

IN THE INCOME TAX APPELLATE TRIBUNAL
BANGALORE BENCH 'C', BANGALORE

SHRI. ABRAHAM P. GEORGE, ACCOUNTANT MEMBER

I.T.A No.450/Bang/2014
(Assessment Year : 2009-10)

Smt. Manjula M,
Canara Bank, S. M. Circle,
Shimoga .. Appellant
PAN : AEWPM9590F

v.

Income-tax Officer,
Ward – 2, Shimoga .. Respondent

Assessee by : Shri. A. R. Vivek, Advocate
Revenue by : Shri. Bipin C. N, JCIT

Heard on : 14.07.2016
Pronounced on : 26.08.2016

ORDER

PER ABRAHAM P. GEORGE, ACCOUNTANT MEMBER :

In this appeal filed by assessee, its grievance is that CIT (A) sustained an addition of Rs.3,60,000/- disregarding the explanation for source of money.

02. Facts apropos are that assessee a salaried employee of Canara Bank had filed her return declaring income of Rs.3,10,446/-. During the course of assessment proceedings it was noted by the AO that she had received substantial advances from her husband Shri. K. M. Dharmappa, for construction of a house. Assessee had shown a sum of Rs.6,75,000/- as received in cash from Shri. K. M. Dharmappa which was used for investment in construction of a residential house. AO was of the opinion that except for a sum of Rs.3,15,000/- which was paid by Shri. K. M. Dharmappa directly, the other amounts shown by the assessee as given by Shri. K. M. Dharmappa, could not be accepted. He made an addition of Rs.3,60,000/-.

03. Assessee's appeal before the CIT (A) did not meet with any success. According to him cash withdrawals of assessee's husband from his bank account which was considered by assessee as source for advances given to her could not be tallied. He sustained the addition.

04. Now before us, Ld. AR submitted that Shri. K. M. Dharmappa was himself a Class I Gazetted Officer of Karnataka Government. According to him he had sufficient salary to give a loan of Rs.6,75,000/-. According to

Ld. AR, lower authorities had taken a very narrow view and made an addition.

05. Per contra Ld. DR supported the orders of lower authorities.

06. I have perused the orders and heard the rival contentions. It is not disputed that K. M. Dharmappa was serving as a Gazetted Officer for long. It is also not disputed that assessee was herself an officer in Canara Bank. The amount shown by assessee as received from her husband was only Rs.6,75,000/- which was used for construction of a residential house and also for some other investments. It is normal in a family that construction of residential house is jointly taken up by husband and wife even though the property will be in the name of one. Considering the social status of husband and wife, I am of the opinion that the loan of Rs.6,75,000/- claimed by assessee to have been received from her husband ought not have been disbelieved. I therefore have no hesitation in deleting the addition.

07. In the result, appeal of the assessee stands allowed.

Order pronounced in the open court on 26th day of August, 2016.

Sd/-

(ABRAHAM P GEORGE)
ACCOUNTANT MEMBER

MCN

Copy to:

1. The assessee
2. The Assessing Officer
3. The Commissioner of Income-tax
4. Commissioner of Income-tax(A)
5. DR
6. GF, ITAT, Bangalore

By Order

Assistant Registrar