

**IN THE INCOME TAX APPELLATE TRIBUNAL
AMRITSAR BENCH, AMRITSAR (SMC)**

BEFORE SH. SANJAY ARORA, ACCOUNTANT MEMBER

I.T.A. No. 75/Asr/2018
Assessment Year: 2011-12

Deepak Pal Singh
s/o Sh. Bakhshish Singh,
Dashmesh Nagar, Gali No. 11,
Dagana Road, Hoshiarpur.
[PAN: CKYPS 0469M]

(Appellant)

vs. Income Tax Officer,
Ward-1, Hoshiarpur.

(Respondent)

Appellant by : Sh. J. S. Passi (Adv.)

Respondent by: Sh. Charan Dass (D.R.)

Date of Hearing: 20.11.2018

Date of Pronouncement: 31.12.2018

ORDER

Per Sanjay Arora, AM:

This is an Appeal by the Assessee agitating the Order by the Commissioner of Income Tax (Appeals)-1, Jalandhar ('CIT(A)' for short) dated 28.12.2017, partly allowing the assessee's appeal contesting his assessment u/s. 143(3) of the Income Tax Act, 1961 ('the Act' hereinafter) dated 13.03.2014 for the Assessment Year (AY) 2011-12.

2.1 The appeal raises two issues, which we shall take in seriatim. It would be relevant to note the background facts of the case, which are common to the same, as well as to the two other issues for which additions effected by the Assessing Officer (AO) stand since deleted by the first appellate authority; all the issues being inter-related. The assessee-individual, stating his business to be of 'earth

filling’, filed his return of income for the year on 11.05.2011 declaring business income of Rs.2,06,800/-. The return was selected for being subject to the verification procedure under the Act in view of the cash deposits of Rs.23.20 lacs in the assessee’s saving bank account with Oriental Bank of Commerce (OBC) during the relevant year, which being in fact at Rs.22.90 lacs, were explained as under:

- Receipt from Manjit Kaur	Rs.20.30 lacs
- Redeposit of cash withdrawn from bank	<u>Rs. 2.60 lacs</u>
Total	<u>Rs.22.90 lacs</u>

No income from ‘earth filling’, the stated business, was thus returned. Rejecting the explanation *qua* Rs.2.60 lacs, i.e., the ‘redepositing’ of cash withdrawn earlier, the same was added as unexplained deposit/s u/s. 69A. Regarding the receipt from Smt. Manjit Kaur (MK), the same was explained as contract receipt toward construction of her house at Hoshiarpur in pursuance to an agreement dated 23.02.2010 for a total consideration of Rs.34 lacs, received as under:

<u>Particulars</u>	<u>Amt.(Rs.)</u>	<u>Remarks</u>
- during f.y. 2009-10	6.00 lacs	
- during f.y. 2010-11	21.00 lacs	the relevant previous year
- during f.y. 2011-12	<u>7.00 lacs</u>	
Total	<u>34.00 lacs</u>	

Why would MK, an NRI, pay in cash, the AO wondered. The assessee was, thus, also engaged in construction activity, for which no books of account were maintained. The gross receipt of the said business was clearly more than Rs.18.80 lacs, its’ stated turnover, on which income at the rate of 11% had been returned by the assessee. The construction as per the agreement was to be completed by

23.02.2011. The date '23.12.2011' in the photocopy of the agreement was, in the view of the AO, a manipulation; the assessee, despite the original being called for, failing to produce the same. Further, the assessee's stated method of accounting being mercantile, the receipt of a part of the consideration in the following year would be of little consequence. He, accordingly, estimated the gross receipt of contract work for the year at Rs.35 lacs, on which the declared net profit rate of 11% was applied to make an addition for Rs.1,78,200/- toward business profit.

