

आयकर अपीलिय अधिकरण, हैदराबाद पीठ में
**IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCHES "SMC", HYDERABAD
BEFORE
SHRI K.NARASIMHA CHARY, JUDICIAL MEMBER**

आ.अपी.सं / ITA No.883/Hyd/2024
(निर्धारण वर्ष / Assessment Year: 2017-18)

Venkata Suryanarayana Income Tax Officer
Mandava Vs. Ward-6(4)
Hyderabad Hyderabad
[PAN :AJIPM3271A]

अपीलार्थी / Appellant प्रत्यर्थी / Respondent

निर्धारिती द्वारा/Assessee by: Shri Chennupati Srinivasa Rao, AR
राजस्व द्वारा/Revenue by : Ms.Aditi Goyal, DR

सुनवाई की तारीख/Date of hearing: 01/10/2024
घोषणा की तारीख/Pronouncement on: 01/10/2024

आदेश / ORDER

PER K. NARASIMHA CHARY, J.M:

Aggrieved by the order dated 10/07/2024 passed by the learned Commissioner of Income Tax (Appeals)-National Faceless Appeal Centre (NFAC), Delhi ("Learned CIT(A)"), in the case of Venkata Suryanarayana Mandava ("the assessee") for the assessment year 2017-18, assessee preferred this appeal.

2. The only issue involved in this appeal is about the expenditure incurred by utilizing credit card and the mode of repayment thereof. According to the assessee, the assessee utilized credit card for the purpose of his proprietary business as well as for making online payment of tender money and earnest money deposit on behalf of a company, in which he is a Director. It was explained before me that out of Rs.26.33 lakhs, expenditure of Rs.1,62,887/- was incurred towards business purpose,

travelling, hotel etc. and Rs.2,46,505/- was incurred towards repayment of loan taken on City bank credit card. As a matter of fact, the learned CIT(A) accepted these two counts and gave relief.

3. In respect of Rs.22,24,093/-, expenditure met by utilizing the credit card, it is noted by the learned CIT(A) that it was for e-procurement fees to the Karnataka Government to meet the shortfall in the business of the assessee. This is a verifiable fact from the books of the assessee, either of the proprietary concern or of the company. Learned CIT(A) declined to interfere with this expenditure stating that there was no clear explanation. It is submitted before me by the learned AR that all this expenditure is reflected in the books of the assessee and also repayment made by using ATM channel of payments. It is explained that if an opportunity is granted, the assessee would explain both the expenditure met towards e-procurement fee to the Karnataka Government and also repayments through digital channel.

4. Taking into consideration all the set of facts involved in this matter, I am of the considered opinion that when it is a verifiable fact as to expenditure and repayment, it could have been conveniently done by the learned Assessing Officer on verification of books of the assessee. I, therefore, set aside the impugned order and restore the issue to the file of the learned Assessing Officer to verify the expenditure of Rs.22,24,093/- towards payment for e-procurement fee to the Karnataka Government and also its repayment through digital channels and to that expenditure, both are established to delete the addition to that extent. Grounds are answered accordingly.

5. In the result, appeal of the assessee is allowed for statistical purpose.

Order pronounced in the open court on this the 1st October, 2024.

Sd/-
(K. NARASIMHA CHARY)
JUDICIAL MEMBER

Hyderabad, Dated: 01/10/2024

L.Rama, SPS

Copy forwarded to:

1. Shri Venkata Suryanarayana Mandava, E 716, Western Exotica, Sipla Park, Kondapur, Hyderabad
2. The ITO, Ward-6(4), Hyderabad
3. The Pr.CIT, Hyderabad
4. The DR, Hyderabad
5. Guard File

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