

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'SMC' Bench, Hyderabad

Before Shri Manjunatha, G. Accountant Member

आ.अपी.सं / **ITA No. 790/Hyd/2024**
(निर्धारण वर्ष / Assessment Year: 2017-18)

Ayyanna Patrudu Geddam Hyderabad PAN:ARAPG9043J (Appellant)	Vs.	Income Tax Officer Ward 12(5) Hyderabad (Respondent)
निर्धारित द्वारा/Assessee by:	C.A K Abhiroop Bhargav	
राजस्व द्वारा/Revenue by::	Shri Rahul Singhanian, DR	
सुनवाई की तारीख/Date of hearing:	12/09/2024	
घोषणा की तारीख/Pronouncement:	12/09/2024	

आदेश/ORDER

This appeal filed by the assessee is directed against the order dated 25/06/2024 of the learned CIT (A)-NFAC/Addl/JCIT(A)-8, Delhi, relating to A.Y.2017-18.

2. The brief facts of the case are that the assessee is an individual and filed his return of income for the A.Y 2017-18 on 11/07/2017 by admitting total income at Rs.7,85,950/-. The case was selected for scrutiny to verify (i) large cash payments made for and credit card purchases and (ii) large difference in total taxable income shown in Annexure II of TDS return of employer in Form 24Q and that shown in ITR". During the course of assesment proceedings, the Assessing Officer noticed that the assessee has spent sum of Rs.,21,28,123/- towards credit card payment out of which Rs.6,51,200/- was paid in cash. Therefore, called upon the

assessee to file necessary evidences including the source for expenditure incurred through credit card and payment made in cash. In response, the assessee vide letter dated 14/10/2019 submitted that the credit card has been used by himself for his personal needs and also for relatives and also for purchase of grocery and other home needs. He further submitted that he had paid credit card payment out of his salary income and also gift received from his father. The Assessing Officer however, was not convinced with the explanation furnished by the assessee and according to the Assessing Officer, the assessee could not explain the source for credit card payment of Rs.6,51,200/- in cash and thus,, made addition u/s 69A of the I.T. Act, 1961.

3. On appeal, the learned CIT (A) confirmed the addition made by the Assessing Officer.

4. Aggrieved by the order of the learned CIT (A), the assessee is in appeal before the Tribunal.

5. The learned Counsel for the assessee submitted that the appellant has explained credit card payments in cash out of gift received from his father who is an agriculturist holding 4.6 acres at Narsipatnam, Vishakapatnam. Although the appellant has filed relevant details but the learned CIT (A) rejected the evidences filed by the assessee and sustained the addition made by the Assessing Officer. Therefore, he submitted that the addition made by the Assessing Officer should be deleted.

6. The learned DR, on the other hand, supporting the orders of the authorities below submitted that the assessee has

declared total income of Rs. 7,85,950/-, whereas the total transaction through his credit cards was to the tune of Rs.21,28,123/- which is much higher than his income. The appellant could not explain the source of cash payments towards credit card bills. Therefore, the learned CIT (A) has rightly sustained the addition made by the Assessing Officer and their order should be upheld.

7. I have heard both the parties, perused the material available on record and gone through the orders of the authorities below. There is no dispute with regard to the fact that the appellant has spent an amount of Rs.21,28,123/- through his credit card and claimed that his credit card was used by himself for his day-to-day purchases and his relatives for purchase of grocery and other home needs. The Assessing Officer after considering the source of income of the assessee has made addition of Rs.6,51,200/- being cash payment made for credit card dues on the ground that the appellant is unable to explain the source for said cash payment. I find that the assessee is a salaried employee derives income from salary and his salary income is credited to Citi Bank Account. The appellant has also received some other credits on few occasions and claimed that his father has gifted Rs.6.00 lakhs out of his agricultural income. Although the appellant could not explain the gift received from his father with credible evidence, but going by the evidence filed by the assessee including details of land held by his father, the argument of the appellant towards gift received from his father can be accepted to some extent. Therefore, considering the facts and circumstances of the case and also taking note of the claim of the assessee towards gift received from his father, I direct the

Assessing Officer to accept the source for credit card payment in cash for Rs.6,51,200/- is out of assessee's salary income and gift received from his father to the extent of Rs.3.00 lakhs only. The balance amount of Rs.3,51,200/-towards cash payment for credit card is remains unexplained and thus, I direct the Assessing Officer to sustain the addition to the extent of Rs.3,51,200/-.

8. In the result, appeal filed by the assessee is partly allowed.

Order pronounced in the Open Court on 12th September, 2024.

Sd/-

**(MANJUNATHA, G.)
ACCOUNTANT MEMBER**

Hyderabad, dated 12th September, 2024.

Vinodan/SPS

Copy to:

S.No	Addresses
1	Shri Ayyanna Patrudu Geddam, 5-2-151/A Plot No.175, Thirumala Nagar, Meerpet (V) Hyderabad, Telangana 500040
2	Income Tax Officer Ward 12(5) Aayakar Bhavan, Opp: LB Stadium, Basheerbagh, Hyderabad 500004
3	Pr. CIT – Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order