

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'SMC', NEW DELHI**

Before Sh. Satbeer Singh Godara, Judicial Member

ITA No. 482/Del/2025 : Asstt. Year: 2012-13

Karambir Singh, #1B, Gali No. 4, Basant Vihar, Karnal, Haryana (PAN: AVSPS8080K)	Vs	ITO, Ward 4, Karnal
(APPELLANT)		(RESPONDENT)
PAN No. AQIPS1923N		

**Assessee by : Sh. Gurjeet Singh, CA
Revenue by : Sh. Sanjay Kumar, Sr. DR**

Date of Hearing: 21.04.2025

Date of Pronouncement: 21.04.2025

ORDER

This assessee's appeal for Assessment Year 2012-13, arises against the CIT(A)/NFAC, Delhi's DIN & Order No. ITBA/NFAC/S/250-2024-25/1070209490(1) dated 08.11.2024, in proceedings u/s 143(3)/147 of the Income Tax Act, 1961 (in short "the Act").

2. Heard both the parties. Case file perused.

3. Learned counsel submits at the outset that he neither wishes to press assessee's legal ground on "DIN" issue nor validity of reopening, hence, the same are rejected in very terms.

4. Next comes the assessee's twin substantive grounds on merits that both the lower authorities have erred in law and on facts in adding the cash deposits of Rs. 11,50,000/- and disallowing cost on improvement of the relevant capital assets;

to the extent of 50% coming to Rs. 3,95,451/- in the course of assessment framed on 28.12.2019 and upheld in lower appellate discussion.

4.1 It is noticed that during the course of hearing with the able assistance coming from both the parties that so far as the assessee's former substantive ground is concerned, a perusal of the case file indicates that he had infact sold the relevant capital assets on 09.08.2011; and, therefore, the necessary inference which would arise herein is that these cash deposits represent cash component of the above sale consideration only in light of Smt. Malini Ramnath Rele vs. ITO (1994) 49 ITD 43(MUM) (TM). The fact also remains that the assessee has not satisfactorily explained the source of his impugned cash deposits by reconciling all the relevant figures. It is thus deemed appropriate in the larger interest to restrict the impugned addition to Rs. 1,50,000/- only with a rider that the same shall not be treated as a precedent. The assessee gets relief of Rs. 9,00,000/- in other words. Necessary computation shall follow.

4.1 Next comes latter's issue between the parties wherein both the lower authorities have rejected the assessee's cost of improvement to the extent of 50% only. It is made clear that possibility of some failure on assessee's part in explaining all

the relevant facts could not be altogether denied. That being the case, the tribunal hereby deems it appropriate to restrict the impugned cost of improvement disallowance to a lumpsum amount of Rs. 2,00,000/- only with a rider that the same shall not be a precedent. The assessee gets relief of Rs. 1,95,451/- in other words. Ordered accordingly.

5. This assessee's appeal is partly allowed in above terms.
Order Pronounced in the Open Court on 21/04/2025.

Sd/-
(Satbeer Singh Godara)
Judicial Member

Dated: 21/04/2025

SR BHATNAGAR

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR