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

BEFORE SH. SANJAY ARORA, ACCOUNTANT MEMBER

I.T.A. No. 426/Asr/2015
Assessment Year: 2005-06

Major Singh, 323-A Sant Avenue, Amritsar [PAN: BMNPS 7534K]	vs.	ITO, Ward 4(3), Amritsar
(Appellant)		**(Respondent)**

Appellant by : Sh. Ashwani Kalia (Adv.)
Respondent by: Sh. Charan Dass (D.R.)

Date of Hearing: 03.04.2019
Date of Pronouncement: 01.07.2019

ORDER

Per Sanjay Arora, AM:

This is an Appeal by the Assessee directed against the Order by the Commissioner of Income Tax (Appeals)-2, Amritsar ('CIT(A)' for short) dated 09.6.2015, partly allowing the assessee's appeal contesting his assessment u/s. 143(3) read with section 147 of the Income Tax Act, 1961 ('the Act' hereinafter) dated 20.3.2013 for the Assessment Year (AY) 2005-06.

2. The appeal raises a legal issue, per an additional ground, as under, which shall therefore be taken a first in-as-much as the same, challenging the assessment as bad in law, goes to the root of the assessment:

'That the ld. CIT(A) has erred in law in assuming the jurisdiction to make assessment u/s. 148/143(3) without fulfilling the mandatory requirement of issuing notice u/s. 143(2) and the worthy CIT(A)-1, Amritsar has also earned in confirming the same.'

2.2 The facts in-so-far as are relevant are that the assessee was served a notice u/s. 148(1) (dated 28.03.2012) on 29.03.2012. No return of income was filed by the assessee in response thereto within the regular 30 day period, as stated in the said notice, or in fact even thereafter. Notice u/s. 142(1) was accordingly issued on 16.05.2012, and the proceedings continued with. The deposit of Rs.20,60,917 in his bank account was explained by the assessee vide his letter dated 10.12.2012, as under:

(a) cash gift of Rs.15 lacs from his father-in-law S. Jagjit Singh;
(b) sale proceeds of crops in cash (Rs.4 lacs)

The same was subsequently modified (vide letters dated 29.01.2013 and 12.02.2013) to state of Rs.4 lacs as received by him from one, S. Dilbagh Singh s/o Sh. Tarlochan Singh, r/o Village Balachak, Tarn Taran, on 15.02.2005. The same was found, in the absence of satisfactory and necessary evidences, as unexplained and, accordingly, deemed as unexplained bank deposit/s vide the impugned assessment. The assessee had, prior to the said assessment, e-filed a return declaring an income of Rs.44,690 and agricultural income of Rs. 4 lacs on 20.3.2013. The reassessment being, thus, without issuing (and serving) notice u/s. 143(2)), mandatory in nature (*Asstt. CIT v. Hotel Blue Moon* [2010] 321 ITR 362 (SC)), the same, it was submitted by the ld. counsel for the assessee Sh. Kalia, was without jurisdiction and, hence, liable to the quashed. Reliance was also placed by him on the decision in *Anil Kumar v. ITO* (in ITA Nos. 369-370, 374-375/Asr/2012, dated 01.08.2016/PB pgs. 44-58). The assessment in these cases, the relevant years being AYs. 2004-05 and 2005-06, were made vide orders dated 30.12.2008 after hearing the assessee, as apparent from order-sheet entry dated 30.12.2008 (for both the years), while the returns of income for the two relevant years had been filed by the assesssee on 29.12.2008 and 30.12.2008 respectively. The assessments being *sans* the issue of the mandatory notice u/s. 143(2), were held as without jurisdiction, rejecting

