



IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCHES "SMC", PUNE

BEFORE DR.MANISH BORAD, ACCOUNTANT MEMBER

आयकर अपील सं. / ITA No.2741/PUN/2025

Assessment Year : 2014-15

Rushikesh construction, Nilkantha Nagar, Near Sanjay Nagar, Old Jalna-431203 Maharashtra PAN: AANFM6590J	Vs.	Income Tax Officer, Ward 1, Jalna
Appellant		Respondent

Assessee by	:	None
Revenue by	:	Shri Dayanand Jawalikar (virtual)
Date of hearing	:	12.03.2026
Date of pronouncement	:	17.04.2026

आदेश / ORDER

The captioned appeal at the instance of assessee pertaining to A.Y. 2014-15 is directed against the order dated 04.11.2025 framed by National Faceless Appeal Centre, Delhi (NFAC) arising out of Assessment Order dated 25.12.2019 passed u/s. 143(3) r.w.s147 of the Income Tax Act, 1961 (in short 'the Act').

2. When the case called for, none appeared on behalf of the assessee despite due service of notice of hearing. On the previous date of hearing on 05.02.2026, there was no representation from the side of assessee. I therefore proceed to adjudicate the appeal *ex parte qua* assessee with the assistance of ld. Departmental Representative.

3. The sole grievance of the assessee is that ld.CIT(A) erred in confirming the action of the Assessing Officer making addition of Rs.5,02,979/- treating as house property



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u/s.23(4)(b) of the Act, whereas the receipts of Rs.1,30,808/- disclosed by the assessee are in the nature of casual receipts.

4. I have heard the ld. DR and perused the record placed before me. I note that the assessee is a partnership firm engaged in the business of Builders and Developer. Income of Rs.15,48,403/- declared in the return of income for A.Y. 2014-15 filed on 18.09.2014. Case selected for scrutiny for re-assessment proceedings u/s.147 of the Act by validly recording the reasons. I observe that the assessee has offered income of Rs.1,30,808/- in the profit and loss account as business income. Ld. Assessing Officer on observing that assessee firm has shown closing stock of Rs.1,29,34,442/- (Rs.43,17,766/- in respect of Sai Vrundavan Part Apartment and Rs.86,16,676/- in respect of Vaishnavi Super Market) drew inference that the assessee is holding stock in trade of the finished goods and accordingly calculated the notional rent for vacant property at Rs.6,33,787/- by calculating rent @7% of Rs.1,29,34,442/- (after giving benefit of standard deduction at 30% and has worked out Annual Lettable Value at Rs.6,33,787/-. Thereafter, after reducing income of Rs.1,30,808/- declared by the assessee has made the impugned addition of Rs.5,02,979/- and assessed income at Rs.20,51,379/-. Though the assessee challenged the said addition before ld.CIT(A) but failed to succeed. Now the assessee has approached the Tribunal being unsuccessful before the First Appellate Authority.



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5. I have gone through the record and notice that the assessee has pleaded before the lower authorities that the closing stock of Sai Vrundavan Part Apartment and Vaishnavi Super Market is basically work-in-progress and the construction has not been completed and that sum of Rs.1,30,808/- is in the nature of casual receipts disclosed in the books and not in the nature of rent. The fact that the stock in hand referred by the Assessing Officer in the assessment order is closing work-in-progress and not finished goods as the construction has not been completed remains undisputed. Therefore, ld. Assessing Officer erred in invoking section 23(4)(b) of the Act in absence of any evidence before the Revenue authorities controverting the contentions of the assessee in the grounds of appeal. Thus, I am of the considered view that ld.CIT(A) erred in confirming the action of the Assessing Officer. Accordingly, the impugned addition of Rs.5,02,909/- is hereby deleted. Grounds of appeal raised by the assessee are allowed.

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

Order pronounced on this 17th day of April, 2026.

Sd/-
(MANISH BORAD)
ACCOUNTANT MEMBER

पुणे / Pune; दिनांक / Dated : 17th April, 2026.

Satish



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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "SMC" बेंच,
पुणे / DR, ITAT, "SMC" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Assistant Registrar,
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune.