

**IN THE INCOME TAX APPELLATE TRIBUNAL,
'SMC' BENCH MUMBAI
BEFORE: SHRI PAWAN SINGH, JUDICIAL MEMBER**

ITA No. 1354/MUM/2025(AY: 2015-16)
(Physical hearing)

Darshana Vishnu Murkar 102, Eksar Laxminaryan Chs Ltd. Bldg., No.2, Eksar Road, Opp. ST. Rock College, Borivali West, Mumbai-400103.	Vs.	ITO-42(1)(3), Piramal Chamber, Lalbaug, Mumbai-400051.
PAN/GIR No. AJQM1058F		
(Appellant)	..	(Respondent)

Assessee by	Shri. Vishnu Murkar, CA
Revenue by	Shri. Vijay Kr. G. Subramanyam, Sr. DR
Date of Hearing	23/04/2025
Date of Pronouncement	23/04/2025

Order Under Section 254(1) of Income Tax Act

PER PAWAN SINGH, JUDICIAL MEMBER:

1. This appeal by assesses is preferred against the order dated 03.01.2025 passed in Appeal no. NFAC/2014-15/10301818 by the Ld. Commissioner of Income-tax(Appeals)/ National Faceless Appeal Centre (NFAC) [hereinafter referred to as the "CIT(A)"] under section 250 of the Income-Tax Act, 1961 [hereinafter referred to as "Act"] for the Assessment year [A.Y.] 2015-16. The assessee has taken the following grounds:

" 1. On the facts and circumstances of the case and in law ele reassessment proceedings under section 148 which is bad in wand Ld. AO erred in initiating and required to be quashed.

2. On the facts and circumstances of the case and law, the Ld. Acned in initiating reassessment proceeding under section 148 in volition of provision of section 149(1)(b) of Income Tax Act, 1961 as there is no income escapement above 50 lakhs represented in form of asset.

3. On the facts and circumstances of the case and in law, the AO erred in adding Rs. 2,15,000/- on account of 50 percent of stamp duty and

registration was when no addition made on ground of reason recorded for reopening.

4. On the facts and circumstances of the case and in law, the 10 erred in treating the appellant as 50 percent co-owner in share of property with her husband and making addition of Rs. 2.15.000 on account of unexplained Investment under section 69 of the Income Tax Act, 1961 (being 50% of Stamp Duty and Registration charges toral amounting to Rs. 4.30,000).

5. On the facts and circumstances of the case and in law the Ld AD erred in considering that appellant's name in the property was merely for the purpose of name sake.

6. On the facts and circumstances of the case and in law the Ld AO erred in charging interest under section 234B and 234C of Income Tax Act, 1961.

7. On the facts and circumstances of the case and in law the Ld AO erred in invoking penalty provisions under section 271(1)(c) of the Income Tax Act, 1961.

8. Appellant craves leave to add further grounds or to amend or alter the existing grounds of appeal on or before the date of hearing."

2. Rival submissions of both the parties have been heard and record perused. The learned authorized representative (Ld. AR) for the assessee submits that a very short relief is claimed in the present appeal. The Ld. AR of the assessee explained that assessee is an individual and that shown income from salary and interest from bank deposits. During the year under consideration, assessee's spouse purchased an immovable property for a consideration of Rs. 80,00,000/-. For the purpose of registration of sale transaction, her husband also incurred expenses of Rs. 4,30,000/- on account of stamp duty and registration charges. First name in the agreement is of her husband and second name is of assessee. Entire sale consideration is arranged and managed by her husband. Out of total sale consideration (purchase consideration), Rs. 65,00,000/- was arranged from housing loan and Rs. 14,20,000/- was paid by her husband from her bank account. TDS @1.00% was also paid by her husband. TDS of Rs. 80000/- and

registration charges and stamp duty was also paid. During assessment, the assessing officer (AO) issued show cause notice to substantiate the source of investment for purchase of such property. In response to show cause notice, the assessee explained that such investment was made by her husband and the name of assessee is mentioned as a second purchaser/co-owner. The AO has not issued specific show cause notice, to substantiate each and every expense. However, the assessee explained all the source of investment. All such details of reply of assessee is recorded in para 3.5 of assessment order. The AO made addition of 50% of total expenses of stamp duty and registration charges of Rs. 4,30,000/- i.e, of Rs. 2,15,000/- as unexplained money/investment and added under section 69A. The Ld. AR for the assessee submits no specific show cause notice on such addition was made nor the AO has verified the fact before making addition. The Ld. AR of the assessee reiterated that the registration fees of Rs. 4,00,000/- and stamp duty of Rs. 30,000/- was also paid by the husband of assessee, copy of treasury receipt acknowledging such fact is filed on record. The Ld. AR by explaining the fact invited my attention on receipt of transaction, which clearly reflects that stamp duty and registration charges were paid by Mr. Ramchandra Murkar having PAN No. AHLPN0620L. The Ld. AR of the assessee submits no addition is liable to be made against the assessee when the assessee has fully explained the source of such investment.

3. On the other hand, the departmental representative (Ld. DR) for the revenue supported the order of lower authorities.
4. I have considered the submission of both the party and have gone through the orders of lower authorities carefully. I find that Ld. AR of the assessee has

correctly explained the fact, which I have verified from the order of lower authorities. On perusal of assessment order. I find that AO has issued a show cause notice dated 31.07.2023 to explain the source of investment for purchase of property. The assessee filed her reply. The contents of reply is recorded in para 3.5 of assessment order. I find that AO, sought explanation about investment in property, however, addition was made only on account of investment on payment of stamp duty and registration charges. The AO made addition of 50% of expenses incurred on stamp duty and registration charges. Before me, the Ld. AR of the assessee vehemently argued that all the expenses including stamp duty and registration charges was borne by the husband of assessee. The Ld. AR also furnished the copy of treasury receipt showing such payment made by husband of assessee. On perusal of receipt of treasury, I find that Rs. 4,30,000/-, which consist of Rs. 4,00,000/- on account of payment of stamp duty and Rs. 30,000/- on account of registration charges, all such charges were paid by Vishnu Ramchandra Murkar. Thus, the assessee has explained the source of expenses incurred on registration and stamp duty for registration of transaction of property. Thus, there was no justification for making addition of Rs. 2,30,000/- in the hand of assessee. In the result, the grounds of appeal raised by the assessee are allowed.

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

Order pronounced in open court on 23.04.2025 at the time of hearing.

Sd/-
(PAWAN SINGH)
JUDICIAL MEMBER

Mumbai; Dated 23/04/2025
Anandi Nambi, *Steno*

Copy of the Order forwarded to:

1. The Appellant
2. The Respondent.
3. CIT
4. DR, ITAT, Mumbai
5. Guard file.

BY ORDER,
(Asstt. Registrar)
ITAT, Mumbai