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Present: Ms. Rashmi Chopra, Advocate for the appellant/Revenue.
Respondent in person.

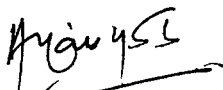
+ITA 402/2010

In the return filed for the assessment year 2005-06, the Assessing Officer, *inter alia*, made addition of ₹ 16,68,000/- on account of difference between the purchase cost of property as declared by the assessee and the valuation made by the DVO on the date of purchase. The assessee had shown the purchase cost at ₹ 6,00,000/-. However, the Assessing Officer obtained the report of the Valuation Officer who valued the same as ₹ 22.68 lacs. It is on this basis, the addition was made. This addition was deleted by the CIT (A) and the order of CIT (A) is confirmed by the Income Tax Tribunal. A categorical finding is arrived at by the two authorities below that the addition is made solely on the basis of DVO's report and there was no other material to substantiate this report. It is also recorded that the assessee had been maintaining the regular books of accounts and it showed the purchase price as disclosed in the sale deed. It is also observed that this purchase price is in consonance to the price prevalent in the area. As against this evidence no evidence is brought on record by the Assessing Officer except the aforesaid DVO report. It is now a established principle of law laid down by the Apex Court in the case of **K.P. Verghese Vs. ITO** 131 ITR 597 that merely ^{on} the basis of DVO



report addition cannot be made and there should be some other evidence to support the figures arrived at by the DVO.

We do not find any question of law which arises for consideration in this appeal and dismissed the same accordingly.


A.K. SIKRI, J.


M.L. MEHTA, J.

FEBRUARY 7, 2011

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