the argument by the Revenue that the said returns were not valid in law, so that there was under the circumstances no occasion for the Assessing Officer (AO) to issue notice u/s. 143(2), who in fact had time only up to 31.12.2008 for framing the assessment, i.e., barely 1-2 days after the filing of the return, while in the present case, the AO had time up to 31.3.2013, though yet chose to complete the assessment on 20.3.2013. On being queried by the Bench *qua* the valid assumption of jurisdiction for framing an assessment u/s. 147 by the issue of notice u/s. 148(1) on 28.3.2012, as explained in *R.K. Upadhyaya v. Shamabhai P. Patel* [1987] 166 ITR 163 (SC), he could not furnish any satisfactory answer. On being further asked about the prejudice caused to the assessee by the non-issue or, as the case may be, the non-service of the notice u/s. 143(2), he would submit that the question is not of prejudice caused, but of the assumption of jurisdiction to frame a valid assessment, which is, in view of the admitted non-issue of notice u/s. 143(2), absent. The Tribunal had, in arriving at it's decision in *Anil Kumar* (supra), relied on the decision in *Hotel Blue Moon* (supra), i.e., besides on the decisions by other High Courts as well. On being further asked by the Bench as to if in any of these decisions, the return of income had been filed at the fag end of the assessment proceedings, much less deliberately so, as in the present case, he admitted to it being not the case even as return in these cases, he would add, it appears, had been filed after the prescribed period therefor in the notice u/s. 148(1). At this stage, Sh. Kalia was referred to the decision by the Hon'ble jurisdictional High Court in *CIT v. Ram Narain Bansal* [2011] 202 Taxman 213 (P&H). In that case an assessment framed u/s. 147 without issue of notice u/s. 143(2) was regarded by the Hon'ble High Court as valid. Sh. Kalia responded, on the next date of hearing, by relying, once again, on decision in *Hotel Blue Moon* (supra), stating it to be by the Apex Court.

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

3.1 The assessment in *Hotel Blue Moon* (supra) was u/s. 158BC which, it was explained, had to be observing the procedure under Chapter XIV-B of the Act; the assessment being u/s. 143(3) only. This, it noted, was made clear by the use of the words 'as far as may be' in s. 158BC(b), which provides for inquiry and assessment. The same itself states that the AO shall determine the undisclosed income for the block period in the manner provided u/s. 158BB and the provisions of s. 142, sub-ss. (2) and (3) of s. 143, s. 144 and s. 145 shall, 'so far as may be', apply. This, therefore, made the provision of s. 143(2) applicable to an assessment u/s. 158BC. The Apex Court noted that the assessee may not file the return, or may not, after doing so, comply with the notice u/s. 143(2)/142, stating that in such a case, the AO was authorized to complete the assessment u/s. 144 (pg. 369 of the Reports). The notice u/s. 143(2), it emphasized, becomes necessary where it becomes necessary to check a return.

3.2 The substantial question of law raised in *Ram Narain Bansal* (supra) was:

"Whether on the facts and circumstances of the case, the Tribunal was right in law in concurring with the finding of CIT(A) in holding the assessment bad in law, made pursuant to the issue of notice under s. 148 without appreciating that no prejudice was caused to the assessee by non-issuance of notice under s. 143(2), particularly, when the assessee was participating in the assessment proceeding without objecting to the assessment proceedings on this account at the assessment stage ?"

The Hon'ble Court upheld the assessment. It's decision was on the basis that the assessee had participated in the proceedings and, in fact, raised no objection to the service of notice u/s. 143(2), and which could, therefore, not be before the higher forums for the first time in view of s. 292 BB, even as noted by it earlier in *CIT v. Panchvati Motors (P.) Ltd.* [2011] 59 DTR 289 (P&H). The Hon'ble Court also relied upon the decision in *K.J. Thomas v. CIT* [2008] 301 ITR 301 (Ker) wherein, again, a reassessment made without observing the procedure u/s. 143(2) was not regarded, for that reason, invalid; the Hon'ble Court reproducing the relevant part of the said decision, which is as follows:

"The procedure under s. 143(2) of the Act is to ensure that an adverse order is issued only after proper opportunity is given to the assessee. In this case, it is conceded that the assessee got opportunity to file reply and detailed reply was in fact filed and reassessment notice and final order were also issued within the time limit prescribed under the Act."

The position in law is not very different for an assessment u/s. 153A, as noted in *Ashok Chaddha v. ITO* [2011] 337 ITR 399 (Del). In this case, the specific issue raised was if the issue of notice u/s. 143(2) mandatory for an assessment u/s. 153A. The Hon'ble Court, after noticing a number of decisions, including *Hotel Blue Moon* (supra), found that s. 153A itself conferred the jurisdiction upon the AO to call for a return and frame the assessment thereunder. There was no reference to s. 143, as was the case for s. 158BC. Reference was made by it to its earlier decision in *CIT v. Madhya Bharat Energy Corporation Ltd.* [2011] 62 DTR 37 (Del), wherein the assessment was u/s. 147, as obtains in the instant case.

