

IN THE INCOME TAX APPELLATE TRIBUNAL
“DB” BENCH, AMRITSAR

VIRTUAL HEARING

BEFORE HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM
AND
SHRI UDAYAN DASGUPTA, JM

आयकर अपील सं. / ITA No.384/ASR/2023
(निर्धारण वर्ष / Assessment Year: 2016-17)

M/s Aggarwal Construction Co. H No. 613, Sector – 36B Chandigarh - 160036	बनाम/ Vs.	DCIT Circle - 1 Central Revenue Building, Civil Lines Punjab - 151001
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. AAMFA-7129-G		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

अपीलार्थीकीओरसे/ Appellant by	:	Sh. Sudhir Sehgal (Advocate) – Ld. AR
प्रत्यर्थीकीओरसे/ Respondent by	:	Sh. Charan Dass (Addl. CIT) - Ld. Sr. DR

सुनवाईकीतारीख/ Date of Hearing	:	05-02-2026
घोषणाकीतारीख / Date of Pronouncement	:	11.02.2026

आदेश / O R D E R

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by assessee for Assessment Year (AY) 2016-17 arises out of an order of learned Commissioner of Income Tax (Appeals), NFAC dated 03-11-2023 in the matter of an assessment framed by Ld. AO u/s 143(3) on 21-12-2018. Though the assessee has raised multiple grounds of appeal, however the only grounds urged by Ld. AR before us are qua estimated profit rate and addition

of Rs.8 Lacs as made by Ld. AO u/s 68. Having heard rival submissions, the appeal is disposed-off as under.

2. The assessee acted as a civil contractor. During assessment proceedings, the Ld. AO rejected books of the assessee and estimated profit rate of 2% on gross sale of material and 6% on gross contract receipts. The Ld. AO also made addition of Rs.8 Lacs being unsecured loans as taken from Shri Puran Singh on 15-09-2015. Since the assessee did not file the requisite documents, the amount of Rs.8 Lacs was added u/s 68. The Ld. CIT(A) confirmed the action of Ld. AO against which the assessee is in further appeal before us.

3. We find that in AY 2014-15, on similar facts, Ld. CIT(A) vide order dated 15-02-2019 has reduced profit rate of 2% to 1.25%. Therefore, taking the same view, we direct Ld. AO to estimate profit rate of 1.25% on sale of material. The estimation of 6% on gross contract receipts is correct. The corresponding grounds stands partly allowed.

4. So far as the unsecured loan of Rs.8 Lacs is concerned, Ld. AR has placed on record copy of bank statement of Shri Puran Singh. The perusal of the same would show that the unsecured loan has been advanced through banking channels and the same has been sourced by the lender out of FDR maturities. Therefore, the onus of Sec.68 stood discharged by the assessee. This addition is thus deleted. This ground stand allowed. No other ground has been urged in the appeal.

5. The appeal stands partly allowed.

*Order pronounced u/r 34(4) of Income Tax (Appellate Tribunal) Rules,
1963.*

-Sd-
(UDAYAN DAS GUPTA)
JUDICIAL MEMBER

-Sd-
(MANOJ KUMAR AGGARWAL)
ACCOUNTANT MEMBER

Dated:11.02.2026

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

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF

ASSISTANT REGISTRAR

ITAT AMRITSAR