

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'A' Bench, Hyderabad

Before Shri R.K. Panda, Accountant Member
AND
Shri Laliet Kumar, Judicial Member

ITA No.402/Hyd/2022		
Assessment Year: 2015-16		
Shri Shavva Sudheer Reddy Hyderabad PAN:AGKPR5747F (Appellant)	Vs.	Asstt.. C. I. T. Circle 3(1) Hyderabad (Respondent)
Assessee by:	Shri K.C. Devdas, CA	
Revenue by:	Shri KPRR Murthy, CIT(DR)	
Date of hearing:	20/04/2023	
Date of pronouncement:	22/05/2023	

ORDER

Per R.K. Panda, A.M

This appeal filed by the assessee is directed against the order dated 29.07.2022 of the learned CIT (A)-11, Hyderabad, relating to A.Y.2015-16.

2. Facts of the case, in brief, are that the assessee is an individual has filed his Return of Income for A.Y.2015-16 on 30.09.2015 admitting total income of Rs.8,50,600/-. A search and seizure operation u/s. 132 of the IT Act was conducted in the case of Mytrah Energy group On 30.08.2017 wherein the assessee was also covered u/s.132 of the IT Act. Accordingly notice u/s. 153A was issued to the assessee. In response to the notice issued u/s. 153A, the assessee filed his return of income on 15.02.2018

admitting total income of Rs.58,00,600/-. Assessment u/s. 143(3) r.w.s 153A was completed on 30.12.2019 by making addition of undisclosed investment u/s. 69B of the IT Act of Rs.36,50,000/- thereby assessing total income at Rs.94,50,000/-. The Assessing Officer has gone through the facts and circumstances of the case and since the assessee had admitted the undisclosed investment of Rs.36,50,000/- in the sworn statements recorded u/s 131 during the course of assessment proceedings, the Assessing Officer held that the assessee is liable to levy of penalty u/s 271(1)(c) of the I.T. Act, 1961 for concealment of income and accordingly passed the penalty order u/s 271(1)(c) of the Act on 22.07.2021 determining the penalty of Rs.11,27,850/-.

3. In appeal, the learned CIT (A) sustained the penalty levied by the Assessing Officer by observing as under:

“6. Decision:

The issue in this appeal is levy of penalty of Rs.11,27,850/- u/s 271(1)(c) of the Act for concealment of income.

Going into the facts of the case, the appellant individual has filed the Return of Income for A.Y.2015-16 on 30.09.2015 admitting total income of Rs.8,50,600/-. A search and seizure u/s. 132 of the IT Act was conducted in the case of Mytrah Energy group on 30.08.2017 and the appellant was also covered u/s. 132 of the IT Act. Accordingly notice u/s. 153A was issued to the appellant and in response the appellant filed his return of income on 15.02.2018 admitting total income of Rs. 58,00,600/-. During the course of assessment proceedings, sworn statements of the appellant were recorded and wherein the appellant admitted undisclosed investments of Rs. 153A was completed On 36,50,000/-. Assessment u/s. 143(3) r.w.s 30.12.2019 by making addition of undisclosed investment u/s. 69B of the IT Act of Rs. 36,50,000/- thereby assessing total income at Rs. 94,50,600/-. Were also initiated for Further, penalty proceedings u/s. 271(1) (c) Concealment of investment particulars. Accordingly, the AO has passed the penalty order u/s

271(1)(c) of the Act on 22.07.2021 determining the penalty of Rs. 11,27,850/-.

During the course of appeal proceedings, the appellant contended that that the undisclosed investment were offered to tax only to put quietus on the issues and to avoid protracted litigation. The Appellant further stated that the additions made in the assessment order were agreed additions in the sworn statements recorded during the course of assessment proceedings. It is observed from the sworn statements recorded u/s. 131 that the AO referred to material seized during the course of search and seizure operation u/ S. 132 Which form the basis for questioning the appellant for the investments made in certain properties. It will not be out of place to mention that the material Seized during the search and seizure operation u/s. 132 of the IT Act ultimately lead to admission of income by the appellant and it was not even a voluntary disclosure.

It is important to note that in the decision of Hon'ble' Supreme Court in the case of Mak Data Pvt Ltd vs. CIT 358 ITR 593 (SC) dated 30.10.2013 it was held that voluntary disclosure does not release the appellant from the mischief of penal proceedings. The relevant part of the judgment is as under:

"6. We have heard counsel on either side. We fully concur with the view of the High Court that the Tribunal has not properly understood or appreciated the scope of Explanation 1 to Section 271(1)(c) of the Act, which reads as follows:

Explanation i - Where in respect of any facts material to the computation of the total income of any person under this Act, --

A) Such person fails to offer an explanation or offers an explanation which is found by the Assessing Officer or the Commissioner (Appeals) or the Commissioner to be false, or B) Such person offers an explanation which he is not able to substantiate and fails to prove that such explanation is bona fide and that all the facts relating to the same and material to the computation of his total income have been disclosed by him, then the amount added or disallowed in computing the total income of such person as a result thereof shall, for the purposes of clause

(c) of this sub-section, be deemed to represent the income in respect of which particulars have been concealed."

7. The AO, in our view, shall not be carried away by the plea of the assessee like voluntary disclosure", "buy peace", "avoid litigation", "amicable settlement", etc. to explain away its conduct. The question is whether the assessee has offered any explanation for concealment of particulars of income or furnishing inaccurate particulars of income. Explanation to Section 271(1) raises a presumption of concealment, when a difference is noticed by the AO, between reported and assessed income. The burden is then on the assessee to show otherwise, by cogent and reliable evidence. When the initial onus placed by the explanation, has been discharged by him, the onus shifts on the Revenue to show that the amount in question constituted the income and not otherwise.

8. Assessee has only stated that he had surrendered the additional sum of Rs.40, 74,000 with a view to avoid litigation, buy peace and to channelize the energy and resources towards productive work and to make amicable settlement with the income tax department. Statute does not recognize those types of defences under the explanation 1 to Section 271(1)/c) of the Act. It is trite law that the voluntary disclosure does not release the Appellant-assessee from the mischief of penal proceedings. The law does not provide that when an assessee makes a voluntary disclosure of his concealed income, he had to be absolved from penalty.

9. We are of the view that the surrender of income in this case is not voluntary in the sense that the offer of surrender was made in view of detection made by the AO in the search conducted in the sister concern of the assessee. In that situation, it cannot be said that the surrender of income was voluntary. AO during the course of assessment proceedings has noticed that certain documents comprising of share application forms, bank statements, memorandum of association of companies, affidavits, copies of Income Tax Returns and assessment orders and blank share transfer deeds duly signed, have been impounded in the course of survey proceedings under Section 133A conducted on 16.12.2003, in the case of a sister concern of the assessee. The survey was conducted more than 10 months before the assessee filed its return of income. Had it been the intention of the assessee to make full and true disclosure of its income, it would have filed the return declaring an income inclusive of the amount which was surrendered later during the course of the

assessment proceedings. Consequently, it is clear that the assessee had no intention to declare its true income. It is the statutory duty of the assessee to record all its transactions in the books of account, to explain the source of payments made by it and to declare its true income in the return of income filed by it from year to year. The AO, in our view, has recorded a categorical finding that he was satisfied that the assessee had concealed true particulars of income and is liable for penalty proceedings under Section 271 read with Section 274 of the income Tax Act, 1961.”

The Hon'ble ITAT, Rajkot in the case of M/s. Kashish Enterprise in ITA No. 256/Rajkot/20 14 dated 15.10.2018 held as under:

"8. We have heard the rival contentions and perused the materials available on record The facts of the case as discussed above are not in disputed therefore we are inclined not to repeat the same for the sake of brevity and convenience.

8.1 It is a fact on record, the assessee did not disclose the income voluntarily but it was disclosed in pursuance to the survey conducted u/s 133A of the Act. During the course of survey, certain documents were found and seized which were sufficient enough to make the addition in the hands of the assessee. Therefore, the assessee has disclosed income of Rs. 53, 09,666/. Thus, in our considered view had there not been Survey u/s 133A of the Act. the assessee would not have offered such undisclosed income. Therefore, in our considered view, the penalty u/s 271(1)(c) of the Act was correctly levied by the authorities below. In this regard, we also find support and guidance from the judgment of Hon'ble Jurisdictional High Court in the case of L.M.L. Precision Engineering Ltd. Vs. DCIT reported in 330 ITR 93. The relevant extract of the order is already been reproduced hereinabove. Thus, we do not find any reason to disturb the finding of id. CITIA). Hence, the ground of appeal of the assessee is dismissed."

It is clear that the appellant in the instant case has only taken the plea of putting quietus on the issues which was also not the case as the Search operation u/s 132 led to the admission of income. In the instant case, the appellant did not admit these undisclosed incomes u/s 69B in the revised returns filed u/s 153A and admitted the undisclosed income only during the assessment

proceedings u/s 153A which were initiated on account of Search u/s 132 conducted by the department. If not for the Search u/s 132, there is no way the appellant would have admitted the undisclosed income.

During the course of penalty proceedings, the appellant contended that proper satisfaction was not recorded in the assessment order regarding initiation of penalty u/s. 271(1)(c) and the penalty notices subsequently issued did not specify which limb the penalty proceedings had been initiated. The appellant in his support quoted a few case laws regarding the penalty notices and recording of satisfaction in assessment order. It is observed from the assessment order that the AO has mentioned penalty proceedings are initiated for concealment of income and made a specific reference to Explanation 5A as well. Further the penalty notices further issued clearly mention that the penalty proceedings had been initiated for "Concealment of income"

In this regard, the relevant extract of section 271(1)(c) of the Act is reproduced below:

271. (1) If the Assessing Officer or the Commissioner (Appeals) or the Principal or Commissioner in the course of any satisfied that any person proceedings under this Act, is satisfied that any person -

(c) has concealed the particulars of his income or furnished particulars of such income, or

(d) inaccurate has concealed the particulars of the fringe benefits or furnished inaccurate particulars of such fringe benefits,

he may direct that such person shall pay by way of penalty, _____

*(i) ****

(ii) in the cases referred to in clause (b), in addition to tax, if any, payable by him, a sum of ten thousand rupees for each such failure;

(iii) in the cases referred to in clause (c) or cause (d), in addition to tax, if any, payable by him, a sum which shall not be less than, but which shall not exceed three times, the amount of tax sought to be evaded by reason of the concealment of particulars of his income or fringe benefits or the furnishing of inaccurate particulars of such income or fringe benefits.....

Explanation 5A..... Where, in the course of a search initiated under section 132 on or after the 1st day of

June, 2007, he assessee is found to be the owner of

- (i) any money, bullion, jewellery or other valuable article or thing (hereafter in this Explanation referred to as assets) and the assessee claims that such assets have been acquired by him by utilizing (wholly or in part) his income for any previous year; or
- (ii) any income based on any entry in any books of account or other documents or transactions and he claims that such entry in the books of account or other documents or transactions represents his income (wholly or in part) for any previous year, which has ended before the date of search and,
 - (a) where the return of income for such previous year has been furnished before the said date but such income has not been declared therein: or
 - (b) the due date for filing the return of income for such previous year has expired but the assessee has not filed the return,
 then, notwithstanding that such income is declared by him in any return of income furnished on or after the date of search, he shall, for the purposes of imposition of a penalty under clause (c) of sub-section (1) of this section, be deemed to have concealed the particulars of his income or furnished inaccurate particulars of such income.

The appellant has raised a ground regarding the issue of notice stating that the same does not specify under which limb/ clause of explanation of section 271 (1)(c) penalty proceedings were initiated. The Assessing Officer had clearly mentioned in the assessment order that the penalty proceedings would be initiated for concealment of particulars of investments and the penalty notices subsequently issued u/s. 271(1)(c) carried the same wordings "concealed particulars of income" as required by the provisions of Section 271(1)(c) of the IT Act, 1961. The relevant notice issued by the Assessing Officer is reproduced as under:



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
OFFICE OF THE ASSISTANT COMMISSIONER OF INCOME TAX, CENTRAL WING
CENTRAL CIRCLE-3(1) HYDERABAD

To,
SHAVVA SUDHEER REDDY
FLAT - NO.202 - MOON - ROCK - RESIDENCY
OPPOSITE CHIREC PUBLIC SCHOOL KONDAPUR
HYDERABAD 500084, Telangana
India

PAN AGKPRS747F	Assessment Year 2015-16	DIN & Notice No. ITBA/PNLS/271(1)(c)/2019 20/1023482957(1)	Date 30/12/2019
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Notice under section 274 read with section 271(1)(c) of the Income Tax Act, 1961

Sir/ Madam

Whereas in the course of proceedings before me for the Assessment Year 2015-16 it appears that you have concealed the particulars of income.

You are hereby requested to appear before me either personally or through a duly authorized representative at 11:00 AM on 14/01/2020 and show cause why an order imposing a penalty on you should not be made under section 271(1)(c) of the Income Tax Act, 1961.