3.3 The assumption of jurisdiction for an assessment u/s. 147 is by the issue of a valid notice u/s. 148, as explained in *R.K. Upadhyaya* (supra). The same view had earlier been expressed by the Hon'ble High Courts, including by the Hon'ble jurisdictional High Court, prior there to, as in *Jai Hanuman Trading Co. v. CIT* [1977] 110 ITR 36 (P&H)(FB); *CIT v. Sheo Kumari Devi* [1986] 157 ITR 13 (Patna)(FB). There is no reference to, *either as regards the assumption of jurisdiction for an assessment u/s. 147, or its completion*, to section 143(2) of the Act. Why, in a particular case, the assessee may not file a return in response to the notice u/s. 148(1), as in the instant case, so that the Assessing Officer (AO) is constrained to frame the assessment u/s. 144. The AO, on the compliance of the notice u/s. 148(1) by filing return within time, as prescribed thereby, by the assesse, may either proceed to verify the said return or accept it as such, even as explained by the Tribunal in *Raj Kumar Chawala v. ITO* [2005] 94 ITD 1 (Del)(SB), also relied upon by the assessee. In case he wishes to examine the said return, he has to issue and serve a notice u/s. 143(2). This is in

view of, even as explained in *Hotel Blue Moon* (supra), the procedure of assessment to be adopted *qua* a return u/s. 158BC is to be, so far as may be, the same as *qua* a return u/s. 139. In such a case, as indeed where the return is furnished u/s. 139, as explained in *Hotel Blue Moon* (supra), the said return cannot be repudiated, in view of *proviso* to section 143(2), unless the AO serves on the assessee the said notice within the stipulated time period. (The requirement of the service of notice u/s. 143(2) has been read down by the Hon'ble jurisdictional High Court in *V.R.A. Cotton Mills Pvt. Ltd. v. Union of India* [2013] 359 ITR 495 (P&H) to an issue of notice u/s. 143(2) within the prescribed time.) That is, the notice u/s. 143(2) assumes a nature of a jurisdictional notice, i.e., for framing an assessment u/s. 143(3), invalidating the assessment framed without observing the same. The jurisdiction to frame an assessment *qua* an assessment u/s. 147, on the other hand, is upon issue of a valid notice u/s. 148, so that it is this notice which is the jurisdictional notice in such a case, as shall be presently seen.

3.4 It might appear that the Hon'ble Court in *Ram Narain Bansal* (supra) had decided the question of law raised before it on equitable grounds in-as-much as the assessee was provided reasonable opportunity to state his case in the assessment proceedings. It is so said as in the facts of that case, unlike in the instant case, assessee responded to the notice u/s. 148 by giving his reply on 24/04/2007, i.e., soon after the receipt of said notice issued on 13/4/2007, as indeed the case was in *K.J. Thomas* (supra). This is, however, not so, though was no doubt conscious of the equitable aspect., This is as the Hon'ble Courts, including the Apex Court, having prior to the amendment in section 143(2) w.e.f.01/04/1989 by way of insertion of *proviso* providing a time limit to issue notice u/s. 143(2), so that it acquires the nature of a jurisdictional notice, clarified that the said notice is only to extend opportunity to the assessee before framing regular assessment, so that where this condition is satisfied, its' non-

issue would not be fatal to the proceedings. This is as the Hon'ble Court in *Ram Narain Bansal* (supra) was keenly aware of the provision of law, which provided raising an objection about the service of notice in assessment proceedings, in view of section 292BB, so that where not raised before the assessing authority, it could be before appellate forums. This though may not be of much consequence if the said notice, as in the case of return u/s. 139, is a jurisdictional notice. Not so for an assessment u/s. 147, in-as-much as the jurisdiction to assess gets assumed on the issue of the notice u/s. 148(1), and to pass a reassessment order on the service thereof (refer *R.K. Upadhyaya* (supra)). Section 143(2), in such a case, thus, is only toward provision of providing reasonable opportunity to the assessee to states it's case where a return is filed by the assessee, i..e, in response to notice u/s.148(1), which is the ratio of the decision in *Ram Narain Bansal* (supra); *Madhya Bharat Energy Corporation Ltd*. (supra) and *K.J. Thomas* (supra), by which decisions therefore the issue under reference is squarely covered. This is precisely what stands clarified in the context of different notices, including u/s. 23(2) (under the I.T. Act, 1922, corresponding to s.143(2) under the Act, (viz. *CIT v. Jai Prakash Singh* [1996] 219 ITR 737 (SC); *Estate of Late Rangalal Jajodia v. CIT* [1971] 79 ITR 505 (SC). *De hors* its jurisdictional aspect, s. 143(2) notice is toward verification of return of income. The function of a notice, explained in many a case by the Hon'ble Apex Court, viz. (*CST v. Subhash & Co*., in C.A. No. 1374 of 2003, dated 17/2/2003); *Jai Prakash Singh* (supra); *Estate of Late Rangalal Jajodia* (supra)), is to put the assessee (noticee) to notice about the contemplated proceedings; in the present case of the proceedings for reassessment in his case for the relevant year having been initiated, requiring him to furnish his return for the said year. The assessee not complying therewith by filing the said return, was, after awaiting the same, the AO issued notice u/s. 142(1), requiring him to furnish the details as called for, being considered fit and proper by the assessing authority to examine the issue at hand, or, verify the information furnished in

