

**IN THE INCOME-TAX APPELLATE TRIBUNAL, MUMBAI "SMC" BENCH, MUMBAI
BEFORE SHRI RAHUL CHAUDHARY, JUDICIAL MEMBER AND
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER
ITA No. 5609/MUM/2025 (AY:2019-20)**

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| Samir Ashok Prabhudabholkar, 8/G, Desai Building, Bhendi Lane, Grant Road, Mumbai-400007. | vs. | ITO, Ward 16(3)(1), Aayakar Bhawan, Mumbai-400020. |
| PAN/GIR No: AHHPP3783B | | |
| (Appellant) | | (Respondent) |

| | |
|------------------------------|---------------------------|
| Appellant by | Shri Sudhir Thorat |
| Respondent by | Ms. Deepika Arora (SR DR) |
| Date of Hearing | 05.03.2026 |
| Date of Pronouncement | 11.03.2026 |

ORDER

PER BIJAYANANDA PRUSETH, AM:

This appeal filed by the assessee emanates from the order passed under section 250 of the Income-tax Act, 1961 (in short, 'Act') by the Commissioner of Income-Tax (Appeals), National Faceless Appeal Centre [in short, 'CIT(A)'], dated 11.07.2025 for the assessment year (AY) 2019-20.

2. The grounds of appeal raised by the assessee are as under:

"1. The learned CIT(A) erred in upholding the reassessment u/s 147 which is bad in law, invalid and void ab initio, as the reopening was based solely on borrowed satisfaction from third-party investigation reports without independent application of mind.

2. The learned CIT(A) erred in sustaining disallowance of deduction of ₹1,00,000/- claimed u/s 80GGC, ignoring that the donation was made through banking channels with valid receipts and without bringing any direct evidence on record to prove the donation was routed back.

3. *The learned CIT(A) erred in sustaining disallowance of home loan interest of ₹3,96,725/- claimed u/s 24(b), without appreciating that as per law, loss from house property is restricted to ₹2,00,000/-, and therefore, excess addition of ₹1,96,725/- is unwarranted.*

4. *The learned CIT(A) erred in confirming addition of deemed rent on property at 21, Yashwant Siddhi Rao Desai CHSL, Grant Road, which was self-occupied, and also erred in treating 8/G Desai Building (tenancy property) as owned by the assessee.*

5. *The learned authorities grossly erred in relying upon third-party statements recorded behind the back of the assessee without granting opportunity of cross-examination, thereby violating principles of natural justice.*

6. *The additions and disallowances sustained are unjustified, arbitrary, and contrary to facts and law.”*

3. Facts of the case, in brief, are that the assessee filed its return of income for the AY 2019-20 on 30.07.2019 declaring total income at Rs.19,65,230/- after claiming deduction under Chapter-VIA of the Act of Rs.3,20,099/- (including deduction amounting to Rs.1,00,000/- on account of donation paid to the political parties). The case was reopened and the following additions were made: (i) disallowance u/s 80GGC – Rs.1,00,000/-; (ii) disallowance of interest expenses on home loan – Rs.3,96,725/-; (iii) addition under the head income from house property – (-)Rs.1,98,547/-; (iv) addition under the head income from house property – Rs.1,68,000/-. Aggrieved by the order of AO, the assessee filed appeal before the CIT(A), who has dismissed the appeal.

4. Aggrieved by the order of CIT(A), the assessee filed appeal before the Tribunal. The Ld. AR of the assessee, at the outset, submitted that the assessee has accepted the first 3 additions and the only issue is the income from house property of Rs.1,68,000/-. He submitted that the addition made by the AO

towards income from house property is not correct because the fact was not owned by the assessee, but it was a tenanted property. He submitted that the impugned property is located at 21, Yashwant Siddhi Rao Desai CHSL, Block Sector, Bhendi Gully, Grant Road, Mumbai- 400007. Therefore, there is no question of making the addition of Rs.1,68,000/- under the head income from house property. He requested that the matter may be set aside to AO for verification and decision on the subject matter.

5. On the other hand, the Ld. Sr. DR of the revenue has no objection if the matter is restored to the file of AO for due verification and decision as per law.

6. We have heard both parties and perused the materials on record. The AO has added deemed rental income in case of immovable property situated at 21, Yashwant Siddhi Rao Desai CHSL, Block Sector, Bhendi Gully, Grant Road, Mumbai-400007. He has allowed deduction u/s 24(b) of the Act @ 30% and the remaining amount of Rs.1,68,000/- was added as income from house property. The appellant has submitted that the impugned property is not owned by the assessee, but it is a tenanted property. Both Ld. AR and Ld. Sr. DR agreed that this issue requires verification of the tenancy agreement between the owner of the property and the assessee. Therefore, we set aside the order of the CIT(A) and restore the matter to the file of AO for verification of the tenancy agreement and decide the issue in accordance with law. The appellant is directed to produce the

tenancy agreement and other related details including payment of rent before the AO. The AO may call for further details if the same is needed for adjudication of the subject issue. Accordingly, the ground is allowed for statistical purpose.

7. The other grounds are dismissed as not pressed.

8. In the result, the appeal of the assessee is partly allowed for statistical purpose.

Order is pronounced on 11.03.2026.

Sd/-
(RAHUL CHAUDHARY)
JUDICIAL MEMBER

Sd/-
(BIJYANANDA PRUSETH)
ACCOUNTANT MEMBER

*Aniket Chand; Sr. PS

MUMBAI

Date: 11.03.2026

Copy of the Order forwarded to:

1. The Assessee
2. The Respondent
3. The CIT(A)
4. CIT
5. DR/AR, ITAT, MUMBAI
6. Guard File

By Order

Assistant Registrar
ITAT, MUMBAI