**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

204 **ITA-354-2009(O&M)**
Date of Decision: April 24, 2024

Ram Bahadur Khurania **......Appellant(s)**

Vs.

CIT Patiala and another **......Respondent(s)**

**CORAM: HON'BLE MR. JUSTICE SANJEEV PRAKASH SHARMA
HON'BLE MRS. JUSTICE SUDEEPTI SHARMA**

Present: Mr. Akshay Bhan, Sr. Advocate with
Mr. Sidhant Suri, Advocate for the petitioner(s).

Mr. Amanpreet (A.P.) Singh, Sr. Standing counsel
for the respondents.

SANJEEV PRAKASH SHARMA.J. (ORAL)

This is an appeal under Section 260A of the Income Tax Act, 1961 against the order dated 06.11.2008 passed by learned Income Tax Appellate Tribunal (for short 'ITAT') Delhi Benches: I, New Delhi, for the block period 1.4.1987 to 6.6.1997, confirming the order passed by the Commissioner of Income Tax (Appeals) {for short 'CIT(A)'}, who in turn had substantially confirmed the order of the Assessment Officer.

2. A search and seizure operation was conducted on 06.06.1997, whereafter notice under Section 158(B)(C) dated 19.11.1997 was served on the assessee on 20.11.1997. A revised notice dated 21.08.1998 was served as block period was not mentioned. The due date for filing of the return was 25.12.1997 but the return was actually filed on 12.05.1999. The assessee officer charged

interest from the due date of filing of return as per the first notice which was of course corrected by CIT (A) from the date the second notice was served.

3. Learned counsel for the appellant submits that although the appeal before ITAT was allowed in part, he submits that ITAT has erred in determining the undisclosed income and submits that the ITAT erred in upholding the appellant Assessee's undisclosed income from dealings in properties at Rs.16,12,500/- and upholding interest income thereupon at Rs.5 lacs on a lump sum basis. The credit in respect of the assessment years 1990-91 to 1994-95 and 1996-97 was not granted wrongfully.

4. We find that in the operation of search and seizure, Joint Commissioner made number of additions, which are as under:-

Assessment year	Addition to be made for low withdrawals treating the same as undisclosed income
1988-89	23,165
1989-90	20,601
1990-91	27,000
1991-92	29,500
Assessment year	Addition to be made for low withdrawals treating the same as undisclosed income
1992-93	33,000
1993-94	16,380
1994-95	41,000
1995-96	27,000
1996-97	38,000
1997-98	39,800

That apart several incriminating documents were seized which were about 2000 in number, and on a larger scale there were 162 maps of plots which had been sold, several power of attorneys were found, photo copies of various registration deeds for the financial year 1991-92 were seized which reflected non-disclosure of income.

5. Keeping in view thereto, the assessee was asked explanations and as no explanation was given, the assessee officer computed undisclosed income at Rs.32.25 lacs.

6. CIT(A) after having examined the aspects reduced the addition from 32.25 lacs made by the assessee officer to 16,12,500/-. The CIT(A) further deleted the addition of Rs.5 lacs as interest estimated by the assessing officer on lump sum basis.

7. The ITAT in appeal found the interest earned for the period 1.4.1996 to 30.09.1996 is Rs.32,31,169 and therefore had held the undisclosed interest income estimated by assessing officer at Rs.5 lacs to be very very reasonable and the same was sustained and upheld order of the CIT(A) bringing up Rs. 5 lacs to tax as interest income as credit.

8. In view of the above, we find no reason to interfere with such findings of fact in this appeal. No question of law can be said to arise in the present appeal. It is also noticed that at the time of issue notice of motion, this appeal was to be heard with ITA-346 of 2009, relating to the relative of the petitioner, which stands decided on 22.09.2016. With regard to the same search and seizure, the Co-ordinate Bench held that the nature of the entries in documents have been sufficiently analysed by the authorities and even credit was given for the amount found in the regular books of accounts.

9. Taking note that the unexplained income therefore has been reduced considerably and only lump sum tax on income as been assessed which appears to be on lower side, we do not find any reason to interfere. In the result, the appeal is dismissed.

10 All pending application(s) if any, stands disposed of.

(SANJEEV PRAKASH SHARMA)
JUDGE

(SUDEEPTI SHARMA)
JUDGE

April 24, 2024
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Whether speaking/reasoned: Speaking
Whether reportable: Yes / No