response. The matter in fact stands discussed at length by the Tribunal in *Rakesh Gupta v. ITO* (ITA No. 222/Asr/2016,dated 31/1/2019) and *Asst. CIT v. Khosla International* (in ITA No. 307/Asr/2016, dated 28/3/2019).

3.5 Without prejudice, there is, in the facts of the instant case, no occasion, much less a requirement in law, for the AO to issue a notice u/s. 143(2), which is only toward the verification of a return. The assessment order is dated 20.3.2013, so that the hearing had been closed prior thereto. There is, in any case, nothing on record to indicate that it is not so. The assessee did not file a return in response to notice u/s. 148(1), i.e., within the time prescribed thereby, and in fact even within a reasonable time thereafter. *The AO is, none-the-less, legally bound to proceed in the matter and frame the assessment within the statutorily prescribed time*. Reference here may be made to the decisions in *Jai Hanuman Trading Co*. (supra); *Sheo Kumari Devi* (supra). The AO cannot either wait indefinitely for the assessee to file a return, and neither is there any occasion for him to issue (and serve) notice u/s. 148 again, which would require a separate cause of action, as explained in *Avneesh Kumar Singh v. ITO* [2010] 126 ITD 1 (Agra)(TM). He, accordingly, rightly proceeded with the matter, issuing a notice u/s. 142(1). This is precisely what the ld. CIT(A) has held. Not so doing would be to ascribe the AO with prescience, to know that the assese shall, long after the issue of the notice u/s. 148(1|), and the time provided thereby, file the return, claiming, in the appellate proceedings, to have thus complied with the said notice. *Even so, could any meaningful verification be carried out at that time, or even the said furnishing of return operate to extend the time period available under law for the completion of assessment*? Is it, one may ask, a coincidence that the said filing, which is without doubt a result of a deliberate action on the part of the assessee, at the fag-end of the period within which the assessment is to be in law completed. The filing of the return by the assessee on 20.3.2013 is mischievous; in fact, an abuse of the process of law. It

is, as observed, after the close of the hearing in the assessment proceedings. Sh. Kalia could not, on being asked during hearing about the provision of law under which the said return was filed on 20.3.2013, state any. No cognizance in law could be placed on such a 'return of income'. The income, voluntarily 'returned', is, in any case, a source of information with the AO, which could without doubt be taken into account by him in framing the assessment. Further still, the obligation on the AO to issue a notice u/s. 143(2) is only if he intends to verify the return. Being not in a position to verify the return; a notice u/s. 143(2) cannot be regarded as an empty formality, he may in an appropriate case, as indeed the instant case, choose not verify the same and, consequentially, not issue notice u/s. 143(2). The ensuing assessment, as also observed in *Hotel Blue Moon* (supra) is an assessment u/s. 144. The instant assessment is an assessment u/s. 144, and not, as stated, u/s. 143(3). Rather, a return is not filed has to be supplemented by physical return, of which there is no mention or contention, in the absence of which the same cannot be said to have been filed. In fact, the completion of the said procedure after 20.03.2013, the date of assessment, even if so, is to moment, as the assessment stand already completed on that date. The assessment in the instant case, is accordingly, to be regarded as u/s. 144 r/w s. 147, and the AO is incorrect stating it to be u/s. 143(2) r/w s. 147.