If you do not wish to avail yourself of this opportunity of being heard in person or through authorized representative, you may show cause in writing on or before the said date and the effect of any such order is made under section 271(1)(c) of the Income Tax Act, 1961.

NATIONAL e-Governance
CENTRAL CIRCLE-3(1) HYDERABAD

For details of procedures & digitally signed orders
the request requires to be submitted to the page

Therefore, from the note issued by the Assessing Officer and the above discussion, it is held that there is no ambiguity in terms of which limb of section 271(1)(c) had been initiated when it is clear that the penalty has been initiated for "concealment of particulars of income". In view of the same, the ground no.2 is dismissed accordingly.

Further, with regards to facts of the case, the appellant had invested Rs. 6,00,000/- towards interiors and purchase of a villa bearing no. 3, SLR villas, Kondapur, Hyderabad. The details of the appellant's investment are found in the seized material Annexure No. NPIPL/133A/2 pages 33 to 35 and 38 to 40. With regard to the same, a statement u/s. 131 was recorded during the assessment proceedings on 19.12.2019 wherein the appellant stated as under:

4. Please go through the page no, 33 to 35 and 38 to 40 of Annexure No.NPIPL/ 133A/2 and explain the contents

Ans: The sources for the above investment is out of savings of my earlier earnings. I confirm that the above amount of Rs. 1,00,000/- paid for Rs.5,00, 000/- interior and payment of towards purchase of villa was

not disclosed in my return of now, I offer Rs.6,00, income ana 000/-to tax ",

The appellant had clearly stated that the amounts paid towards villa are out of his savings that were not disclosed in the return of income. During the appeal proceedings, the appellant submitted that the payments made in this regard are out of admitted income on which taxes were paid. The appellant had clearly deviated from his sworn statement where he stated that the amounts were not disclosed in the return of income. Further, the appellant did not provide any documentary evidence showing that the payments were out of nis admitted income in the returns s of incomes. In view of the above discussion, the AO is correct in concluding the above investment of Rs. 6,00.000/- is concealed and levying penalty thereof.

Similarly, the appellant had purchased a property Unit No. G-01, San Diego, Koramanmgala, Bangalore for Rs. 50,00.000/- as seen from the seized material vide Annexure A/SSR/0l. page no. 7. The said page also denoted that the payments were already made in three instalments. The appellant later executed a sale deed and the said property as registered for Rs. 19,50,000/-, With regard to the same, sworn statements u/s 131 were recorded during the assessment proceedings on 26.11.2019 and 19.12.2019. the relevant extract is as under:

"Q.No.40. Please go through the answer to question No. 16 of your statement dated 21.11.2019 and the documents referred question Nos. 10 to 15. It is found that the schedule of the property in these documents is one and the same. In light of this you are once again requested to explain the source of the investment of Rs.30,50,000/-in this property?"

Ans. I accept that I have paid the above amount o Rs.30,50,0000/- for which I am unable to explain the sources.

"4. Please refer to question No.40 of your statement recorded u/s 132 on 26-11-2019, wherein it was accepted that an amount of Rs. 30,50,000/- was infested from unexplained sources in the property bearing Unit No.G-1, SAN DIEGO. Municipal No.357, 1st Block, Koramangala Extension, Bangalore. Pease confirm?"

Ans. The sources for the above investment is out of savings of my earlier earnings. I confirm that the above investment was not disclosed in my return of income and now, I offer Rs. 30,50,000/- to tax".

During the penalty proceedings, the appellant submitted that though it was agreed to acquire the property for a consideration of Rs. 50,00,00/-, due to some discrepancies with approval plans by the local authorities, the property was later agreed for and registered for Rs. 19,50,000/- only, which is the consideration mentioned in the registered sale deed. In support of his contentions, the appellant submitted a confirmation letter from the seller of the property M/s. Trident Constructions. It is observed that the said confirmation letter was undated. Even if the confirmation from the seller were considered and the contentions of the appellant with respect to the consideration paid towards acquisition of the property were correct, the fact that the appellant had already paid the seller an amount of Rs. 50,00,000/ remain undisputed. Hence, even if the property was actually acquired by the appellant for Rs. 19,50,000/-, he could not produce any documentary evidence substantiating the payments made of Rs. 50,00,000/ - were out of his admitted incomes.

