

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. 171/Hyd/2023**
(निर्धारण वर्ष / Assessment Year: 2017-18)

Shri Pavuluri Sylendra NELLORE PAN:BNCPP4707M (Appellant)	Vs.	Income Tax Officer Ward 2 NELLORE (Respondent)
निर्धारिती द्वारा / Assessee by:		Advocate VVSC Muralidhar Rao
राजस्व द्वारा / Revenue by::		Shri Rahul Singhania, DR
सुनवाई की तारीख / Date of hearing:		12/09/2024
घोषणा की तारीख / Pronouncement:		18/09/2024

आदेश/ORDER

This appeal filed by the assessee is directed against the order dated 23/01/2023 of the learned CIT (A)-NFAC Delhi, relating to A.Y.2017-18.

2. The brief facts of the case are that the assessee has filed his return of income for the A.Y 2017-18 on 11/07/2017 by admitting total income of Rs.3,38,060/-. The case was selected for scrutiny to verify salary income and credit card payments. During the course of assesment proceedings, the Assessing Officer noticed that the assessee has made total credit card payment of

Rs.5,72,953/- to City Bank credit card account. The Assessing Officer called upon the assessee to explain the nature of expenditure incurred through credit card and source for said expenditure. The assessee neither filed any details nor explained the source for credit card. Therefore, the Assessing Officer made addition of Rs.5,65,953/- u/s 69C of the I.T. Act, 1961 as unexplained expenditure.

3. The assessee carried the matter in appeal before the first appellate authority but could not succeed. The learned CIT (A) for the reasons stated in their appellate order dated 23.01.2023 sustained the addition made by the Assessing Officer towards credit card expenses.

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 assessee is a salaried employee and most of his credit card expenses are borne out of his salary income. The appellant had also received Rs.2,50,000/- gift from his father for which necessary affidavit along with bank statement of his father has been filed. The Assessing Officer and the learned CIT (A) ignored the evidences filed by the assessee and made addition towards credit card expenses. Therefore, he submitted that the addition made by the learned CIT (A) should be deleted.

6. The learned DR, on the other hand, supporting the order of the learned CIT (A) submitted that the appellant has claimed gift received from his father for Rs.2,50,000/- but failed to explain the source of income for his father. Further, his father was a retired employee and receives monthly pension of Rs.225/- and out of said income, he cannot explain gift paid to his son for Rs.2,50,000/-. The learned CIT (A) after considering the relevant facts has rightly sustained the addition made by the Assessing Officer and their order should be upheld.

7. I have heard both the parties and considered the relevant reasons given by the Assessing Officer and the learned CIT (A) to sustain the addition made towards credit card expenses u/s 69C of the I.T. Act, 1961. There is no dispute with regard to the fact that on 2 occasions the appellant has paid credit expenses in cash. The appellant has paid Rs.3,83,000/- on 20/05/2016 to Citi Bank credit card in cash, but could not explain the source for such cash payment. The appellant has made another payment of Rs.1,82,950/- on 22.6.2016 towards credit card dues in cash and claimed that he has received an amount of Rs.2,50,000/- gift from his father and his father has given gift out of cash withdrawn from his bank account on 21/06/2016. I find that the appellant's father has filed an affidavit and stated that he has given sum of Rs.2,50,000/- to his son as gift on 21/06/2016. The appellant's father also claimed that he has withdrawn sum of Rs.2.00 lakhs from his bank

account on 21.06.2016. I find that the appellant's father Shri P. Ramakrishna Rao has withdrawn sum of Rs.2.00 lakhs on 21/06/2016 from his SBI Bank Account. If one go by the date of withdrawal of cash and date of payment of credit card dues by the appellant in cash, it is on the next day of cash withdrawal by the father of the appellant and also the appellant has paid Rs.1,82,950/- in cash to City Bank Credit Card. From the above details, it appears that the appellant may have received Rs.2.00 lakhs from his father and the same is source for payment of credit card dues on 22.06.2016. Therefore, I am of the considered view that the appellant is able to explain the source for 2nd credit card payment of Rs.1,82,950/- on 22/06/2016. Thus, I direct the Assessing Officer to delete the addition made towards credit card payment of Rs.1,82,950/- on 22/06/2016 and upheld the addition made by the Assessing Officer towards credit card payment of Rs.3,83,000/- on 20/05/2016.

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

Order pronounced in the Open Court on 18th September, 2024.

Sd/-

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

Hyderabad, dated 18th September, 2024.

Vinodan/sps

Copy to:

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1	Shri Pavuluri Sylendra, Flat No.403, Simhapuri Pride Apartments, Rajavari Street, Nellore
2	Income Tax Officer Ward 2 Nellore A.P.524002
3	Pr. CIT - Tirupati
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order