3.6 The decision in *Anil Kumar* (supra) is distinguishable in-as-much as the hearing, for both the years, took place on 30.3.2008, as noted by the Tribunal, so that, clearly, the hearing had not been closed before that date. The AO, where he wanted to, could therefore take cognizance of those returns, even as it appears (from the order-sheet entry), that he was not aware of the said returns, filed surreptitiously behind his back. The process of law, designed to provide a fair opportunity of hearing to the assessee, and the completion of assessment in a time bound manner, has thus been abused. The decision in the Tribunal, whose decision, afraid to say, is inconsistent with that by the Apex Court and by

the Hon'ble Courts, including the jurisdictional High Court, in *R.K. Upadhyaya* (supra); *Jai Hanuman Trading Co.* (supra); *Sheo Kumari Devi* (supra); and *R.N. Bansal* (supra), also does not address the question as to the provision of law under which the return has been filed by the assessee on 29/30.3.2008. That apart, the return having not been accompanied by a physical return, there is in effect no filing of the return, and no cognizance thereof could be taken. The filing of the return has in any case been found to be, not with a view to discharge his obligation under law to do so, but maliciously so, so as to defeat the process of law, in the present case.

3.7 Considered whichever way, the assessee's legal challenge is without merit, both on facts as well as, and for that reason as well, in law. In fact, the assessment as framed is in u/s. 144, and the Revenue authorities, were in law, under no obligation to accept the 'additional' evidences sought to be furnished by the assessee in the appellate proceedings. An appellate authority, when he so does, converts a s. 144 assessment into a s. 143(3) assessment, which is impermissible, as explained in *CIT v. Rayala Corporation (P.) Ltd.* [1995] 215 ITR 883 (Mad). That aspect of the assessment, which is even otherwise a matter of quantum, is not dwelled upon further. Suffice to say that the assessee, by seeking the consideration of the said evidences at the appellate stage, for which he stood allowed opportunity also in the assessment proceedings, is, as the common saying goes, trying to have his cake and eat it too.

4. Coming to the merits of the assessment, the quantum addition, also under challenge, was made on account of being *sans* any evidence, direct or corroborative, being led by the assessee. In appeal, the assessee filed an affidavit from Sh. Dilbagh Singh dated 20.02.2013 to the effect that he had paid the assessee Rs. 4 lacs on 15.02.2005 as lease rent for the agricultural land. The matter was remanded to the AO, who failed to cross-examine S. Dilbagh Singh

s/o Tarlochan Singh. Granting the assessee the benefit of doubt, the ld. CIT(A), even as he observed the affidavit to be a self-serving document, accepted the assessee's plea, accepting the same as the source of cash deposit of Rs.4 lacs on 18.02.2005 (albeit in five installments of Rs.80,000/- each.). An affidavit dated 05.04.2004 by S. Jagjit Singh, the assessee's father-in-law, was also filed in the remand proceedings, who though could not be produced in person as he had expired since (on 01.11.2011). No corroborative evidence as regards his financial worth was, however, furnished, apart from stating him to own 21.82 acres of agricultural land. The plea of cash gift being wholly unevidenced, was not accepted by the ld. CIT(A). The assessee had also, alternatively, filed a cash flow statement in the remand proceedings, which was not commented upon by the AO in his remand report dated 17.7.2014. The opening cash (on 01.4.2004) therein was taken at Rs.10.50 lacs on the basis of cash flow statement for f.y. 2003-04, showing a balance of Rs.8.11 lacs on 31.3.2004. The balance as on 01.4.2004, i.e., at the beginning of the year, was however taken by the AO at Rs. 1 lac only, i.e., on the basis of the cash withdrawal from Bank (#927 with Punjab and Sind Bank) for that amount just prior to that date, i.e., on 29.3.2004. On the basis of the said cash flow statement, prepared jointly for the assessee, his wife (Narinder Kaur) and son (Manjit Singh), the ld. CIT(A) confirmed an addition for Rs.12 lacs. The said cash flow statement not accounting for any amount spent on household expenditure, taken at Rs.3 lacs, the shortfall in cash worked to Rs.15 lacs and, accordingly, addition confirmed by the ld. CIT(A) at Rs.15 lacs, allowing relief for the balance Rs.5,60,917 (i.e., Rs.20,60,917 - Rs.15,00,000). Aggrieved, the assessee is in second appeal.

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

The assessee's explanation with regard to Rs.4 lacs, stating to be received as lease rental of agricultural land, has been accepted by the ld. CIT(A), implying acceptance of the assessee's claim of agricultural income to that

extent. The same has, accordingly, been incorporated in the cash flow statement at Rs.4 lacs (on 15.02.2005), as agricultural income.