Further, the appellant has not furnished any bonafide reply within the meaning of Explanation 1 to Section 271(1)(c). The appellant is expected to file an explanation to the notice as to why penalty should not be levied u/s 271(1)(c). As per Explanation 1 to Section 271(1)(c), the appellant has failed to offer an explanation regarding the non-disclosure of income in this year, while filing the return u/s 139 and also return u/s 153A. It was only during the assessment proceedings consequent to Search u/s 132, the undisclosed income was admitted. In view of the above discussion, the action of the Assessing Officer for levy of penalty is hereby confirmed in view of the detailed discussion in the preceding paragraphs, it is held that the appellant had income or investment particulars that were concealed and the decision of AO in determining the concealment of income particulars and levying penalty of Rs. 11,27,850/- is upheld and accordingly the ground no. 3,4 and 5 are dismissed “

4. Aggrieved with such order of the learned CIT (A) the assessee is in appeal before the Tribunal by raising the following grounds:

“1. The order of the Hon'ble CIT (A) is erroneous both on facts and in law.

2. The order of the Hon'ble CIT (A) is erred in confirming levy of penalty u/s 271(1) (c) of Rs.11,27,850/- and further erred in confirming the observations of the Assessing Officer that there is concealment of income.

3. Without prejudice, the Hon'ble CIT (A) erred in confirming the penalty of Rs.11,27,850/- on facts of the case;

4. Any other ground or grounds that may be urged at the time of hearing”

5. The learned Counsel for the assessee strongly challenged the order of the ld.CIT(A) in confirming the penalty levied by the AO u/s. 271(1)(C) of the I.T.Act, 1961. He submitted that the assessee in the original return of income had declared an income of Rs. 8,50,600/- and after the search the assessee filed the return in response to notice u/s. 153A declaring income of Rs. 58,00,600/-. He submitted that the AO completed the assessment determining the total income at Rs. 94,50,600/- wherein he made addition of Rs. 36,50,000/- admitted by the assessee during the course of assessment proceedings which consists of undisclosed investment of Rs. 30,50,000/- towards purchase of property at Bangalore and Rs. 6,00,000/- towards renovation of a villa at Kondapur. He submitted that the undisclosed investment was offered to tax only to put a quietus on the issues and to avoid protracted litigation. Referring to the copy of the letter given by M/s. Trident Constructions in respect of sale of immovable property, copy of which is placed at page 64

of the paper book, he submitted that the assessee has paid only an amount of Rs. 19,50,000/- and not Rs.50 lacs as per the paper found and the seller has not received any amount over and above Rs. 19,50,000/-. He submitted that although a confirmation letter of the seller was filed before the AO, however, he was never called for examination. The ld.counsel for the assessee submitted that he can always make a new claim before the authorities during penalty proceedings, since the penalty proceedings and assessment proceedings are separate and distinct. He accordingly submitted that the penalty levied by the AO and sustained by the ld.CIT(A) is not justified.

6. The ld.DR on the other hand heavily relied on the order of the ld.CIT(A). He submitted that the ld.CIT(A) has given a finding that even if the property is registered for a lesser amount, still the assessee has already paid the seller an amount of Rs. 50 lacs which remains undisputed and since the so-called confirmation letter is undated, the Ld.CIT(A) has not considered the same to be a valid confirmation. Therefore, in light of the elaborate discussions made by the ld.CIT(A) while sustaining the penalty levied by the AO, the same should be upheld and the grounds raised by the assessee should be dismissed.

7. We have heard the rival arguments made by both the sides, perused the orders of the AO and the learned CIT (A) and the paper book filed on behalf of the assessee. We have also considered the various decisions cited before us by both sides. We find the assessee in the instant case had filed the original return of income disclosing total income of Rs. 8,50,600/-. After the search was initiated u/s. 132 of the I.T.Act in the case of assessee and his group concerns on 30.08.2017, the assessee, in response

to the notice u/s. 153A filed the return of income declaring total income of Rs. 58,00,600/-. The AO completed the assessment u/s. 143(3) r.w.s. 153A determining the total income of the assessee at Rs. 94,50,600/- wherein he made addition of Rs. 36,50,000/- on account of undisclosed investment u/s. 69B. We find the assessee accepted the said income and no appeal was filed. Subsequently, the AO initiated penalty proceedings and levied penalty of Rs. 11,27,850/- on account of addition of Rs.36,50,000/-, the details which are as under:-

(i)	<i>Undisclosed investment u/s. 69B, being payments</i>	<i>Rs.6,00,000</i>
(ii)	<i>Undisclosed investment u/s. 69B, being on-money paid towards purchase of property at Bangalore</i>	<i>Rs.30,50,000</i>

