

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH: COCHIN
(By virtual hearing)**

**BEFORE SHRI CHANDRA POOJARI, ACCOUNTANT MEMBER
AND
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER**

ITA No.264/Coch/2023
Assessment Year:2014-15

Peringattu Health Foundation Private Limited G-202, Panampilly Nagar Ernakulam 682036 Kerala PAN NO : AADCP5050H	Vs.	ITO Corporate Ward-2(3) Kochi
APPELLANT		RESPONDENT

Assessee by	:	Smt. Parvathy Ammal, A.R.
Revenue by	:	Sri Ilaiyaraja K.S., D.R.

Date of Hearing	:	01.07.2024
Date of Pronouncement	:	03.07.2024

O R D E R

PER CHANDRA POOJARI, ACCOUNTANT MEMBER:

This appeal by assessee is directed against order of NFAC for the assessment year 2014-15 dated 20.3.2023. The assessee has raised following grounds:

- 1. The orders of the Learned Authorities below are unsustainable*
- 2. The addition made by AO during the reassessment proceedings of Rs. 7 lacs is incorrect. The sole reason for addition of Rs.7 lacs is that note 13 of financial statements states that "amount under rent received includes Rs.7 lacs adjusted out of rent advanced by a tenant . Further an amount of Rs.750000/- has been adjusted against rent receivable provided in the proceeding year. The tenant has however deducted tax at source only on an amount of Rs.1 lac. It is submitted during the course of the reassessment proceedings that the note related to the previous financial year i.e A. Y. 2013-14 and was not applicable to the current financial year i.e. A. Y. 2014-15. However, the assessing officer brushed aside the submission on the various ground mentioned in the assessment order.*

3. *There is no evidence of actual receipt of Rs.7 lacs during financial year 2013-14 over and above what is accounted in the books. It is also submitted that the amount of Rs.7 lacs has been included in the rent in A.Y. 2013-14.*
4. *During the course of the original assessment proceedings there were additions on two grounds. The Hon'ble Tribunal has vide order dated 28.11.2023 remitted the matter to the AO for reconsideration.*
5. *And such other grounds as may be advanced at the time of hearing.*
6. *It is therefore prayed that the Hon'ble Tribunal may be pleased to set aside the orders of the learned authorities below.*

2. The only issue in this appeal is with regard to addition of Rs.7 lakhs towards rent received by the assessee. The contention of the assessee is that assessee has never received this rent in the assessment year under consideration. The ld. AO taken a note of the accounts in financial year 2012-13 and made addition of Rs.7 lakhs towards rent receivable, which is not correct. In the assessment year under consideration, assessee never received any rent from M/s. Welcare Medical & Educational Trust and submitted that this could be verified at the end of ld. AO.

3. On the other hand, the contention of the assessee that there was no accrual or receipt of any rent from M/s. Welcare Medical & Educational Trust in the assessment year under consideration as M/s. Welcare Medical & Educational Trust has been vacated by that tenant and in the assessment year under consideration it is not a tenant of the assessee. In our opinion, these facts are required to be examined at the end of ld. AO by calling the details from M/s. Welcare Medical & Educational Trust. In other words, if M/s. Welcare Medical & Educational Trust has paid or booked any rent payable to the assessee in the assessment year under consideration, the corresponding rental income to be brought to taxation or otherwise. Ordered accordingly.

4. In the result, appeal of the assessee is partly allowed for statistical purposes.

Order pronounced in the open court on 3rd July, 2024

Sd/-
(Soundararajan K.)
Judicial Member

Sd/-
(Chandra Poojari)
Accountant Member

Bangalore,
Dated 3rd July, 2024.
VG/SPS
Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The DR, ITAT, Bangalore.
5. Guard file

By order

Asst. Registrar,
ITAT, Bangalore.