

आयकर अपीलीय अधिकरण, दिल्ली न्यायपीठ "सी", नई दिल्ली में

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'C', NEW DELHI**

सुश्री सुषमा चावला, न्यायिक सदस्य एवं श्री एन.काबिल्लैया, लष्ठा सदस्य का समक्ष
BEFORE MS. SUSHMA CHOWLA, JM & SH. N.K.BILLAIYA, AM

**आयकर अपील सं. / ITA No.2248/Del/2017
निर्धारण वर्ष / Assessment Year 2012-13**

M/s. ITKTS Interactive Technologies Pvt.Ltd.,
13, Institutional Area,
Lodhi Road, New Delhi-110016.
PAN-AABCI5926R

.....अपीलार्थी / Appellant

vs

The DCIT,
Circle-12(2), New Delhi.

..... प्रत्यर्थी / Respondent

अपीलार्थी की ओर स□/ Appellant by : Sh. Ankit Agrawal, CA
प्रत्यर्थी की ओर स□/ Respondent by : Sh. S.N.Meena, Sr.DR

सुनवाई की तारीख / Date of Hearing : 18.12.2019	घोषणा की तारीख / Date of Pronouncement: 23.12.2019
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आदेश / ORDER

PER SUSHMA CHOWLA, JM:

The appeal filed by assessee is against the order of CIT(A)-35, New Delhi, dated 05.09.2016 relating to assessment year 2012-13 against order passed under section 143(3) of the Income-tax Act, 1961 (in short 'the Act').

2. The issue arising in the present appeal against the disallowance of foreign travel expenses to the tune of Rs.6,00,010/-.

3. Briefly in the facts of the case the assessee had incurred foreign travel expenses totaling to Rs.8,00,013/-. The assessee was engaged in the business of selling tickets of various events of sports and entertainment industry through its online portal "Kyazoonga.com". The Director of the assessee, Ms. Neetu Bhatia had travelled to Rio where an event was organized by Dell Women's Entrepreneur Network, wherein she was a panelist and speaker. Further, expenditure was incurred on trip to New York by both the Directors i.e. Ms. Neetu Bhatia and Ms. Arpita Majumdar and it was claimed that the said trip was to meet with the parent company in New York. Total expenditure on both trips was Rs.8,00,013/-. The Assessing Officer disallowed the claim of the assessee in entirety vide para 5 of the assessment order holding that the assessee had not fulfilled the conditions laid down u/s 37(1) of the Act. The CIT(A) allowed the claim to the extent of Rs.3 lakhs and confirmed the disallowance of Rs.6,00,010/-, against the assessee in appeal.

4. The Ld. AR for the assessee pointed out that both trips undertaken by the Directors of the assessee were for promotion of their business and the same merits to be allowed as business expenditure in the hands of the assessee.

5. The Ld.DR for the Revenue on the other hand placed strong reliance on the orders of authority below and stated that in the absence of the assessee establishing that the expenditure had been incurred for the purpose of business, the same could not be allowed as an expenditure.

6. We have heard the rival contentions and perused the record. The assessee company constitutes of the two Directors i.e. Ms. Neetu Bhatia and Ms. Arpita Majumdar. The assessee is engaged in the business of providing e-commerce portal for sporting events tickets and for entertainment industry. The Director, Ms. Neetu Bhatia was invited as a panelist and as a speaker on a network event organized by Dell Women's Entrepreneur. This event was attended by various prominent female founders, CEOs and other innovative leaders. The assessee claims that the attendance of the event gives global recognition to the assessee. Further, the assessee had also filed supporting evidences in this regard. Such an expenditure is for the furtherance of the assessee and needs to be allowed in entirety in the hands of the assessee. The total expenditure incurred in the trip of Rio is Rs.2,67,561/-.

7. Now coming to the next trip which is to New York by both the directors i.e. Ms. Neetu Bhatia of Rs.4,15,939/- and Ms. Arpita Majumdar of Rs.1,16,513/-. The explanation of the assessee is that the said trip was made in order to meet with the holding company in New York. We find merit in the plea of the assessee that the said expenditure is an allowable business expenditure. But when we compare the expenditure incurred on two Directors, we find that the expenditure incurred on Ms. Neetu Bhatia is much higher than expenditure incurred on Ms. Arpita Majumdar. No plausible explanation was given by the assessee in this

regard, accordingly we restrict the disallowance of Rs.1 lakh out of foreign travelling expenses.

8. In the result, this appeal of the assessee is partly allowed.

Order pronounced in the open court on 23rd day of December, 2019.

Sd/-

Sd/-

(N.K.BILLAIYA)

लक्षा सदस्य/ACCOUNTANT MEMBER

दिल्ली / दिनांक Dated : 23rd December, 2019.

* *Amit Kumar* *

(SUSHMA CHOWLA)

न्यायिक सदस्य/JUDICIAL MEMBER

आदश की प्रतिलिपि अग्रहित/Copy of the Order is forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent
3. आयकर आयुक्त(अपील) / The CIT(A)
4. मुख्य आयकर आयुक्त / The Pr. CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, दिल्ली / DR, ITAT, Delhi
6. गार्ड फाईल / Guard file.

आदशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

सहायक रजिस्ट्रार, आयकर अपीलीय अधिकरण ,दिल्ली
Assistant Registrar, ITAT, Delhi