

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.7311/दिल्ली/2025 (नि.व. 2011-12)
ITA No.7311/DEL/2025 (A.Y.2011-12)

Inder Mohan Thapar,
Farm No. 44, Main Jaunapur Mandi Road,
Jaunapur, Delhi 110047

PAN: ADCPT-9376-R

..... अपीलार्थी/Appellant

बनाम Vs.

Assistant Commissioner of Income Tax,
Civic Centre, Minto Road, Delhi 110002

..... प्रतिवादी/Respondent

अपीलार्थी द्वारा/Appellant by

: Shri Satyajeet Goel, Advocate

प्रतिवादीद्वारा/Respondent by

: Shri Keshav Kishor Anand, Sr. DR

सुनवाई की तिथि/ Date of hearing

: 17/12/2025

घोषणा की तिथि/ Date of pronouncement

: 17/12/2025

आदेश/ORDER

PER VIKAS AWASTHY, JM:

This appeal by the assessee is directed against the order of Additional/Joint Commissioner of Income-tax (Appeals), Faridabad (hereinafter referred to as 'the CIT (A)') dated 26.09.2025, for the Assessment Year 2011-12.

2. Shri Satyajeet Goel, appearing on behalf of the assessee submits that the assessee is a salaried employee and had filed his return of income declaring income from salary and house property on 04.02.2012 for AY 2011-12. The assessment for AY 2011-12 in the case of assessee was reopened and notice u/s.148 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') dated 28.03.2018 was issued to the assessee. The reasons for reopening are at page 2 of the paper book. A perusal

of the reasons would show that the assessment has been reopened to examine payment of Rs.37,62,149/- against credit card bills during FY 2010-11 i.e. relevant to AY 2011-12. However, while framing the assessment, the Assessing Officer (AO) made disallowance of expenditure to the tune of Rs.16,37,426/-. Further, the AO made ad-hoc disallowances of Rs.2,01,900/- of expenditure made on account of domestic travel, electricity and water expense, mobile and internet services, vehicle running expenses, conveyance expense, business promotion, entertainment expenses, LIC expenses in respect of the payments made through credit card. The AO further made addition of Rs.1,05,718/- on account of difference in the credit card bill and the total payment made. The assessee had explained to the AO that the payments made through credit card were in respect of the expenditure of the company M/s. Capital Residency P. Ltd. where the assessee is working as Chief Executive Officer. He contended that the AO without appreciating the fact that the assessee was merely an employee made disallowance of the expenditure in the hands of individual rather than making disallowance in the hands of the company. The assessee filed an appeal before the CIT(A), against the assessment order dated 21.12.2018, the CIT(A) in ex-parte proceedings dismissed the appeal of assessee on merits. Hence, the present appeal.

3. Shri Keshav Kishor Anand, representing the department vehemently supported the impugned order and prayed for dismissing appeal of the assessee. He submitted that ample opportunity was given by the CIT(A) and multiple notices were issued to the assessee, however, the assessee failed to respond to any of the notices. He thus, prayed for upholding the impugned order.

4. Both sides heard. The assessee in appeal has raised multiple grounds inter alia challenging validity of reopening, as well as, challenging the addition on merits.

After hearing assessee's submissions on validity of reopening I find the submissions of the assessee are devoid of any merit. The assessee was holding two PANs. As is apparent from the reasons recorded for reopening, the assessee got the credit card issued on the basis of PAN AAZPT 6665 P, whereas, the assessee had filed return of income for AY 2011-12 under PAN ADCPT 9376 R. The Id. Counsel for the assessee has stated before us, that the assessee had already sent letter to the AO for cancellation of PAN AAZPT 6665 P. In the first instance holding two PAN cards by the assessee is illegal and attracts penalty and can also lead to prosecution in some cases. If at all the assessee had written to the AO for cancellation of one PAN, it was incumbent upon the assessee to follow up and ensure that one of the PAN is cancelled. Now the assessee cannot take advantage of the fact that the reasons were recorded for a different PAN and the assessment was made in the name of the assessee on a different PAN. Therefore, the legal grounds raised by the assessee in ground no. 2 to 4 are dismissed.

5. On merits, contention of the assessee is that the expenditure made through credit card was in respect of expenses of the company M/s. Capital Residency P. Ltd. where he was working as Chief Executive Officer. The said expenditure is duly recorded in the books of company. The assessee is only a salaried employee. This fact also emerges from the return of income filed by the assessee wherein the assessee has declared income under the head salary, income from house property and bank interest. The disallowance of expenditure made through credit card on behalf of the company could only be made in the hands of the company not the assessee. I find merit in the submissions made by Id. Counsel for the assessee. The expenditure made through credit card prima facie appears to be in the nature of business expenditure. It is not the case of Revenue, that the assessee is carrying

on any business, the AO has accepted the return of income filed by the assessee wherein the income is declared under the head salary. Therefore, the disallowance of expenditure made through credit card in the hands of assessee is unsustainable. Accordingly, the additions made by the AO are directed to be deleted. The succeeds on ground of appeal no. 5 to 7.

6. In the result, appeal of the assessee is partly allowed.

Order pronounced in the open court on Wednesday the 17th day of December, 2025.

Sd/-

(VIKAS AWASTHY)

न्यायिक सदस्य/JUDICIAL MEMBER

दिल्ली/Delhi, दिनांक/Dated 29/12/2025

NV/-

प्रतिलिपि अग्रेषितCopy 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.

BY ORDER,

//True Copy//

(Asstt. Registrar) ITAT, DELHI

1.	Date of dictation of Tribunal order direct on computer	15.12.2025
2.	Date on which typed draft order is placed before the dictating Member	15.12.2025
3	Date on which typed draft order is placed before the other Member (in the case of DB)	
4.	Date on which the approved draft order comes to P.S./Sr.P.S	
5.	Date on which the fair Order is placed before the dictating Member for sign	
6.	Date on which the fair Order is placed before the other Member for sign (in the case of DB)	
7.	Date on which the Order comes back to P.S./Sr.P.S for uploading on ITAT website	
8.	Date of uploading, if not, reason for not uploading	
9.	Date on which the file goes to the Bench Clerk	
10.	Date on which order goes for xerox	
11.	Date on which order goes for endorsement	
12.	Date on which the file goes to the Superintendent/O.S. for checking	
13.	Date on which the file goes to the Assistant Registrar for signature on the order	
14.	Date on which the file goes to dispatch section for dispatch the Tribunal Order	
15.	Date of dispatch of order	
16.	Date on which file goes to Record Room after dispatch the order	