The assessee had, further, acquired a plot of land (measuring 5 Marlas, 15 sq. ft.) at Village Khawaspur, Tehsil and Distt. Hoshiarpur, on Special Power of Attorney (SPA) basis on 07.01.2011 from one, Gurudev Singh, the General Power of Attorney (GPA) holder for Smt. Harsharan Kaur, copy of which (SPA) was furnished. Summons were issued to both, the owner and the GPA, to verify the transactions, i.e., after the assessee informing him of being unable to produce them. While Harsharan Kaur could not be located at the stated address, Sh. Gurudev Singh complied and confirmed the transaction, further stating of being not related to the assessee nor having received any consideration for granting SPA in assessee's favour. The AO, accordingly, invoked section 56(2)(viib), which provision thus became clearly applicable, and made an addition for Rs.5,05,515/- applying the collector rate as on 07.01.2011. The assessee's claim that he had in fact paid Rs.3.95 lacs to Sh. Gurudev Singh, of which of course there was no mention in the SPA, was rejected by the AO as an afterthought. The assessee had, further, vide agreement dated 01.03.2011 with one, Sh. Amit Kumar, for sale of a constructed house at the said plot of land, received an advance of Rs.3 lacs, including Rs.7000/- in cash, and which also explained the credits for the balance Rs.2.93 lacs in his bank account, i.e., through NEFT (on 01.03.2011) and RTGS (on 21.03.2011). The construction of the house had in fact commenced in December, 2010, and completed in March, 2011, and which was accordingly sold

vide sale deed 08.04.2011 for Rs.14 lacs, receiving the balance consideration of Rs.11 lacs vide cheque dated 07.04.2011. The AO, applying a construction rate of Rs.600/- per sq. ft. (i.e., 1013 sq. ft., 1M = 272 sq. ft.), made an addition for Rs.6,07,800/-, i.e., the construction cost incurred by the assessee on the said house, sold on 08.04.2011, as from unexplained source.

2.2 In appeal, the assessee furnished the break-up of the withdrawals and deposits in his saving bank account with OBC, as under:

Summary of the O.B.C. (Hoshiarpur) s/b a/c (for the period 01.04.2010 to 31.03.2011)

<u>Details</u>	<u>Utilization</u>	<u>Details</u>	<u>Source</u>
Plot Purchased	3,95,000-00	Opening Balance	3,17,424-31
Withdrawn	2,60,000-00	(as on 31.03.2010)	
House hold expenses	1,20,000-00		
Work in progress	<u>51,485-00</u>	Deposit	<u>25,87,794-00</u>
	8,26,485-00	(see note 1)	28,05,218-31
Amount spent on construction include profit @ 11%	18,80,000-00	Less: clg. bal.	<u>1,98,733-31</u>
Total	<u>27,06,485-00</u>	(as on 31.03.2011)	
		Total	<u>27,06,485-00</u>

Note:-

1. Money received from Smt. Manjit Kaur	Rs.20,30,000
2. Money received from Amit Kumar	Rs. 2,93,000
3. Redeposit of withdrawals	Rs. 2,60,000
4. By interest	<u>Rs. 4,794</u>
Total	<u>Rs.25,87,794</u>

The assessee having withdrawn Rs.2.50 lacs on 02.12.2010 (Rs.1 lac) and 06.12.2010 (Rs. 1.50 lac), i.e., prior to its' deposit on 17.12.2010, the assessee's explanation of the source of the cash deposit as being redeposit (of cash withdrawn earlier) was accepted; the balance Rs.10,000/- deposited on 22.02.2011 being out

of cash available from the withdrawals during the year. The assessee's turnover for the year, thus, would work to Rs.20.30 lacs (i.e., Rs.22.90 lacs – Rs.2.60 lacs) instead of Rs.35 lacs adopted by the AO, on which therefore the declared profit rate of 11% was directed by the Id. CIT(A), sustaining thus an addition for Rs.16,500/-. As regards the addition of Rs.5,05,515/- u/s. 56(2)(vii)(b), the Id. CIT(A) confirmed the same, albeit at Rs.3.95 lacs, holding as under:

'7.4 As per the ground of appeal no.8 a plot of 5 marla 15 sq. was purchased by the appellant from Smt. Harsharan Kaur through Sh. Amerjeet Singh, to whom an amount of Rs. 3,95,000/- was paid during Nov. & Dec. 2010. The assessing officer considered that the appellant has acquired the said plot through special power of attorney given by Sh. Gurdev Singh, General Power Attorney holder of Smt. Harsharan Kaur. The assessing officer estimated the value of plot at Rs. 5,05,515/- and made addition u/s 56(2)(vii)(b) of the Income Tax Act, being the plot acquired by the assessee without any payment.

The appellant has claimed that payment of Rs. 3,95,000/- was made to Sh. Amarjit Singh, whose exact address is not known. It is claimed that payment was made in the presence of Sh. Shiv Kumar, who is a witness in special Power of Attorney dated 07.01.2011. In the Special Power of Attorney dated 07.01.2011 executed by Sh. Gurdev Singh, GPA holder of Smt. Harsharan Kaur, there is no mention of any payment having been made to Sh. Amarjit Singh. The appellant has not filed any copy of any paper receipt or any registered document to show payment of Rs.3,95,000/- to Sh. Amajit Singh to obtain special Power of Attorney of above mentioned plot. The payment has not been made through cheque or bank transfer or any form of receipt or document, or affidavit of any of the parties involved was filed to evidence the payment for acquiring the said plot. The appellant does not maintain day to day record of its transactions which could have supported his plea. In view of the facts as above and as noted in the assessment order, addition on account of plot is restricted to Rs.3,95,000 as against estimate made by the assessing officer. This ground of appeal is decided accordingly.'

With regard to the other addition for Rs.6,07,800, same was again confirmed by the Id. CIT(A), holding as under:

'7.5 Ground of appeal No. 9 and 10 relate to addition of Rs.6,07,800/- made on account of unaccounted expenditure made on construction of house sold on 08.04.2011.

The appellant has claimed that house was sold to Shri Amit Kumar for Rs. 14 Lacs on 08.04.2011 but construction of the same was completed in May 2011. It is claimed that construction expenditure of Rs. 6,07,800/- was incurred in the subsequent year. It is claimed that in fact the expenditure incurred on construction was even higher than estimated by the assessing officer. As per copy of agreement dated 08.04.2011 placed on record, it is noticed that a sum of Rs. 3,00,000/- was received by the appellant by way of advance on 01.03.2011

vide agreement dated 01.03.2011. The agreement to sell dated 08.04.2011, clearly mentions that the house with three rooms, store, kitchen, lobby, bathrooms etc alongwith electricity connection, water connection, sewerage etc. It is nowhere mentioned in the agreement that construction is incomplete and will be completed in due course. The appellant has already entered into one agreement with this party while receiving advance payment of Rs. 3 Lacs. If the house was incomplete there was no occasion for the appellant to enter into another agreement without any purpose that too after paying stamp duty. The appellant has not maintained day to day records of expenses incurred to support its claim that infact the construction of the house sold on 08.04.2011 was done in the subsequent year. The registered agreement to sell in the presence of witnesses mentions about the house being sold along with various features as mentioned therein for a consideration of Rs.14 lacs. The appellant has not given details or records substantiating his claim that construction of house was done in a subsequent year. In view of the above facts and facts as noted by the assessing officer, the addition made by the assessing officer is upheld.'

Aggrieved, the assessee is in appeal *qua* the additions for Rs.3.95 lacs and Rs.6.078 lacs.

3. I have heard the parties, and perused the material on record.

3.1 Acceptance of the assessee's explanation in respect of the cash deposits of Rs.2.60 lacs as a redeposit/s of cash, implies him to have cash availability less by that amount, which may have otherwise explained, wholly or partly, the source of the construction made up to the year-end, stated at Rs.51,485, and which the Revenue has estimated at Rs.6,07,800/-. Similarly, again, if the assessee has indeed not paid any sum to Gurdev Singh toward 'purchase' of plot on SPA basis, he, though liable to be assessed u/s. 56(2)(vii)(b), as confirmed by the Id. CIT(A), would have an additional Rs.3.95 lacs available with him, which could be explained as toward construction. Further, the cash available would not only be for the construction on the plot purchased, but also that being undertaken for MK. It is for this reason, i.e., of the additions having their genesis in the cash available with the assessee, which has been disregarded by the Revenue, that it has been considered proper to list the background facts of all the four issues, which are thus inter-related. The assessee, on being asked during hearing the basis of the

calculation of the declared profit of Rs.2,06,800/-, which works to 11%, being in excess of the presumptive rate of 8% prescribed u/s. 44AD, which thus has not opted for by the assessee (i.e., despite not maintaining books of account), *the ld. counsel, Sh. Passi, would state the same as being the balancing figure, as under:*

<u>Particulars</u>	<u>Amt.(Rs.)</u>	<u>Remarks</u>
Receipt	20,30,000/-	(1)
Expenditure on construction	18,28,515/-	(2) (18,80,000-51,485)
Bank interest	4,795/-	(3)
Business income	2,06,280 (#)	(4) = ((1) - (2) + (3))

(#) (instead of Rs.2,06,800, stating the difference as on account of the working being made at a whole percentage, i.e., 11% of Rs.18.80 lacs).

On being asked as to why the income be not taken by including the amount received from Sh. Amit Kumar (Rs. 3 lacs) as well, Sh. Passi would submit that the same stands excluded as it was only an advance. He, however, could not explain as to why the receipt (from Manjit Kaur) had, instead of Rs.20.30 lacs, not been taken at Rs.21 lacs (refer para 2.1/pg. 2 of this order). On being further asked if therefore the cost of construction in progress as at 31.03.2011 was, as stated, only Rs.51,485/-, he would claim it to be in fact at Rs.6 lacs, of which Rs.5 lacs stands withdrawn on 21.03.2011, while Rs.1 lac was from the cash available from the earlier withdrawals. The construction, commenced in December, 2010, was by obtaining the construction material on credit, which was paid on withdrawing cash in March, 2011. Why, then, should not the work-in-progress (WIP) as at the year-end be taken at Rs. 6 lacs instead of Rs. 51,485/-? On being so asked, he would explain that this was as, apart from utilization of advance of Rs.3 lacs from the prospective buyer, Amit Kumar, the balance Rs.3 lacs was by way of diversion of

funds received from MK, the construction activity in whose case was also on at the relevant time.

3.2 The Id. CIT(A) has confirmed, in part, the addition on account of business profit by enhancing the turnover to Rs.20.30 lacs, instead of at Rs.18.80 lacs by the assessee, even as the former is again admittedly short by Rs.0.70 lacs, if not by Rs.3.70 lacs, i.e., if the amount received from Sh. Amit Kumar is also to be included, i.e., in addition to that from MK. The figure of Rs.18.80 lacs in fact does not represent a receipt, but expenditure, so that the same clearly is not a proper basis, even as observed by the Bench during hearing. Even though the assessee has not disputed the same, if the amount declared as profit is a resultant (as against a contrived or assumed) figure, based on some working, the change in the turnover figure, if the said working is correct, should not result in any change in profit; the assessee's computation of profit, it shall be seen, also reckoning the turnover at the same figure of Rs.20.30 lacs. This is of course subject to the change in the profit arising due to change in the figure of turnover. *The working by the Revenue, as afore-noted, as indeed by the assessee himself, is de hors the cash flow, which I observe as the principal flaw in the present case.* This is also the reason (as also sought to be emphasized earlier) as to why all the four additions in the instant case are inter-related. The turnover figure, even if that received from Amit Kumar is to be ignored, cannot be less than Rs.21 lacs, i.e., the amount admittedly received from MK.

3.3 With this background, I may now proceed to discuss the various issues arising in this appeal. The Id. CIT(A) has restricted the addition u/s. 56(2)(vii)(b) toward acquisition of immovable property (plot of land) without consideration, from Rs.5.05 lacs to Rs.3.95 lacs. I do not consider it as proper for two reasons. Firstly, the Revenue authorities are not correct in regarding it to be a case of

acquisition (of immovable property) without consideration when the assessee himself states of having paid Rs.3.95 lacs, stating the said amount separately in his cash flow statement. Two, the AO has not, as the Id. CIT(A) states, made any estimation in this regard, but applied the stamp duty value, i.e., Rs.5.50 lacs, with reference to which the addition is to be reckoned as per the provision of law, deducting the lower consideration, if any, stated to have been paid by the assessee, and which both the Revenue authorities have, based on the assessee's earlier version as well as the absence of evidence as to payment, regarded as nil. The rationale behind the provision is as to why would one transfer his immovable property to a non-relative without proper consideration, i.e., the fair market value (fmv) thereof. Now, when the assessee himself claims of having paid Rs.3.95 lacs for the same, specifying the dates (17.11, 25.11 & 29.11.2010) on which the said amount was withdrawn, he states precisely what the provision presumes the state of affairs to be as. That is, why, pray, would one transfer his property to another without proper consideration. The Revenue's disbelief thereof is therefore not understood. It is, rather, the seller who should be disbelieved and questioned in the matter. The deeming provision of sec. 56(2)(vii)(b) can, thus, neither be for Rs.5.055 lacs nor for Rs.3.95 lacs, i.e., as by the Revenue authorities, but only for the said shortfall of Rs.1,10,515 (Rs. 5,05,515 – Rs. 3,95,000).

