

**IN THE INCOME TAX APPELLATE TRIBUNAL  
KOLKATA 'SMC' BENCH, KOLKATA  
[Before Shri J. Sudhakar Reddy, Accountant Member]**

**I.T.A. No. 2028/Kol/2019  
Assessment Year: 2015-16**

***Estate of Kanailal Goswami.....Appellant  
[PAN: AAAJE 0076 G]***

***Vs.***

***ACIT, Cir-23(1), Kolkata.....Respondent***

**Appearances by:**

*Sh. S.M. Surana &  
Sh. N.P. Jain, AR, appeared on behalf of the Assessee.*

*Sh. Supriyo Pal, JCIT, Sr. DR, appeared on behalf of the Revenue.*

Date of concluding the hearing : February 12<sup>th</sup>, 2020  
Date of pronouncing the order : March 13<sup>th</sup>, 2020

**ORDER**

**Per J. Sudhakar Reddy, AM:**

This is an appeal filed by the assessee directed against the order of the Commissioner of Income Tax (Appeals)-6, Kolkata ['CIT(A)' for short] dated 26.06.2019 u/s 250 of the Income Tax Act, 1961 ('the Act' for short) for AY 2015-16.

2. The assessee has been assessed as an AOP. The assessee has rental income from the Estate. It also has interest income. The assessee has not filed its return of income. The AO issued notice u/s 148 of the Act and thereafter completed assessment u/s 144 r.w.s. 147 of the Act on 10.10.2018 determining the total income of the assessee at ₹11,77,209/-.

3. Aggrieved, the assessee carried the matter in appeal. The Id. CIT(A) granted part relief. Further, aggrieved, the assessee is in appeal before me on the following issues:

a) The addition of ₹1,68,110/- as undisclosed/excessive interest income

b) ₹1,98,000/- as undisclosed/excess rental income and

c) Disallowance of taxes paid. Ground no. 4 was raised against charge of interest u/s 234A, 234B and 234C of the Act. During the course of hearing, ground no. 4 was not

pressed. Hence, this ground no. 4 against the levy of interest u/s 234A, 234B and 234C of the Act is hereby dismissed.

4. We have heard Mr. S.M. Surana, the Id. Counsel for the assessee and Mr. Supriyo Pal, Id. DR on behalf of the Revenue.

5. Rival contentions heard. On a careful consideration of the facts and circumstances of the case, perusal of the papers on record and case laws cited, we hold as follows.

6. Ground no. 1 is against the addition of ₹1,98,000/- as rental income. The assessee has received this amount as advanced rent. The monthly rent receivable by the assessee from M/s. P.A. Bricks Pvt. Ltd. was ₹1,10,000/-. The tax deducted at source @ 10% for two months amounted to 2,20,000/-. The net advance rent for these two months after tax deduction at source is ₹1,98,000/-. The assessee offered the rent pertaining to the current financial year, during the year to tax. The advanced rent received was offered to tax in the subsequent assessment year. Thus, the addition in question, in my opinion, would result in double taxation. Even otherwise, the annual value is taxable under the head 'income from house property'. The addition made of this advanced rent received as undisclosed income is not in accordance with law and has to be deleted. In the result, ground no. 1 of the assessee is allowed.

7. Ground no. 2 is against the addition of interest income on the ground that the same is undisclosed. The interest in question is on the fixed deposits belonging to Mr. Prasun Kumar Goswami in his personal capacity. The interest does not pertain to the Estate. The assessee has presented before the authorities below that the savings bank a/c and fixed deposit accounts with Standard Chartered Bank, N.S. Road, Kolkata are the individual accounts of Mr. Prasun Kumar Goswami and the interest on these bank accounts are the personal income of Mr. Prasun Kumar Goswami and hence cannot be added as income of the Estate. The AO nor the CIT(A) could rebut this factual contentions of the assessee. Under these circumstances this disallowance is hereby deleted and ground no. 2 of the assessee is allowed.

8. Ground no. 3 is on the disallowance of municipal tax. There is no dispute that the amount of municipal tax has been paid by the assessee. In my view this is sufficient to

grant deduction to the assessee. The mere fact that the cheque for payment of municipal taxes was from the individual account of the executor, Mr. Prasun Kumar Goswami does not make the Estate ineligible for claim of deduction. Thus, this disallowance is deleted and this ground of the assessee is allowed.

9. In the result, the appeal of the assessee is allowed in part.

***Kolkata, the 13<sup>th</sup> March, 2020.***

Sd/-  
[J. Sudhakar Reddy]  
Accountant Member

Dated: 13.03.2020

*Bidhan*

*Copy of the order forwarded to:*

1. ***Estate of Kanailal Goswami, 23B, Ballygunge Circular Road, Kolkata-700 019.***
2. ***ACIT, Cir-23(1), Kolkata.***
3. CIT(A)-6, Kolkata. (sent through e-mail)
4. CIT-
5. CIT(DR), Kolkata Benches, Kolkata. (sent through e-mail)

True copy

By order

Assistant Registrar  
ITAT, Kolkata Benches