

आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ, चण्डीगढ़  
IN THE INCOME TAX APPELLATE TRIBUNAL  
DIVISION BENCH, 'B' CHANDIGARH

**BEFORE SHRI RAJPAL YADAV, VICE PRESIDENT AND  
SHRI MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER**

आयकर अपील सं./ ITA No. 40/CHD/2025

निर्धारण वर्ष / Assessment Year: 2015-16

Raman Goyal, House No. 309, Sector 9, Chandigarh.	Vs	The DCIT, Central Circle-1, Chandigarh.
स्थायीलेखासं./PAN NO: AANPG9677J		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

आयकर अपील सं./ ITA Nos. 35,36/CHD/2025

निर्धारण वर्ष / Assessment Year: 2018-19, 2019-20

Raman Goyal, House No. 309, Sector 9, Chandigarh.	Vs	The DCIT, Chandigarh.
स्थायीलेखासं./PAN NO: AANPG9677J		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

Assessee by : Shri Yogesh Monga, CA

Revenue by : Shri Bharat Bhushan Garg, CIT DR

Date of Hearing : 29.01.2026

Date of Pronouncement : 02.02.2026

**HYBRID HEARING**

**ORDER**

**PER RAJPAL YADAV, VP**

The present three appeals are directed at the instance of the assessee against the separate orders of even dated i.e.

08.11.2024 passed for assessment year 2015-16, 2018-19 and 2019-20.

2. The assessee has taken 9 grounds of appeal in each assessment year, however, her grievance revolves around a single issue, namely, whether addition of Rs.42,000/- deserves to be made in each assessment year or not. It is pertinent to observe that assessee has a house property in Delhi and she was having 50% share in the property. This property was actually let out for a sum of Rs.1,80,000/-, hence her share was Rs.90,000/- which was shown by her in her regular income for each assessment year. However, after the search, the ld. AO was of the view that an unsigned Agreement was found which exhibits that rental value of this property u/s 23(1) could be fairly determined at Rs.3 lacs. Accordingly, he taken the rental value at Rs.3 lacs and 50% share of the assessee would be at Rs.1,50,000/-. She has already disclosed Rs.90,000/-, balance has been added after giving standard rebate out of rental income. In this way, an addition of Rs.42,000/- has been made in each assessment year. It has been submitted before us that an identical issue

was considered by the Tribunal in assessment year 2016-17 and 2017-18. Our order reads as under :

*“The present two appeals are directed at the instance of the assessee against the separate orders of ld. CIT (Appeals) dated 08.11.2024 passed for assessment year 2016-17 and 2017-18.*

2. *Though the assessee has taken eight grounds of appeal in each year, but his grievance revolves around a single issue, namely, whether addition of Rs.42,000/- deserves to be made in each assessment year or not ? The above addition has been made on the ground that annual rental value of a residence in Delhi ought to be taken at Rs.3,00,000/- instead of Rs. 1,80,000/- shown by the assessee.*

3. *The brief facts of the case are that assessee has filed her return of income on 04.08.2016 and 26.07.2017 declaring total income of Rs.28,83,930/- and Rs.18,45,840/- respectively. In assessment year 2016-17, no notice u/s 143(2) was issued for scrutinizing the return of the assessee. However, in assessment year 2017-18, a scrutiny assessment was passed on 04.12.2019 u/s 143(3) of the Income Tax Act. It appears that a search u/s 132(1) was carried out on 13.12.2020 at the business and residential premises related to M/s Nectar Lifesciences Limited, M/s Avensis Exports Pvt. Ltd. which are associate concerns. The assessee was also one of the connected persons, hence, she was also covered under search operation. Notices have been issued u/s 153A on 13.08.2021. The assessee has filed return of income declaring total income at Rs.21,84,160/- and Rs.22,64,230/- in assessment year 2016-17 and 2017-18 respectively.*

4. *With the assistance of ld. Representative, we have gone through the record carefully. The time limit to issue notice in assessment year 2016-17 u/s 143(2) was expired much prior to date of search. Similarly, in assessment year 2017-18, the assessment order attained finality before the search was carried out. The assessments in both the years could only abate if some incriminating material was found. No such incriminating material has been referred by the AO in both the assessments. The AO has referred certain agreements under which this house property could be let out from 01.04.2016. These agreements were not under the signature of the assessee. The Department has not made out a case that these properties have actually been let out on the basis of these agreements and this information was withheld by the assessee from the department. Therefore, it can be considered as an incriminating material. The ld. Assessing Officer has erred in making the additions which are in contravention to the position of law laid down by the Hon'ble Supreme Court in the case of *Abhisar Buildwell Pvt.**

*Ltd. 454 ITR 212. Following the proposition laid down by the Hon'ble Supreme Court in this judgement, we allow both the appeals and delete the additions made by the AO and confirmed by the CIT (Appeals).*

5. *In the result, both the appeals are allowed.*

*Order pronounced on 11.08.2025.”*

3. The ld. CIT DR has submitted that it is incorrect to suggest that no incriminating material was found. Copy of an Agreement was found, though it was not having signature of the assessee but other party has signed it. Therefore, this document can be termed as an incriminating material. But, the issue before AO was how much rent this property could fetch in open market and AO has worked out that fair rent on the basis of this Agreement.

4. On the other hand ld. counsel for the assessee relied upon our order in the case of the assessee in earlier two years.

5. We have duly considered the rival contentions and gone through the record carefully. We do not find any disparity on the facts. It is incorrect at the end of the CIT DR to suggest that an unsigned copy of an Agreement could be termed as an incriminating material. An unsigned agreement is just a waste paper. The AO has not considered any other evidence which

could demonstrate that this property can fetch rental value of more than Rs.1,80,000/- from the open market. He has unnecessarily placed reliance upon a document which was not acted upon by the party and which was not signed by the assessee. It does not fall within the ambit of 'Agreement' under the Contract Act. Therefore, no addition could be made in the hands of the assessee on the basis of such a document. Accordingly, we allow the appeals of the assessee and delete the addition in all these assessment years.

6. In the result, all appeals are allowed.

Order pronounced on 02.02.2026.

Sd/-

**(MANOJ KUMAR AGGARWAL)**  
**ACCOUNTANT MEMBER**

Sd/-

**(RAJPAL YADAV)**  
**VICE PRESIDENT**

"Poonam"

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

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकरआयुक्त/ CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
5. गार्डफाईल/ Guard File

सहायकपंजीकार/ Assistant Registrar