

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ' B ' Bench, Hyderabad

Before Shri Manjunatha, G. Accountant Member
and
Shri K. Narasimha Chary, Judicial Member

आ.अपी.सं / **ITA Nos.575 to 577/Hyd/2024**
(निर्धारण वर्ष/Assessment Years: 2014-15 to 2016-17)

Shri Chandra Mohan Reddy Vennapusa Hyderabad PAN:AFLPV6201N (Appellant)	Vs.	Income Tax Officer Ward – 1 SANGAREDDY (Respondent)
निर्धारित द्वारा/Assessee by:	Shri P. Murali Mohan Rao, CA	
राजस्व द्वारा/Revenue by:	Shri Madan Mohan Meena,DR	
सुनवाई की तारीख/Date of hearing:	19/08/2024	
घोषणा की तारीख/Pronouncement:	19/08/2024	

आदेश/ORDER

Per Manjunatha, G. A.M

These 3 appeals filed by the assessee are directed against the separate but identical orders dated 17/04/2024 of the learned CIT (A)-NFAC Delhi and pertains to A.Ys.2014-15, 2015-16 & 2016-17 respectively. Since facts and identical issues are common in all these 3 appeals, for the sake of convenience, these 3 appeals filed by the assessee were heard together and are being disposed off by this common consolidated order.

2. The brief facts of the case are that the assessment was reopened on the basis of information in the possession of the Assessing Officer that the appellant had paid credit card expenses but no return of income was furnished for the A.Ys 2014-15, 2015-16 & 2016-17. Therefore, notice u/s 148 was issued on 30.03.2021 and served on the assessee. In response, the appellant had filed return of income for all the 3 A.Ys. During the assesment proceedings, the appellant was asked to explain the sources for the credit card payment. In response, the assessee submitted that his 2 credit cards were used by M/s. Sindhu Logistics for the purpose of purchase of diesel and petrol for their business purposes. To support his stand, the appellant had submitted confirmation letters from M/s. Sindhu Logistics. The Assessing Officer did not accept the explanation furnished by the assessee. According to the Assessing Officer, the assessee could not furnish any other evidences to prove that the credit card payments are pertains to other party. Therefore, made additions towards credit card expenses 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 and reiterated his arguments taken before the Assessing Officer. The learned CIT (A) for the reasons stated in their appellate order dated 17/04/2024 rejected the explanation

furnished by the assessee and sustained the addition made towards credit card payments u/s 69C of the I.T. Act, 1961.

4. The learned Counsel for the assessee referring to certain additional evidences including copies of credit card statement submitted that the credit cards of the appellant has been used by his company for purchase of diesel and petrol and the total expenditure incurred through credit card was accounted in the books of account of M/s. Sindhu Logistics. Although the assessee has furnished relevant details before the Assessing Officer, but the Assessing Officer has ignored the details furnished by the assessee and made addition. Therefore, he submitted that to give another opportunity of being heard to the assessee, the issue may be set aside to the file of the Assessing Officer for further examination.

5. The learned DR, on the other hand, supporting the orders of the authorities below submitted that although the assessee claims to have used credit card for his business purpose, but no evidence has been filed except confirmation from M/s Sindhu Logistics. Further, the appellant had filed all the details at the fag end of the assesment proceedings and the Assessing Officer was not having sufficient time to verify the claim of the assessee. Therefore, the Assessing Officer has rightly made addition and their order should be upheld.

6. We have heard both the parties, perused the material available on record and gone through the orders of the authorities below. There is no dispute with regard to the fact that the appellant has not complied with the initial notices issued by the Assessing Officer including the notices u/s 142(1) and 143(2) dated 20.12.2021 and 14.03.2022. The appellant has furnished certain evidences on 21.3.2022 and claimed that credit card payments pertains to M/s. Sindhu Logistics and it has accounted the said expenses in their books of account. The Assessing Officer has not accepted the statement of the assessee for the 2 reasons; (i) the appellant has filed written submission at the fag end of the assesment proceedings and further the said submission was not supported by necessary evidences. The appellant now claims that it has filed all the evidences including relevant statement of credit cards and also filed confirmation letter from M/s. Sindhu Logistics to prove that the said expenditure is incurred by the firm and also accounted in the books of account of the firm. We find appellant has filed credit card statements and as per said credit card statement, the card has been mostly used for purchase of diesel and petrol at fuel stations. Although there are other few transactions, but predominantly the transactions are pertaining to purchase of fuel. The appellant claims that his cards has been used by M/s. Sindhu Logistics for purchase of fuel and same has been accounted in their books of account. Although these evidences were filed before the Assessing Officer on 21.3.2022 at the fag end of the assesment proceedings, but we are not aware

whether the Assessing Officer has considered the relevant evidences before making addition u/s 69C of the Act or not. Therefore, we are of the considered view that the issue needs to go back to the file of the Assessing Officer to give one more opportunity of hearing to the assessee to explain his case with necessary evidences. Thus, we aside the order of the learned CIT (A) for all the 3 A.Ys and restore the issue to the file of the Assessing Officer for fresh consideration. The Assessing Officer is directed to consider relevant evidence filed by the assessee to explain credit card payments and decide the issue 'denovo' in accordance with law.

7. In the result, all the 3 appeals filed by the assessee are allowed for statistical purposes.

Order pronounced in the Open Court at the time of hearing itself, i.e. on 19th August, 2024.

Sd/-

Sd/-

(K. NARASIMHA CHARY) JUDICIAL MEMBER	(MANJUNATHA, G.) ACCOUNTANT MEMBER
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Hyderabad, dated 19th August, 2024.

Vinodan/sps

Copy to:

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2	Income Tax Officer Ward -1 Sanga Reddy
3	Pr. CIT – Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order

