

**IN THE INCOME TAX APPELLATE TRIBUNAL
“H(SMC)” BENCH, MUMBAI**

**BEFORE SHRI AMARJIT SINGH, ACCOUNTANT MEMBER &
SHRI RAHUL CHAUDHARY, JUDICIAL MEMBER**

**ITA No.4048/Mum/2024
(A.Y.2017-18)**

Aidansingh Lalsinghji Rajput, D/8, Sujata Shopping Centre, Navghar Road Bhayandar East, Thane, Maharashtra - 401105	Vs.	ITO, Ward 2(1) Income Tax Office, Quereshi Mansion, Gokhale Road, Naupada, Thane West, Thane Maharashtra - 400602
स्थायी लेखा सं./जीआइआर सं./PAN/GIR No. AEUPR5534E		
Appellant	..	Respondent

Appellant by :	Shri Bharat Kumar, CA
Respondent by :	Shri Uodal Raj Singh, Sr. DR

Date of Hearing	05.11.2024
Date of Pronouncement	09.01.2025

आदेश / O R D E R

Per Amarjit Singh (AM):

The appeal filed by the assessee is directed against the order of Ld. CIT/ADDL/JCIT(A) Panaji passed u/s 250 of the Act dated 19.06.2024 for A.Y. 2017-18.

2. Fact in brief is that return of income declaring total income of Rs.8,30,670/- was filed on 21.12.2017. The case was subject to scrutiny assessment on 21.09.2018. During the course of assessment the AO noticed that assessee has deposited cash of Rs.5,49,500/- during the demonetization period in his account. On query, the assessee explained that the source of cash deposit was out of earlier years'

savings earned from business income and rental income. The assessee has filed copies of balance sheet as on 31.03.2015 and on 31.03.2016 along with copies of cash books for the period 01.04.2016 to 31.03.2017. In his submission, the assessee submitted that he has given rent for Gala at Vasai from which he received rent of Rs.12,000/- per month aggregating to Rs.1,44,000/- in a year. The AO stated that cash in hand shown by the assessee of Rs.8,95,423/- was not reflected in the ITR for assessment year 2015-16 and 2016-17, however, the AO has accepted the submission of the assessee of receiving rent of Rs.12,000/- per month from the Gala till 08.11.2016, therefore, restricted the addition to the extent of Rs.4,65,500/-.

3. The assessee filed the appeal before the ld. CIT(A). The ld. CIT(A) has dismissed the appeal of the assessee reiterating the facts stated by the assessing officer.

4. Heard both the sides and perused the material on record. Without reiterating the facts as discussed above the AO has not disputed the receipt of rent from the Gala only for the period of 01.04.2016 to October 2016. The assessee had filed copies of balance sheet, capital account, and ITR acknowledgment for the assessment year 2013-14 to 2015-16 and 2016-17 before the lower authorities showing that he has been receiving compensation for giving Gala on rent. The assessee also submitted that there was no column in Income Tax Return filed in Form 3 to show the cash in hand at the end of the year, therefore, the same was not reflected in the Income Tax Return. As discussed the AO has not disputed the fact that assessee has provided the Gala on rent, in fact accepted the part of rent income received during the year for giving on rent in cash as source of cash deposited in the bank account. The assessee has reported the compensation for giving of Gala on rent from Assessment Year 2014-15 to 2017-18 as per copies of balance sheet

cash book, ledger a/c etc. filed in support of the income reflected in the return of income filed. However, the AO had not controverted these facts by conducting any enquiry from the tenants to whom the gala was provided on rent. Therefore, of rental income earned in assessment year 2014-15 of Rs.1,44,000/- (+) Rs.1,44,000 for AY: 2016-17 (+) Rs.84,000/- for the period of deposit accepted in the assessment year 2107-18 totaling to Rs.3,72,000/- is considered as deposited out of the cash received from giving Gala on rent and addition of unexplained cash is restricted to the extent of Rs.1,77,500/-. Therefore, appeal of the assessee is partly allowed.

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

Order pronounced in the open court on 09.01.2025

Sd/-

(Rahul Chaudhary)
Judicial Member

Sd/-

(Amarjit Singh)
Accountant Member

Place: Mumbai
Date 09.01.2025
Rohit: PS

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त / CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण DR, ITAT,
Mumbai
5. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//
आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण/ ITAT, Bench,
Mumbai.