8. We find, the AO which levying the penalty of Rs. 11,27,850/- has recorded the following:

7.1 In the case on hand, the assessee was found to be owner of certain assets and the sources for the same were explained as met out of incomes not admitted in the returns of income filed till the date of search. Therefore, this is a clear cut case of concealment of income and the provisions of section 271(1)(c) read with explanation 5A come into play. Accordingly, I deem this a fit case for levy of penalty u/s 271(1)(c) to the extent of undisclosed investments found during search in the form of seized material mentioned above. The seized material indicate that the assessee invested Rs.6 lakhs towards purchase of property at Kondapur, Hyderabad and Rs.30,50,000/- in property at Bangalore, aggregating to Rs.36,50,000/-.

7.2 The minimum and maximum penalty leviable on the tax sought to be evaded works out to Rs.11,27,850/- and Rs.33,83,550/- respectively. Considering the totality of the circumstances of the case, I levy a penalty of Rs.11,27,850/- u/s 271(1)(c) of the Act.

9. We find the Id.CIT(A) confirmed the penalty so levied by the AO which has already been reproduced in the preceding paragraph. We do not find any infirmity in the order of the Id.CIT(A) on this issue. It is an admitted fact that the assessee could not explain the source of the undisclosed investment of Rs. 30,50,000/- toward purchase of the property at Bangalore and the amount of Rs. 6 lacs being payment made towards interiors for purchase of villa at Kondapur. So far as the argument of the Id.counsel for the assessee that undisclosed investment offered to tax only to put a quietus on the issues and to avoid protracted litigation is concerned, we find the addition was not voluntary but only after the search was conducted and incriminating evidence were found and confronted to the assessee for which the assessee had no other option but to pay the tax on the said amount. Had there been no search, the assessee would not have offered the above income to tax. So far as the confirmation from M/s. Trident Constructions in respect of sale of immovable property, copy of which is placed at page 64, is concerned, the same cannot help the assessee since the same is undated and further, the assessee has already paid an amount of Rs. 50 lacs and he was unable to explain the source of the same. For ready reference, we reproduce the statement of the assessee recorded u/s. 131 of the Act on 21.11.2019 wherein in response to question no.11, the assessee has given the date wise payment of Rs. 50 lacs to M/s. Trident Constructions.

“11. Please go through page No.7 of Annexure No.A/SSR/01 seized from your residence and explain the contents?”

Ans: The page No.7 of Annexure No.A/SSR/01, signed by the builder represents term sheet for purchase of property bearing Unit No.G-01, “SAN DIEGO”, Koramangala, Bangalore entered on 15.12.2014. Originally, the property was negotiated for a total sale consideration of

Rs. 50.00 lakhs. This amount of Rs. 50.00 lakhs paid in three installments on different dates i.e. Rs. 5.00 lakhs on 15.12.2014; Rs.25.00 lakhs on 31.12.2014 Rs.20.00 lakhs on 15.01.2015 and Rs.2.78 lakhs towards Bangalore Development Authority taxes was to be paid at time of possession of the above mentioned property on 28.02.2015.”

10. Since the assessee could not explain the source of the purchase of the property at Bangalore for Rs. 30,50,000/- and the payment towards interiors of villa at Kondapur for Rs. 6 lacs, the additions were made u/s. 69B of the Act. The addition so made was not voluntary but on being confronted during the assessment proceedings on the basis of seized material. Under these circumstances, the penalty levied by the AO and sustained by the Id.CIT(A) in our opinion is fully justified. In view of the above discussion and in view of the detailed reasons given by the Id.CIT(A) while sustaining the penalty, we find no infirmity in the same. Accordingly, the same is upheld and the grounds raised by the assessee are dismissed.

11. In the result, the appeal filed by the assessee is dismissed.

Order pronounced in the Open Court on 22nd May, 2023.

Sd/- (LALIET KUMAR) JUDICIAL MEMBER	Sd/- (R.K. PANDA) ACCOUNTANT MEMBER
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Hyderabad, dated 22nd May, 2023.
Vinodan/ & Thirumalesh, sps

Copy to:

S.No	Addresses
1	Shavva Sudheer Reddy, Flat No.202, Moon rock Residency Opposite:Chirec Public School, Kondapur, Hyderabad-500 084
2	ACIT, CC-3(1), Aaykar bhawan, Basheer Bagh, Hyderabad-500 029
3	PrI.CIT(Central),Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order