

**IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" BENCH, MUMBAI**

**SHRI NARENDRA KUMAR BILLAIYA, ACCOUNTANT MEMBER
SHRI RAHUL CHAUDHARY, JUDICIAL MEMBER**

**ITA No. 1229/MUM/2024
(Assessment Year: 2012-13)**

Bindu Pradeep Nambiar,
47/A/B, Kolivery Village, Kalina
Santacruz (East), Mumbai - 400098
[PAN:ADTPN9518J]

..... **Appellant**

Vs

Income Tax Officer, Ward No.22(1)(3)
Presently Income Tax Officer, 22(1)(1)
Room No. 319, Piramal Chambers,
Lalbaug, Mumbai - 400012.

..... **Respondent**

Appearance

For the Appellant/Assessee : Shri Pradeep Nambiar
For the Respondent/Department : Shri Himanshu Sharma

Date

Conclusion of hearing : 03.07.2024
Pronouncement of order : 24.09.2024

ORDER

Per Rahul Chaudhary, Judicial Member:

1. By way of the present appeal the Assessee has challenged the order dated 10/01/2024, passed by the National Faceless Appeal Centre (NFAC), Delhi, [hereinafter referred to as the '**CIT(A)**'], whereby the Ld. CIT(A) had dismissed the appeal of the Assessee against the Assessment Order, dated 26/12/2019, passed under Section 143(3) read with section 147 of the Income Tax Act, 1961 (hereinafter referred to as 'the **Act**') for the Assessment Year 2012-13. Delay of 12 days in filing the appeal is condoned in view of the fact that the husband of the appellant was suffering from heart ailment and was facing medical issues. Therefore appellant could not arrange to get appeal filed within specified period.

2. The appellant has raised following grounds of appeal :

- "1. The Income Tax Officer-22(1)(3), Mumbai ("the A.O.") erred in adding Rs.5,30,132/- to the income of the Assessee u/s. 69A of the 1. T. Act, 1961 treating the same as an unexplained income.*
- 2. The CIT(A) has erred in law and on facts in upholding the disallowance made by the AO in t Assessment Order in respect of payment of credit card expenditure of Rs.5,30,132/-.*
- 3. The CIT(A) has erred in law and on facts in passing an appellate order dated 10-01-20 whereas the remand proceedings were pending before the AO wherein the AO has issues notice dated 09-01-2024 to Assessee to submit the relevant details and explanation on or before 19-01-2024."*

3. We have heard both the sides and perused the material on record. The relevant facts that emerged from the material on record are that the Assessee, an individual, did not file return of income for the Assessment Year 2012-2013. However, as per the information available with the Income Tax Department, the Appellant had undertaken transactions aggregating to INR.78,95,010/- in respect of which payments were made through credit card. Therefore, reassessment proceedings were initiated under Section 147 of the Act. The Assessee did not file any return of income in response to notice issued under Section 148 of the Act. Therefore, notice, dated 7/11/2019, was issued to the Appellant under Section 142(1) of the Act requiring the Appellant to file return of income for the Assessment Year 2012-13. However, the aforesaid notice was not complied with. Thereafter, a show-cause notice, dated 08/12/2019, was issued to the Appellant. In response to the same, the Appellant filed details of sale and purchase of properties alongwith copy of agreement and computation of capital gain. However, Appellant failed to furnish any details regarding payment of credit card bills aggregating to INR 5,30,132/- and receipt of INR 3,33,332/-. Assessing Officer noted that as per form 26AS which was verified from TRACES, the Appellant had received INR 83,333/- from Alimia India Loyalty Management Private Limited.

Therefore, vide Assessment Order, dated 26/12/2019, passed under Section 147 read with 143(3) of the Act, the Assessing Officer assessed total income of the Appellant for the Assessment Year 2012-13 at INR 6,13,470/- after making addition of INR.5,30,132/- in respect of credit card expenses and addition of INR.83,333/- in respect of professional receipt.

4. Being aggrieved, the Appellant preferred Appeal before CIT(A) against the Assessment Order, dated 26/12/2019. Before the CIT(A) it was contended on behalf of the Appellant that credit card expenses were personal in nature and the payment of the same was made through bank accounts. In support the Appellant also filed a copy of bank account statement. However, the CIT(A) rejected the aforesaid submissions holding that no evidence was furnished by the Appellant to establish the source of credit card expense payments.
5. Now the Appellant is before us in appeal on the grounds reproduced in paragraph no. 2 above.
6. During the course of hearing, it was submitted that as per the directions of the CIT(A), during remand proceedings before the Assessing Officer the Appellant had furnished all relevant details and expenses in response to notice dated 09/01/2024 issued by the Assessing Officer. However, the CIT(A) has failed to consider the same. The Appellant has also placed on record copy of Bank Account Statement for the saving account number 000401113028 held by the Appellant with ICICI Bank for the relevant period. On perusal of the same we find that following credit card payments were made by the Appellant from the aforesaid bank account:

<u>Date</u>	<u>Amount (INR)</u>
19/04/2011	52,000
16/05/2011	3,000
25/05/2011	8,165

25/05/2011	13,337
15/07/2011	1,000
25/07/2011	24,500
18/08/2011	25,000
12/09/2011	22,680
20/10/2011	88,000
03/11/2011	35,000
07/11/2011	25,000
23/11/2011	37,000
12/12/2011	10,000
06/01/2012	50,000
09/02/2012	14,000
09/02/2012	1,00,006
18/02/2012	45,000
10/03/2012	09,000
Total	5,62,688

Thus, aggregate payment INR 5,62,688/- was made by the Appellant towards the payment of credit card expenses during the relevant previous year from its bank account. We note that as per the information available with the Assessing Officer, the Appellant had undertaken transactions aggregating to INR 82,28,342/-. However, the Assessing Officer had made addition in respect of credit card expenses of INR 5,30,132/- and professional receipt of INR 83,333/-. The Appellant has also explained the source of credit card payments aggregating to INR 5,62,688/- which includes the credit card payments of INR 5,30,132/- in respect of which addition was made by the Assessing Officer. In view of the aforesaid, the addition of INR 5,30,132/- made by the Assessing Officer cannot be sustained and is, therefore, deleted. Accordingly, Ground No. 1 to 3 raised by the Appellant are allowed.

7. In result the present appeal is allowed.

Order pronounced on 24.09.2024.

Sd/-
(Narnedra Kumar Billayia)
Accountant Member

Sd/-
(Rahul Chaudhary)
Judicial Member

मुंबई Mumbai; दिनांक Dated : 24.09.2024
Y.S.Patil,Sr.P.S.

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त/ The CIT
4. प्रधान आयकर आयुक्त / Pr.CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुंबई / DR, ITAT, Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

उप/सहायक पंजीकार / (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण, मुंबई / ITAT, Mumbai