

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

**BEFORE SHRI SAKTIJIT DEY, VICE-PRESIDENT
AND
SHRI B.R.R. KUMAR, ACCOUNTANT MEMBER**

ITA No.434/Del/2022
Assessment Year: 2018-19

Akashdeep Singh Puri, Greater Kailash Part-II, E-476, Greater Kailash-II, New Delhi	Vs.	DCIT, Circle Intl. Taxation-2(2)(2), Civic Centre, New Delhi
PAN :AKMPP3334Q		
(Appellant)		(Respondent)

Assessee by	Sh. Ved Jain, Advocate Ms. Supriya Mehta, CA
Department by	Sh. Vizay B. Vasanta, CIT(DR)

Date of hearing	19.09.2023
Date of pronouncement	22.09.2023

ORDER

This is an appeal by the assessee challenging the final assessment order dated 28.01.2022 passed under section 143(3) read with section 144C(13) of the Act for the assessment year 2018-19 in pursuance to the directions of learned Dispute Resolution Panel ('DRP').

2. The dispute in the present appeal is confined to addition of an amount of Rs.19,18,328/-, being unexplained expenditure towards credit card expenses.

3. At the outset, Sh. Ved Jain, learned counsel appearing for the assessee, on instructions, did not press the additional ground challenging the validity of learned DRP's directions. Accordingly, the additional grounds is dismissed as not pressed. Even, in respect of ground raised in the revised grounds of appeal, learned counsel for the assessee restricted his argument to the merits of the additions made.

4. Briefly the facts are, the assessee is an individual and a non-resident Indian residing in United Kingdom ('UK'). For the assessment year under dispute, the assessee filed his return of income on 28.08.2018, declaring income of Rs.2,85,175/-. The assessee's case was selected for limited scrutiny to examine large cash payments made for credit card purchases. In course of assessment proceedings, the Assessing Officer observed that in the previous year relevant to the assessment year under dispute, the assessee had paid an amount of Rs.19,18,328/- towards credit card purchases. He, therefore, called upon the assessee to explain the source of such payments. In response, the assessee submitted that he works for Realpro Realty Solutions Pvt. Ltd. and in connection with his work he has to frequently travel and has to incur expenditure on behalf of the company using his

personal credit card, which subsequently gets reimbursed by the employer through direct payment to the concerned bank. To substantiate his claim, the assessee furnished ledger account with Realpro Realty Solutions Pvt. Ltd., credit card statements, bank statements, confirmation from Realpro Realty Solutions Pvt. Ltd. The Assessing Officer, however, remained unconvinced and added back the amount of Rs.19,18,328/- to the income of the assessee while framing the draft assessment order.

5. Against the draft assessment order, the assessee filed objections before learned DRP. After considering the submission made and evidences furnished, learned DRP directed the Assessing Officer to examine and verify the details filed by the assessee and complete the assessment proceeding through a speaking order. However, in the final assessment order, the Assessing Officer repeated the addition as was made in the draft assessment order.

6. Before us, learned counsel appearing for the assessee reiterated the stand taken before the departmental authorities. Whereas, the learned Departmental Representative relied upon the observations of the Assessing Officer and learned DRP.

7. We have considered rival submissions and perused the materials on record. It is evident, while framing the draft assessment order, the Assessing Officer has added back the payment made towards credit card purchases by stating that the assessee failed to substantiate the source of such payment. However, from the facts and materials brought on record, it is very much clear that in course of assessment proceeding itself, the assessee has not only explained the source of credit card payments, but has also furnished the supporting evidences such as credit card statement, confirmation from the employer Realpro Realty Solutions Pvt. Ltd., copies of bank accounts etc. It is the specific case of the assessee that major part of the credit card expenses were undertaken on behalf of the employer company and payments towards the credit card expenses were directly made by the employer to the concerned bank. The ledger account copy of the employer, credit card statements, bank statements, Form 26AS furnished before us, which are also part of the record of the departmental authorities, bear testimony to assessee's claim.

8. Unfortunately, the Assessing Officer has failed to examine the issue in proper perspective while framing the assessment

order. These facts have been clearly noted by learned DRP in its directions, wherein, it has been categorically observed that the Assessing Officer has passed a cryptic and unreasonable order and accordingly has directed the Assessing Officer to examine and verify each and every details filed by the assessee and pass a speaking order. Unfortunately, the Assessing Officer without carrying out the directions of learned DRP in letter and spirit has merely repeated his observations made in the draft assessment order. This, in our view, is completely unacceptable.

9. Be that as it may, after verifying the facts and materials brought on record, we are convinced that the assessee has completely discharged its onus of proving the source of credit card payment. Accordingly, we direct the Assessing Officer to delete the addition made on account of credit card payments.

10. In the result, appeal is allowed, as indicated above.

Order pronounced in the open court on 22nd September, 2023

Sd/-
(DR. B.R.R. KUMAR)
ACCOUNTANT MEMBER

Sd/-
(SAKTIJIT DEY)
VICE-PRESIDENT

Dated: 22nd September, 2023.

RK/-

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR