

**IN THE INCOME TAX APPELLATE TRIBUNAL DELHI**  
**(DELHI BENCH 'F' NEW DELHI)**  
**BEFORE SHRI M. BALAGANESH, ACCOUNTANT MEMBER**  
**AND**  
**SH. YOGESH KUMAR U.S., JUDICIAL MEMBER**  
**ITA No. 4185/Del/2012 (A.Y. 2008-09)**

ACIT Circle-1 Muzaffarnagar	Vs.	Rana Iron & Power Ltd. Rana Chowk, Meerut Road, Muzaffarnagar <b>PAN: AACCR5517L</b>
<b>Appellant</b>		<b>Respondent</b>

**ITA No. 4407/Del/2012 (A.Y. 2008-09)**

Rana Iron & Power Ltd. Formerly known as M/s Rana Sponge Ltd. Rana Chowk, Meerut Road, Muzaffarnagar <b>PAN: AACCR5517L</b>	Vs.	Addl. CIT Circle-1 Muzaffarnagar
<b>Appellant</b>		<b>Respondent</b>

**ITA No. 155/Del/2015 (A.Y. 2008-09)**

Rana Iron & Power Ltd. Formerly known as M/s Rana Sponge Ltd. Rana Chowk, Meerut Road, Muzaffarnagar <b>PAN: AACCR5517L</b>	Vs.	DCIT Circle-1 Muzaffarnagar
<b>Appellant</b>		<b>Respondent</b>

Assessee by	None
Revenue by	Ms. Harpreet Kaur Hansra, Sr. DR

Date of Hearing	01/01/2025
Date of Pronouncement	10/01/2025

**ORDER****PER YOGESH KUMAR, U.S. JM:**

The above captioned appeals are filed by the Department and the Assessee respectively directing against the order of the Ld. Commissioner of Income Tax (Appeals)- [‘Ld. CIT(A)’ for short] Muzaffarnagar, dated 24/05/2012 and 24/11/2014 for Assessment Year 2008-09.

2. Brief facts of the case as mentioned in the order of the Ld. CIT(A) are reproduce for the sake of convenience:

*“The facts of the case are that the assessee is a limited company deriving income from manufacture and sale of M.S. angle, ingots etc. Return declaring income of Rs.28,12,423/- was e-filed on 30-09-2008. During the course of assessment proceedings from the perusal of audited balance sheet, it was gathered by the A.O. that during the year under consideration there was an increase in share capital at Rs.7,15,80,000/-. Thus the AO vide order sheet entry dated 25-08-2010, asked the assessee to file the details viz. names and addresses of the persons who had subscribed to share capital along with date and mode of payment. However, no compliance was made. The AO vide show notice dated 1312-2010 reiterated the requirement of order sheet entry dated 25-08- 2010. It was further required of the assessee to furnish details of income-tax in respect of the share subscribers along with copies of share certificates etc and also to prove the identity and creditworthiness of the creditors and genuineness of transaction. The AO vide order sheet noting dated 20-12-2010 further required the assessee to furnish confirmation letters from other share applicants besides the followings persons were required to be produced for examination and verification:-*

- (i) Sh. Sanjeev
- (ii) Sh. Mukesh Gupta
- (iii) Sh. Surendra Pal Singh

*Again no compliance was made on the date fixed for compliance, however, on 27-12-2010, the authorized representative and Ld. counsel for the assessee appeared and furnished confirmation letters from M/s Doaba Rolling Mills (P) Ltd. and two other confirmation letters from the creditors, Print House & Shree Custack Electricals but the aforesaid persons were not produced for examination. Further, from the details/evidences furnished by the assessee in respect of share applicants, it was gathered by the AO that the copies of balance sheets and bank statements were not furnished by the assessee. Thus it was inferred by the AO that the assessee had failed to establish the creditworthiness of the share applicants and genuineness of transaction. The AO yet again required the assessee to produce the aforesaid persons for examination and also to furnish all related information/confirmation along with copy of share application form.*

*The AO further sought information u/s 133(6) of the Act on the basis of details provided by the assessee in respect of share applicants and deputed ITI to make spot enquiries. However, as per the report of the ITI, the share applicants mentioned from S.No.1 to 11 of the assessment order (which are not repeated here for the sake of brevity) were non-existent at the given address. Thus it was inferred by the AO that the identity of such share applicants remained unproved. Further, from the copy of ITRs produced in respect of the share applicants it was gathered by the AO that such parties had no means to subscribe in share capital, in as much as, the income shown by these parties ranged from Nil income to Rs.10,000/- Thus it was held by the AO that the assessee failed to establish the identity and creditworthiness of the share applicants and also the genuineness of transaction. Hence the share capital at Rs.7,15,80,000/- was added to the income of the assessee being unexplained cash credits u/s 68 of the Act.*

*2.1 It was further gathered by the AO that during the year under, consideration, the assessee had raised unsecured loans from others to the extent of Rs.2,17,93,845/-. Thus the AO vide order sheet entry dated 25- 08-2010 required the assessee to furnish the details of the creditors viz. name and addresses.*

*However, no compliance was made by the assessee. Thus it was inferred by the AO that the loans raised were not genuine. Thus it was held by the AO that the identity and creditworthiness of the creditors and genuine transaction remained unproved and the onus was clearly on the assessee to establish the same. In the fight of the above facts, the AO proceeded to make addition u/s 68 of the Act amounting to Rs.2,17,93,845/-which was added to the income of the assessee.”*

3. Aggrieved by the assessment order dated 29/12/2009, the Assessee preferred an Appeal before the Ld. CIT(A). The Ld. CIT(A) vide order dated 24/05/2012, deleted the addition of Rs. 1,80,00,000/- made by the A.O. on account of share capital and also deleted the addition of Rs. 2,17,93,845/- made on account of unsecured loan. Further sustained the addition of Rs. 5,35,80,000/- made u/s 68 of the Act. As against the order of the Ld. CIT(A) in deleting the additions the Department of Revenue preferred the Appeal in ITA No. 4185/Del/2012 on the following grounds:-

*“1. On the facts and in the circumstances of the case, the Ld. CIT (A) has erred in law in deleting the addition of Rs.1,80,00,000/- made by the Assessing Officer on account of share capital by ignoring the fact that M/s. K.K.Steels (P) Ltd. Failed to prove the genuineness of the transactions and director of both the companies is the same person and M/s. Doaba Rolling Mills (P) Ltd has not complied with the notices sent by the Assessing Officer under section 133(6) of the I.T.Act, 1961 during the course of assessment as well as remand report proceedings.*

*2. On the facts and in the circumstances of the case, the CIT(A) has erred in law in deleting the addition of Rs.2,17,93,845/-*

*made by the Assessing Officer on account of unsecured loans by ignoring the fact that no documents/ evidences have been produced by the assessee during the course of assessment as well as remand report proceedings and no reply has been received from the banks & financial institutions in compliance of information called for u/s 133(6) of IT Act 1961*

*3. The order of the Ld. CIT (A) be set aside and that of AO be restored.”*

4. Aggrieved by the order of the Ld. CIT(A) in sustaining the addition, the Assessee preferred the Appeal in ITA No. 4407/Del/2012 on the grounds mentioned below:

*“That the order U/s 143(3) passed by the AO is illegal, bad in law and without jurisdiction.*

*2. That in view of the facts and circumstances of the case the CIT(A) has erred on facts and in law in upholding the assessment order passed by the AO and also in upholding the additions made by the AO.*

*3. That in view of the facts and circumstances of the case the CIT(A) has erred on facts and in law in upholding the addition at Rs 5,35,80,000- as explained credits in the books of account.*

*4. That on the facts and circumstances of the case and in law the Id. CIT(A) has erred in upholding and the AO have erred in making an addition under section 68 of the Act of Rs.5,35,80,000/-, while Rs.4,41,00,000/- pertaining to the next assessment year. The addition made is illegal and bad in law.*

*5. That the CIT(A) has failed to appreciate the fact that the appellant has discharged its burden of proof as required under the law and the additions are totally illegal, bad in law and based on guesswork and surmises and conjectures.*

6. *That the various observations made by the AO and CIT(A) against the appellant are illegal, bad in law and contrary to facts, evidence and material on record*

7. *That the evidence and explanation given by the appellant and the material available on record have not been properly considered and judiciously interpreted.*

8. *That the additions have been made on basis of mere surmises and conjectures and guesswork and contrary to facts and evidence on record and cannot be justified by any material on record.*

9. *That in any case the additions are unjust, unlawful and highly excessive and the income has been wrongly and illegally assessed at Rs 5,35,80,000/-*

10. *That the interests U/s 234B and 234C have been wrongly and illegally charged. The appellant has not committed any default of payment of Advance tax as it could not have anticipated such additions while estimating the current income. In any case the interest charged has been wrongly worked out and is excessive.*

11. *That the appellant reserves the right to add/ amend/ alter the grounds of appeal.”*

5. Pursuant to the above additions, a penalty proceedings was also initiated and an order of penalty came to be passed u/s 271(1)(c) of the Act on 31/03/2014, which has been called in question by the Assessee before the Ld. CIT(A) and the Ld. CIT(A) dismissed the appeal on 24/11/2014 by confirming the order of the penalty. Aggrieved by the order of the Ld. CIT(A) dated 24/11/2014 confirming the

penalty. The Assessee preferred the Appeal in ITA No. 155/Del/2015 on the following grounds:-

*“1. That the notice issued U/s 271 (1) (c) and order imposing penalty of Rs.1,82,12,000.00 under said section are illegal, bad in law, and without jurisdiction.*

*2. That in view of the facts and circumstance of the case the CIT (A) has erred in law and on facts in upholding the penalty of Rs.1,82,12,000.00 imposed U/s 271 (1) (c).*

*3. That in view of the facts and circumstance of the case the CIT (A) has erred in law and on facts in not providing the proper opportunity of hearing, which is bad in law and against the principle of natural justice.*

*4. That the CIT (A) has failed to appreciate that the mere disallowances of expenses claimed do not attract penalty u/s 271(1) (c) and the same has been wrongly upheld.*

*5. That the information filed and the material available on record are not properly considered and as such the order imposing penalty u/s 271 (1) (c) is illegal and bad in law.*

*6. That the appellant had neither concealed particulars of income nor had not filed inaccurate particulars of income and the CIT (A) has failed to appreciate that the additions are made mere on disallowance of expenses/ claims.*

*7. The addition/disallowance has been made merely on the basis of rejection of explanation of the appellant and no material has been brought on record by the AO in support of said addition / disallowance hence no penalty U/s 271(1)(c) could be levied on the basis of such a disallowance.*

*8. That the CIT(A) has erred in law and on facts in non-quashing of penalty proceedings u/s 271(1)(c) which is wrongly initiated by the AO.*

*9. Penalty proceedings have been initiated without any specific charges hence the same are liable to be set aside.*

*10. That in any case the penalty imposed is unjust, arbitrary and highly excessive.”*

6. None appeared for the Assessee. On verifying the order sheet it is found that neither the Assessee nor the representative of the Assessee have appeared before the Tribunal right from April 2022, therefore, we deem it fit to decide the above Appeals on hearing the Ld. Departmental Representative and on verifying the material on record.

**ITA No. 4185/DEL/2012 (Revenue)**

7. The Ld. Departmental Representative arguing on Ground No. 1 of the Revenue's Appeal submitted that the Ld. CIT(A) erred in deleting the addition of Rs. 1,80,00,000/- made by the A.O. on account of share capital by ignoring the fact that M/s K. K. Steel Pvt. Ltd. failed to prove genuineness of the transaction and Director of both the Companies is the same person and M/s Doaba Rolling Mills Pvt. Ltd. has not complied with the notice sent by the A.O. u/s 133(6) of the Act, during the course of assessment proceedings as well as Remand Report proceedings. Thus, contended that, the order of the Ld. CIT(A) in deleting the above addition deserves to be reversed.

8. Heard the Ld. Departmental Representative and perused the material available on record. The Ld. CIT(A) while deleting the share application money received from M/s K. K. Steel Pvt. Ltd. and M/s Doaba Rolling Mills Ltd. observed that those Companies are sister

concerned Companies of the Assessee and the Assessee has furnished the requisite details and evidence to establish identity and creditworthiness of the creditor and genuineness of the transaction. Considering the fact that the Department of Revenue has not brought anything on record to prove otherwise that those two Companies are not sister concern entities and also not brought anything on record to prove that the Assessee has not established identity and creditworthiness of the creditors, we find no error or infirmity in the order of the Ld. CIT(A) in deleting the addition of Rs. 1,80,00,000/- made by the A.O.

9. In Ground No. 2, the Department contended that the Ld. CIT(A) erred in deleting the addition of Rs. 2,17,93,845/- made by the A.O. on account of unsecured loans by ignoring the fact that no documents/evidences have been produced by the Assessee during the course of assessment as well as Remand Report proceedings and no reply has been received from the bank and financial institutions in compliance of information called u/s 133(6) of the Act. Thus, the Ld. Departmental Representative relying on the findings of the A.O. sought for allowing the Appeal.

10. It is seen from the record the A.O., while making the addition of Rs. 2,71,93,845/- observed that the Assessee has not furnished any details and evidences in respect of secured loan raised in the year under consideration. It was the case of the Assessee before the A.O. and before the Ld. CIT(A) that secured loans of Rs. 2,71,93,845/- were raised against hypothecation of commercial vehicles such as the Trucks, Dumpers, Crains and Hydra etc. from the bank and those vehicles are exclusively used for business manufacturing activities of the Assessee Company. The Assessee furnished confirmation of the financial institution of their credit balance as on 31/03/2008 and also copies of the statements. The Ld. CIT(A) considering the fact that the Assessee has also defaulted in repayment of secured loans from the bank and also furnished requisite documentary evidence to establish that secured loans of Rs. 2,71,93,845/- were raised from banks during the relevant year and deleted the addition, thus, we find no reason to interfere with the order of the Ld. CIT(A) in the absence of any contrary evidence brought on record by the Department. Thus, we find no merit in Ground No. 1 & 2 of the Revenue, accordingly, Ground No. 1 & 2 of the Revenue are dismissed.

11. In the result, Appeal of the Revenue in ITA No. 4185/Del/2012 is dismissed.

**ITA No. 4407/Del/2012**

12. Though the Assessee has raised 11 Grounds of Appeal, the only issue involved in the Grounds of Appeal of the Assessee is against the upholding the addition of Rs. 5,35,80,000/- made u/s 68 of the Act.

13. The Ld. Departmental Representative relying on the order of the Ld. CIT(A) submitted that, during the Remand Report proceedings, share applicant Companies were not found at the address furnished by the Assessee, though the Assessee produced certain documents to prove the identity and the creditworthiness of the creditor and genuineness of the transaction. Further submitted that one Mr. Mukesh Gupta and Surender Pal Singh who are Directors in several Companies who have been reported as conduits in the report circulated to A.O. by the Director of Investigation, Delhi. Further as per the Remand Report, the share applicant Companies were not found at the given address and the same were found to be paper Companies. Further submitted that the Ld. CIT(A) has analyzed the entire issue judiciously and rightly confirmed the addition, which requires no interference at the hands of the Tribunal.

14. We have heard the Ld. Departmental Representative and perused the material available on record. The Ld. CIT(A) while examining the

issue of addition made u/s 68 of the Act confirmed the additions made in respect of 21 Companies in following manners:-

*“The facts of the case, submissions made by the appellant remand ,reports of the AO as well as rejoinders filed by the appellant have been carefully considered. It is observed that the AO had made addition at Rs.7,15,800/- on the ground that in the copies of 14 ITRs of the share applicants companies, income declared ranged from Nil to Rs. 10.000/- whereas the investment in share capital ranged from Rs. 10,00.000/- to 39,00,000/-. Thus investment made in share application 'was disproportionate to the income returned by the share applicant companies. On the other hand it has been contended by the appellant that the amount of Rs.7,15,80,000/- represented share application received from the following companies/persons as under out of which the amount of Rs.4,14,00,000/- were cheques received during the year against share capital which were encashed in A.Y.2009-10:-*

S. No.	Name of the Share applicant Company	Amount invested
1.	M/s Sunlit Tradex (I) Pvt. Ltd., Delhi	Rs
2.	M/s Micro Mac Companies Pvt. Ltd., Delhi	Rs.20,00,
3.	M/s S.S. Finvest India Pvt. Ltd. *	Rs.20,00,
4.	Sh. Sanjeev Achan, New Delhi V ~	Rs.
5.	M/s Majic Buiidweli Pvt. Ltd., New Delhi	Rs,
6.	M/s M.V. Trading Overseas Pvt. Ltd., New	Rs.
7.	M/s Logitura Solutions Pvt. Ltd., New Delhi	Rs.30,00,
8.	M/s Fabrika Industries Pvt. Ltd., Delhi	Rs.27,90,
9.	Sh. Mukesh Gupta, New <sup>7</sup> Delhi	Rs.
10.	Sh. Surender Pal Singh, New Delhi	Rs.
11.	M/s Across Mercantile Services Pvt. Ltd..	Rs.20,00,
12.	M/s Wizard Realcon Pvt. Ltd., New Delhi	Rs.
13.	M/s Active Promoters & Events Pvt. Ltd.,	Rs.
14.	M/'s SRK Pumps & Motors Pvt. Ltd., New	Rs.30,00,
15.	M/s Deepak Steels Pvt. Ltd., New Delhi	Rs.
16.	M/s JPRK Trading Pvt. Ltd.. New Delhi	Rs.25,00,
17.	M/s Unique Conbuild Pvt. Ltd., New Delhi	Rs.45,00,
18.	M/s Magic Infra Builders Pvt. Ltd., New	Rs.39,00.
19.	M/s Yogya Infotech Pvt. Ltd., Delhi	Rs.20,00,
20.	M/'s Singh Chander Marketing Pvt. Ltd.,	Rs.20,00,
21.	M/s Sri Jagannath Casting Pvt. Ltd.,	Rs.
22.	M/s K. K. Steel Ltd. Muzaffarnagar	Rs.
23.	M/s Doaba rolling Mills Ltd. Muzaffarnagar	Rs. 1,65,00,000/-

*The Assessee has filed copies accounts of share applicants along with copies of ITRs, confirmations and also copis of bank accounts. The AO in the remand report has emphasized that the share applicant companies were not found at the addresses furnished by the appellant on the basis of report of the 1.T.1. In the course of appellate proceedings, the appellant had adduced documentary evidence in an attempt to prove all the three ingredients of section 68 viz. (i) identity of the creditor, (ii) creditworthiness of the creditor and (iii) the genuineness of the transaction. But the question before the undersigned cannot be resolved merely on the basis of documentary evidence. The evidence adduced by the appellant has to be examined not superficially but in depth and having regard to the test of human probabilities and normal course of human conduct. It is pertinent to mention here that in the appellant's case two share subscribers are Sh. Mukesh Gupta and Sh. Surendra Pal Singh who are directors in several companies and have been reported as conduits in report circulated to the AOs by the Directorate of Investigation, Delhi. Further, the Hon'ble Delhi High in the case of the case of CIT vs. Nova Promoters & Finlease (P) Ltd. ITA No.342 of 2011 has also held Sh. Mukesh Gupta as conduit and based on the reasoning elucidated in the aforesaid order, the assessee has been held as beneficiary in the garb of share application money and the appeal filed by the Revenue stands allowed. Regarding other share applicant companies the AO has furnished remand report wherein it has been submitted that as per the report of the ITI the share applicant companies were not found at the given address. The fact remains that such companies which were paper companies and just being used as conduits have no physical office registered or working and these are run by a syndicate and members of such syndicate operate their bank accounts, and complete other formalities which are necessary to keep such companies alive so that nefarious game of laundering of black money through entry-business is carried out smoothly. The perusal of balance sheet of such companies show that there is no physical asset or office building belonging to them and profit & loss account reveals that no rent was ever paid by them for office premises. Further, from the copies of ITRs furnished by the appellant in respect of such share applicant companies shows that meagre income ranging from nil to Rs.10,000/- have been declared*

*whereas the investment in share applicant money ranges from Rs.10,00,000/- to Rs.39,00,000/-. Therefore, one has to realize that inquiries conducted by the ITI at the given addresses of the share applicant companies(companies on papers only) is significant so as to establish the identities of such companies. The appellant has not been able to explain as to why the aforesaid companies were not found at the given addresses. The AO during the course of remand proceedings issued summons 131 of the Act to such share applicant companies, however, the same remained uncomplied with. Interestingly, despite the fact that such summons remained unserved, 18 share applicant companies were able to send replies with just two lines written on their pads that they have made investment in share application money with the appellant company. All the replies have been written on nearby dates and the pattern of replies in all the cases is one and the same. Even most of the replies have been sent through the same courier/speed post and with consecutive courier/speed post numbers. The AO has furnished such details in the form of chart in his remand report dated 22-11-2011. However, the appellant submissions are silent on these aspects. Rather, the appellant has emphasized that such share applicant companies are alive on the ROC. The fact that the companies which subscribed to the shares were bome on the file of the ROC is again a neutral fact. Every company incorporated under the Companies Act, 1956 has to comply with such formalities does not add any credibility or evidentiary value. In any case, it does not ipso facto prove that the transactions are genuine. It is rather surprising to note that the appellant has nothing to say as to why the share applicant companies who had confirmations in favour of the appellant, could not present themselves before the AO for being examined. Admittedly, the AO has made every effort to locate the share applicant companies by making/ issuing summons/s 131/ notices u/s 133(6) and enquiries conducted through the ITI. In the given facts and circumstances it is clear that these entries are not representing genuine share application monies, but rather they represent concocted/sham transaction merely with the purpose of routing assessee's undisclosed income into its books. But to reiterate, the documentary evidence like confirmation letters, copy of I.T. return as well as PAN of the entry giver lose their value, as they have been created on paper to lend the semblance of genuineness regarding identity and*

*creditworthiness of these entry givers(listed from S.No.1 to 21 above) The bottom line is that the entry of the transaction is not genuine and this is why the appellant has not been able to produce these creditors for verification. Therefore, the addition made to the extent of Rs.5,35,80,000/- (being share application money from the persons/companies listed from S.No.1 to 21) is hereby confirmed.*

15. From the above, it is found that the Ld. CIT(A) found that the addition has been made on the ground that the income declared by the most of the share applicant companies are ranged from NIL to Rs. 10,000/-, where as investment in share capital was range of Rs. 10,00,000/-to Rs. 39,00,000/-, which is dis-proportionate to the income returned by the share applicant Companies. During the Remand Report the share applicant companies were not found at the address furnished by the Assessee. Though the Assessee produced certain documents before the CIT(A) in support of proving the identity and creditworthiness of the creditor and genuineness of the transaction, it is found by the Ld. CIT(A) that Sh. Mukesh Gupta and Surender Pal Singh who are Directors in several share applicant Companies and they have been reported as conduits in the report of Directorate of Investigation, Delhi. Further the Hon'ble High Court of Delhi in the case of CIT Vs. Nova Promoters and Finlease Pvt. Ltd. in ITA No. 342/2011 held Mukesh Gupta as conduit and based on the reasoning elucidated in the said order, found that the Assessee has been held to be

