIT(A) has erred in upholding the addition made by the Ld. CIT(A) for Rs. 12,24,700/- being the unexplained source for credit card payments."*

3. The brief facts of the case are that the assessee is an individual engaged in business filed his return of income for the relevant assessment year 2017-18 on 13/07/2017 declaring total income of Rs. 5,70,080/-. Subsequently, the case was taken up for scrutiny under CASS. During the course of scrutiny assessment proceedings, it was observed by the Ld. A.O. that the assessee has made credit card payment of Rs. 9,08,400/- to IndusInd Bank, Rs.1,71,300/- to SBI and Rs. 1,45,000/- to Standard Chartered Bank aggregating to Rs. 12,24,700/-. On query, the assessee had uploaded two gift deeds viz., one from his Father dated 11/05/2015 for an amount of Rs. 5 lakhs and another from his brother dated 3/12/2016 for Rs. 3 lakhs. Since both the donors were agriculturists, the Ld. A.O. opined that the identity, creditworthiness and genuineness of the transactions could not be established and therefore made addition of Rs. 12,24,700/- in the hands of the assessee. On appeal, the Ld. CIT(A) confirmed the addition.

4. At the time of hearing none appeared on behalf of the assessee to represent the case. However, on examining the orders of the Ld. Revenue Authorities, I do not find much merit in their orders. Before the Ld. Revenue Authorities, the assessee had furnished a gift deed from his father and brother aggregating to Rs.8 lakhs with their particulars. Therefore, the identity of both the persons established. Further, the presumption of the Revenue that the donors have meagre source of income because they are agriculturists may not be appropriate. The Ld.

Revenue Authorities had not made any further enquiry to establish the genuineness of their presumption. Moreover, the Ld. Revenue Authorities were in possession of the particulars of the donors by which they could have made further enquiries. It is also apparent from the return filed by the assessee that he is having source of income for more than Rs. 5 lakhs during the relevant assessment year. Considering these facts and circumstances of the case, I am of the view that the addition made by the Ld. A.O. which was further sustained by the Ld. CIT(A) is not warranted. Hence, I hereby direct the Ld. A.O. to delete the addition of Rs. 12,24,700/- made in the hands of the assessee. It is ordered accordingly.

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

Pronounced in the open Court on the 05<sup>th</sup> January, 2022.

Sd/-  
(A. MOHAN ALANKAMONY)  
ACCOUNTANT MEMBER

Hyderabad, Dated: 05<sup>th</sup> January, 2022.

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Copy to:-

- 1) Appellant: Nagarjuna Reddy Sallepalli, Plot No.43 & 62, Flat No.303, Maurya Estate, Kakatiya Hills, Pragathinagar, Hyderabad.
- 2) Respondent: Income Tax Officer, Ward-11(5), Hyderabad.
- 3) The CIT (A), National Faceless Appeal Centre (NFAC), Delhi.
- 4) The DR, ITAT, Hyderabad
- 5) Guard File