

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
DELHI BENCH: 'G' NEW DELHI**

**BEFORE SHRI SAKTIJIT DEY, JUDICIAL MEMBER  
AND  
DR. B.R.R. KUMAR, ACCOUNTANT MEMBER**

ITA No.6448/Del/2018  
Assessment Year: 2013-14

Sh. Suresh Bansal, RRA Taxindia, D-28, South Extension, Part-1, New Delhi	<b>Vs.</b>	DCIT, Central Circle-II, Faridabad
<b>PAN :AKYPB5000H</b>		
<b>(Appellant)</b>		<b>(Respondent)</b>

Appellant by	Sh. Deepesh Garg, Advocate
Respondent by	Sh. H.K. Chaudhary, CIT (DR)

Date of hearing	16.03.2022
Date of pronouncement	16.03.2022

**ORDER**

**PER SAKTIJIT DEY, JM:**

This is an appeal by the assessee against order dated 13.07.2018 of learned Commissioner of Income Tax (Appeals) confirming the penalty imposed under section 271AAA of the Income-tax Act, 1961 (for short 'the Act'), pertaining to assessment year 2013-14.

**2.** Briefly the facts are, the assessee is a resident individual. A search and seizure operation was carried out in case of the

assessee. Pursuant to the search and seizure operation, assessment proceeding was initiated and while completing the assessment, the Assessing Officer made additions of Rs.10,14,418/- on account of unexplained jewellery and Rs.50,000/- on account of explained cash found in the course of search and seizure operation. Based on the additions so made, the Assessing Officer initiated proceeding for imposition of penalty under section 271AAA of the Act. In course of penalty proceeding, the Assessing Officer noticed that learned Commissioner (Appeals) has deleted a part of the addition made on account of unexplained jewellery. Thus, ultimately he passed an order under section 271AAA of the Act on the additions sustained by learned Commissioner (Appeals) and imposed penalty of Rs.87,942/- The penalty so imposed was also upheld by learned Commissioner (Appeals).

**3.** We have considered rival submissions and perused the materials on record. Undisputedly, the Assessing Officer has imposed penalty under section 271AAA of the Act at 10% of the undisclosed income, comprising of Rs.8,29,718/- as unexplained jewellery and Rs.50,000/- as unexplained cash. It is a fact on record that the addition made on account of unexplained jewellery

was fully deleted by the Tribunal in assessee's appeal. However, the addition made towards unexplained cash was upheld, as, the assessee could not explain the source of such cash found during search. Keeping in view the aforesaid factual position, penalty imposed under section 271AAA of the Act in respect of unexplained jewellery, amounting to Rs.8,29,418/- deserves to be deleted and accordingly, we do so. However, insofar as, the addition made of Rs.50,000/- on account of unexplained cash, we find, at no stage the assessee has offered any substantive explanation or supporting evidence to explain the source of such cash. That being the case, penalty imposed on the addition made on account of unexplained cash of Rs.50,000/- is upheld.

4. In the result, the appeal is partly allowed, as indicate above.

***Order pronounced in the open court on 16<sup>th</sup> March, 2022***

***Sd/-***  
**(DR. B.R.R. KUMAR)**  
**ACCOUNTANT MEMBER**

***Sd/-***  
**(SAKTIJIT DEY)**  
**JUDICIAL MEMBER**

Dated: 16<sup>th</sup> March, 2022.

RK/-

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar, ITAT, New Delhi