beneficiary in the garb of share applicant money and the Appeal filed by the Revenue stood allowed. Further though the share applicant Companies were not in existence in the given address and despite the fact that the summons were issued u/s 131 of the Act, which were never answered, however, 18 share applicants Companies have sent replies with just two lines written on their pads stating that they have made investment in share application money with the Assessee company. Apparently, all the replies have been written on nearby dates and pattern of the reply in all the cases are one and the same, further most of the replies have been sent through the same courier/speed post with consecutive courier/speed post numbers. Though the Assessee contended before the Ld. CIT(A) that the share applicant Companies are alive in the ROC, which does not ipso facto prove that the transactions in the Assessment Year are genuine. Though the share applicant companies have sent stereotype reply, it is strange and we don't understand what prevented them to present before the A.O. for the examination. Considering the fact that the A.O. has made every effort to enquire on the share applicant money by making/issuing summons u/s 131 of the Act, notice u/s 133(6) of the Act the burden will also cast upon on the Assessee to prove the three limbs/requirements of the Section 68 of the Act, which has not been discharged by the Assessee.

Considering the above facts and circumstances, we find no reason to interfere in the order of the Ld. CIT(A) in confirming the addition of Rs. 5,35,80,000/-. Finding no merits in the Grounds of appeal of the Assessee, we dismiss the same.

16. In the result, Appeal filed by the Assessee in ITA No. 4407/Del/2012 is dismissed.

**ITA No. 155/Del/2015**

17. In the present Appeal, the Assessee has challenged the order of the Ld. CIT(A), wherein the Ld. CIT(A) upheld the impugned penalty of Rs. 1,82,12,000/- u/s 271(1)(c) of the Act.

18. The Ld. Departmental Representative relying on the orders of the Lower Authorities sought for dismissal of the Appeal filed by the Assessee.

19. Heard the Ld. Departmental Representative and perused the material available on record.

20. A penalty order u/s 271(1)(c) of the Act has been passed on 31/03/2014 consequent to the assessment order dated 29/12/2009, wherein the Ld. A.O. made addition u/s 68 of the Act. The Ld. CIT(A) while upholding the order of penalty dated 31/03/2014, found that the A.O. has justified in imposing the penalty u/s 271(1)(c) of the Act.

21. It is not in dispute that the Ld. A.O. made additions u/s 68 of the act. Consequent to the same, penalty proceedings has been initiated u/s 271(1)(c) of the Act on the ground that the Assessee has concealed the particular of income and furnished inaccurate particular of its income. The Ld. CIT(A) confirmed the order of penalty observing that the Assessee had routed its undisclosed money in its books in the garb of share application money and it is clear cut case of concealment of income and furnishing of inaccurate particulars. In view of the fact that the quantum Appeal of the Assessee has been dismissed by the Tribunal by sustaining the addition, in the absence of any material brought on record by the Assessee to challenge the procedure adopted in the penalty proceedings and having no material to prove contrary to the findings and conclusion of the Ld. CIT(A), we find no reason to interfere with the order of the Ld. CIT(A). Finding no merits in the Grounds of Appeal of the Assessee, Appeal filed by the Assessee in ITA No. 155/Del/2015 is dismissed.

**Order pronounced in the open court on 10<sup>th</sup> January, 2025**

**Sd/-**  
**(M. BALAGANESH)**  
**ACCOUNTANT MEMBER**  
Date:- 10.01.2025  
R.N, Sr.P.S\*

**Sd/-**  
**(YOGESH KUMAR U.S.)**  
**JUDICIAL MEMBER**

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR  
ITAT, NEW DELHI