3.4 The next question is the investment or the expenditure on construction made by the assessee which, estimating the same at Rs.6,07,800/-, has been regarded by the Revenue as unexplained. *The same agrees with the assessee's version of having spent Rs.6 lacs on the said construction up to 31.03.2011.* The assessee's explanation in this regard is of having incurred the same out of the common pool of funds available with him, i.e., his own capital; that received from another contractee (Rs.21 lacs); and from the prospective buyer (Rs.3 lacs). The same is

plausible, particularly considering that the assessee received Rs.4 lacs from MK (the other contractee) on 16/3/2011, i.e., prior to making a cash withdrawal of Rs. 5 lacs on 21.03.2011, stated to be for payment of the construction work for Sh. Amit Kumar (Project B (say)). The sourcing and expenditure on both the projects as at 31.03.2011 is thus as under: (Amount in Rs. lacs)

<u>Particulars</u>	<u>Project (A)</u>	<u>Project (B)</u>	<u>Self</u>	<u>Total</u>
(a) Amount received (upto 31.03.2011)	27.00	3.00		30.00
(b) Amount lying in bank				1.94(1)
(c) Amount withdrawn (cash)				28.06(2)
(d) Allocation of amount withdrawn	16.83(4)	10.03(3)	1.20	(28.06)
(1) Net of bank interest				(2) [Rs. 30 lacs – Rs. 1.94 lacs]
(3) [Rs.3.95 lacs (land) + Rs. 6.08 lacs (on construction)]				
(4) Balancing figure				

The assessee has thus apparently transferred Rs.7 lacs (approx.) (and not Rs.6 lacs) from Project A to Project B. Further, the assessment of profit on contract work could only be upon the assessment of the extent of completion of the work as on 31.03.2011. This is as, then, the sale value of WIP could be assessed accordingly, and deducting its' cost would yield the profit earned. In this regard, it is not unreasonable to presume that the amount is released by the contractee in defined stages, proportionate to the work completed. Accordingly, prior to the receipt of Rs.4 lacs from Manjit Kaur on 16.03.2011, the construction for her can be considered as completed to be proportionate extent, i.e., Rs. 23 lacs (out of a total of Rs.34 lacs). That is, about 2/3. The value of WIP, rated on sale rate basis, would

therefore be Rs.23 lacs, while its' cost is at Rs.16.83 lacs. The difference, i.e., Rs.6.17 lacs, is the assessee's profit (on proportionate basis). It is this profit that the assessee, having admittedly not spent any part of Rs. 4 lacs, received in excess of Rs. 23 lacs, for her construction, has invested in Project B. From the liquidity stand-point, the assessee has diverted Rs.4 lacs received from MK (on 16/3/2011) to fund the construction, nearing completion, for Amit Kumar, and the consideration for which stands to be received shortly after, on 07.04.2011. The Revenue has stated this differently by ascribing the entire cost of construction of Project B to undisclosed income. The two methods leading to the same result, i.e., the profit figure matching with the undisclosed income, endorses the computation of profit. I am conscious that Rs.6 lacs (out of Rs.27 lacs from MK) stands received in f.y. 2009-10, i.e., the immediately preceding year. However, the same stands received only in end-February, 2010, along with the agreement, so that no substantial investment would have been made during f.y. 2009-10, with in fact Rs.3.17 lacs lying in bank as on 31/3/2010. Why, though Rs.21 lacs stand received during the current year, Rs.4 lacs received on 16.03.2011 have been similarly excluded in-as-much as the same stand diverted to Project B, working on which, sold in April, 2010, was in full swing at the time. No profit on Rs.6 lacs received in f.y. 2009-10 stands disclosed for that year, as is the case for Rs.3 lacs received from Sh. Amit Kumar, as also Rs. 4 lacs from MK herself, during the relevant year. Now, of Rs.6.17 lacs, Rs.2.07 lacs stand already disclosed by the assessee. An addition for the balance profit of Rs.4.10 lacs would thus survive, of which Rs.0.17 lacs stands already sustained by the Id. CIT(A). It may be argued that this addition is *qua* profit, which is no longer in dispute inasmuch as the Revenue is not in appeal. That, however, would be taking a myopic view of the matter. The issue/s before me, as before the Id. CIT(A), is the correct valuation of the assessee's, who is not maintaining any books of account, assets and liabilities as at the year-end,

