

आयकर अपीलिय अधिकरण
दिल्ली पीठ "एस एम सी", दिल्ली
श्री विकास अवस्थी, न्यायिक सदस्य

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "SMC", DELHI
BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER

आअसं.1327/दिल्ली/2025 (नि.व. 2017-18)
ITA No.1327/DEL/2025 (A.Y.2017-18)

Neeraj Shridhar,
1424-A, Maruti Vihar,
Gurgaon, Haryana 122001

PAN: BAMPS-7225-J

..... अपीलार्थी/Appellant

बनाम Vs.

Income Tax Officer, Ward-3(1),
HSI IDC Building Vanijya Nikunj,
Udhyog Vihar, Phase-V, Gurgaon,
Haryana 122001

..... प्रतिवादी/Respondent

अपीलार्थी द्वारा/ Appellant by : Shri Anshul Gupta, Chartered Accountant

प्रतिवादीद्वारा/ Respondent by : Shri Manoj Kumar, Sr. DR

सुनवाई की तिथि/ Date of hearing : 21/05/2025

घोषणा की तिथि/ Date of pronouncement: : 21/05/2025

आदेश/ORDER

PER VIKAS AWASTHY, JM:

This appeal by the assessee is directed against the order of Commissioner of Income Tax (Appeals)/Additional/Joint Commissioner of Income Tax (Appeals)-8, Delhi (hereinafter referred to as 'the CIT(A)') dated 30.06.2024, for assessment year 2017-18.

2. The appeal is time barred by 184 days. The assessee has filed a petition for condonation of delay supported by an affidavit and Medical records. After perusal of same, I am satisfied that delay in filing of appeal is not intentional, but is for the

reasons stated in the condonation petition which appears to be *bonafide*. Hence, delay in filing of appeal is condoned and appeal is admitted for hearing on merits.

3. Shri Anshul Gupta, appearing on behalf of the assessee submits that the assessee is a salaried employee and had filed his return of income declaring total income of Rs.3,11,470/- on 04.08.2017. The case of the assessee was selected for limited scrutiny under CASS to verify large payments made for credit card purchase including cash payments. In assessment proceedings the assessee explained before the AO that during Financial Year 2016-17 the assessee's credit card was used by one of his friend to set up his business. Substantial business related payments were made by his friend/company floated by his friend M/s. Southy Hospitality & Services P. Ltd. His friend made payment of credit card bills to the extent credit card was used for business purpose. The Assessing Officer (AO) disbelieved the submissions made by the assessee as at that time no corroborative evidence was furnished by the assessee before the AO. Thus, the AO made addition of Rs.19,12,651/-. The assessee carried the issue in appeal before the CIT(A), but remained unsuccessful. Hence, this appeal by the assessee. The Id. AR of the assessee placed on record an affidavit sworn in by Umakant Padha authorized by Board Resolution of M/s. Southy Hospitality & Services P. Ltd. wherein it has been stated that the credit card of Mr. Neeraj Shridhar was used by the company for making payments of electricity bills and some other purchases and credit card bills were paid by the company through bank account also placed on record a certificate from the company confirming that assessee's credit card was used for paying companies petty expenditure and utility bills. The Id. AR thus prayed for deleting the addition.

4. Per contra, Shri Manoj Kumar representing the department vehemently defended the impugned order and prayed for dismissing appeal of the assessee.

5. Both sides heard, orders of the authorities below examined. The short issue in appeal is with regard to addition of Rs.19,12,651/- on account of credit card payments. The AR for the assessee reiterated the submissions as were made before the lower authorities with regard to use of credit card and the payments. In support of assessee's submissions, the AR for the assessee has furnished an affidavit of one Umakant Padha duly authorized by Board Resolution of M/s. Southy Hospitality & Services P. Ltd. The relevant contents of the affidavit reads as under:-

"1. That our company was into business of Operating Restaurant in Various Places in Delhi NCR.

2. That during the setup period i.e. 2016-2018 we have used Mr. Neeraj Shridhar's Credit Cards for making payments of our Electricity Bills & Some other Purchases.

3. He offered his credit card on friendly node to facilitate some liquidity and credit period since being a new company, liquidity problem was there.

4. That we had made payment of his credit cards for the usage done by us through our account & though our Franchise Account namely M/s Emphasis having PAN No. BBXPM6091C.

5. That through credit cards of Mr. Neeraj Shridhar, we had made payments for electricity bills, Some Electrical Goods & some Groceries/Ration and payments of those Credit Card Dues for our purchases were done by us and those payments does not include any finance part of Mr. Neeraj Shridhar.

6. Mr. Neeraj Shridhar has voluntarily offered us his cards for such usage out of his will to help us in getting some credit through his credit cards.

7. That total Amount utilized by us During the F.Y. 2016-17 was approx. 19,00,000 & that in F.Y. 2017-18 was approx. 78,00,000. Our affidavit is restricted & Limited to above stated amount only."

6. In addition to above, the assessee has also filed a certificate dated 01.07.2019 from the aforesaid company i.e. M/s. Southy Hospitality & Services P. Ltd. confirming the stand of assessee. The same reads as under:

“This is to certify that Mr.Neeraj Shridhar has used his credit card for paying company's petty expenditures and utility bills. And same has been reimbursed from the company. This is on account of expenditure of the company.”

7. Similar submissions were made by the assessee before the AO. The AO made no effort to verify submissions of assessee by issue of notice u/s. 133(6) of the Act to the company to verify contention of the assessee.

8. Considering entire facts of the case and the documents placed on record, the explanation furnished by the assessee for large payments made for use of credit card is plausible, hence, accepted. Thus, addition of Rs.19,12,651/- is directed to be deleted. In the result, impugned order is *set aside* and appeal of the assessee is **allowed**.

Order pronounced in the open court on Wednesday the 21st day May, 2025.

Sd

(VIKAS AWASTHY)

न्यायिक सदस्य/JUDICIAL MEMBER

दिल्ली/Delhi, दिनांक/Dated 21.05.2025

NV/-

प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. The PCIT/CIT(A)
4. विभागीय प्रतिनिधि, आय.अपी.अधि., दिल्ली /DR, ITAT, दिल्ली
5. गार्ड फाइल/Guard file.

//True Copy//

BY ORDER,

(Dy./Asstt. Registrar) ITAT, DELHI