As regards the claim of cash gift of Rs.15 lacs received on 03.4.2004 (as per the cash flow statement). The same is stated to be from S. Jagjit Singh, the assessee's father-in-law, on the occasion of the golden jubilee of the assessee's marriage; the assessee's wife being the only daughter of her parents. Sh. Kalia was during hearing asked about the date of the assessee's marriage; the cash gift being stated to be made on the occasion of the golden jublee (50th year) of the assessee's marriage, *to no answer*, despite seeking time for the same. There is also no evidence of the stated donor, S. Jagjit Singh, owning 21.82 acres of agricultural land, or his income, on record. Why, nobody keeps cash in such a high amount at home, and there is nothing to show of cash being withdrawn from bank on or before 03.04.2004. Rather why should the gift, which could easily be so from his bank account, be in cash, i.e., if it was from accounted income, i.e., assuming the source to be the said gift. In the absence of any corroborative material; rather, even as to the assessee's marriage date – being unstated, the 50th anniversary of which forms the occasion for the gift, is not stated, the explanation of cash gift has, in my view, been rightly not accepted by the Revenue.

Sh. Kalia, would, with reference to the cash flow statement (at PB pgs. 13-15 of the impugned order – IO), state that once the sum of Rs.9 lacs, included in the cash flow statement on 03/4/2004, is regarded as unexplained income, there would be no need for any further addition as the assessee would, in that case, have sufficient cash-in-hand on any date during the year. The ld. CIT(A) had, it was submitted, wrongly added a further sum of Rs.6 lacs, confirming the addition based on the cash flow statement at Rs.15 lacs. A revised cash flow statement was filed (at PB pgs. 10-12) to exhibit the same, introducing cash at Rs.9 lacs (on 08.4.2004) as 'addition as made by the ld. CIT(A)'. The argument is valid. The cash-in-hand being at Rs. 1 lac on

01.4.2004, ranges from a minimum of nil (on 08.04.2004) – the next lowest being at Rs.30,000 on 24.4.2004, to a maximum of Rs.16.53 lacs on 31.3.2005. The addition, thus, should be restricted to Rs.9 lacs instead of Rs.15 lacs by the ld. CIT(A). There are, however, some observations deemed pertinent in the matter. Firstly, the said cash flow statement would require being verified by the AO in-such-as it has not been. In this regard it is observed that while the cash stands withdrawn, besides the assessee's bank account, from that of his wife and son, the cash deposited in bank is only in the assessee's bank account. Surely, the cash withdrawals and deposits in all the bank accounts (of all these three persons), is to be taken into account, to arrivc at the availability of cash at any particular date during the year. Again, assuming no adverse circumstance/s, the said cash flow statement being prepared toward explanation of cash deposit of Rs.20.61 lacs in the assessee's bank account during the year, cannot be regarded as an evidence of Rs.16 plus lacs cash with the family on 31.3.2005. The same, in fact, is without deducting Rs.3 lac toward household expenses. Subject to the AO's finding, and in the absence of any adverse finding, the assessee's income is to be assessed as under:

(1) Rs.44,690, as returned (including as to the source and head of income);

(2) Rs.9 lacs as unexplained bank deposit u/s. 69A (on 08.04.2004) (forming part of Rs.10 lacs deposited cash on that date);

(3) Rs.4 lacs as agricultural income (for rate purposes).

Any adverse finding by the AO, needless to add, shall be preceded by due opportunity of hearing to the assessee and, further, per definite findings of fact (by the AO). The assessee shall cooperate in the matter lest the AO draw adverse inference as admissible under the circumstances. The AO shall complete the said verification in a time bound manner, being also required to observe the time limit u/s. 153 of the Act, as specified after 01.06.2016.

I decide accordingly.

6. In the result, the assessee's appeal is partly allowed on the afore-said terms.

Order pronounced in the open court on July 01, 2019

Sd/-
(Sanjay Arora)
Accountant Member

Date: 01.07.2019
/GP/Sr. Ps.
Copy of the order forwarded to:

(1) The Appellant: Major Singh, 323-A Sant Avenue, Amritsar
(2) The Respondent: ITO Ward 4(3), Amritsar
(3) The CIT(Appeals)-2, Amritsar
(4) The CIT concerned
(5) The Sr. DR, I.T.A.T

True Copy

By Order