and which only would result in determination of his correct income for the year. And, further, also clarify if there is any scope for ascribing the sourcing of any asset to any undisclosed income. The two additions, i.e., *qua* profit and the value of WIP, it needs to be appreciated, are in *pari materia*, and cannot be viewed independent of each other, representing the two sides of the same coin, being the WIP of the assessee's construction (as at the year-end), and the manner in which it is financed, including by the profit earned by the assessee (from the construction activity). Why, the undisclosed income imputed is only the profit earned by the assessee from his construction, or any other, business. Further, that the two results, i.e., determining the profit and undisclosed income, are broadly in agreement only reinforces the validity of the assumptions on which it is based. The difference – between the two approaches, is in fact only apparent and not real inasmuch as the Revenue has not allowed any credit for the financing of the WIP for the profit earned during the year, disclosed at Rs. 2.07 lacs. It is in fact this, i.e., not correlating the valuation of the assets with that of liabilities as well as the cash flow, in the absence of the books of account, that the mismatch, to the extent observed, has occurred. Correct results could only be stated on factoring in the missing links, which are apparent. E.g., admittedly, Rs. 6 lacs is the cost of construction as completed for Sh. Amit Kumar as on 31/3/2011, though the assessee is unable to explain the source thereof even as he furnishes a cash flow statement fully accounting (or almost) what stands received during the year from MK (at Rs. 21 lacs) and Amit Kumar (Rs. 3 lacs). We have only attempted to show that the assessee's basis for disclosing profit is arbitrary, explaining the financing of his projects (as Project B) from funds received for another (Project A), without showing as to how the said funds were subsequently reverted back. To the extent of profit, it needs to be appreciated, the funds transferred from one project to another, are the assessee's own funds, with no obligation for the said reversion.

We may, for better understanding, restate graphically what stands stated hereinabove, as under:

Particulars	Project (A)	Project (B)	Self	Bank	Total
Money received	27.00	3.00			30.00
Profit			6.17		6.17
Total funds:	27.00	3.00	6.17		36.17
Utilization:	23.00	10.03	1.20	1.94	36.17

Though technically not very correct inasmuch as it states the WIP (of Project A) at sale value, it becomes understandable where MK is regarded as billed for Rs. 23 lacs, i.e., the total amount received from her prior to last sum of Rs. 4 lacs on 16/3/2011. The assessee's liability to her is to be regarded as for Rs. 4 lacs received in March, 2011, admittedly transferred to project B and, thus, not spent on her project. The benefit of such a representation is that it gives a snap shot of what stands invested where as well as the assessee's obligations. In fact, the exercise afore-made was necessitated only due to the non-maintenance of accounts. The entire profit accrued during the year is on Project A, which in fact stands realized (to that extent). No profit on Project B is taken account of. The reason is that neither the assessee nor the Revenue has regarded it as accrued to any extent during the year. The assessee having returned the entire income on Project B for the following year, it is even otherwise considered not proper to assess any part thereof for the current year. Though, as held by the Revenue authorities, the house is almost complete, so that the figure as on 31/3/2011 gives a fair indication of the profit that would stand to be earned thereon, no final finding with regard to the profit actually earned thereon is being issued; the assessee in fact stating of having expended a substantial sum thereon during the subsequent year, i.e., during the

months of April and May, 2011, not accepted in view of it being after the execution of the sale-deed. These are, however, issues or aspects which shall therefore stand to be considered only for that year; no profit on the said project having been either returned or assessed for the current year.

3.5 To conclude, the findings are as under:

- a) the assessment u/s. 56(2)(vii)(b) for acquisition of IP without adequate consideration is restricted to Rs. 1,10,515/-.
- b) the entire cost of construction of the residential house at Village Khawaspur, Hoshiarpur, is explained as from the profit arising on the construction activity and the transfer of funds from another project (refer tables at para 3.4 of this order).
- c) the profit on the said house, sold in April, 2011, would stand to be assessed, *in toto*, only for the following year.
- d) the assessee shall, in addition to the profit returned, stand to be assessed for that short disclosed, which in fact finds confirmation from the correct statement of the assessee's assets and liabilities as at the year-end.

4. In the result, the assessee's appeal is partly allowed.

Order pronounced in the open court on December 31, 2018

Sd/-

(Sanjay Arora)

Accountant Member

Date: 31.12.2018

/GP/Sr. Ps.

Copy of the order forwarded to:

- (1) The Appellant: Deepak Pal Singh Bakhshish Singh, Dashmesh Nagar, Gali No. 11, Dagana Road, Hoshiarpur
- (2) The Respondent: Income Tax Officer, Ward-1, Hoshiarpur
- (3) The CIT(Appeals)-1, Jalandhar
- (4) The CIT concerned
- (5) The Sr. DR, I.T.A.T.

True Copy

By Order