

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'B' NEW DELHI**

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER
ITA No. 2889/Del/2023
Assessment Year: 2018-19**

Parkash Sachdeva, ¾ C, Pocket-B, Ashok Vihar, Phase-III, South Delhi, Delhi-110052.	<u>Vs</u>	ACIT, Central Circle-18, New Delhi.
PAN: AAXPS 6506 N		
APPELLANT		RESPONDENT
Assessee represented by	Shri S.P. Gogia, Adv.	
Department represented by	Ms. Pooja Swaroop, CIT (DR)	
Date of hearing	05.08.2025	
Date of pronouncement	05.08.2025	

ORDER

PER SATBEER SINGH GODARA, J.M:

This assessee's appeal for assessment year 2018-19 arises against order dated 29.08.2023 [Appeal No. CIT(A), Delhi-27/10286/2019-20], passed by the learned CIT(A)-27, New Delhi, in proceedings u/s 143(3) of the Income-tax Act, 1961, hereinafter referred to as the "Act".

2. The assessee has raised the following substantive ground in the instant appeal:

"3) That A/A erred in making the addition on account of jewelry whereas the same has already been offered for tax in the petition filed before the Hon'ble Settlement Commission and the same has accepted by Hon'ble I.B. for Settlement as per the calculation made by the search party and the CIT

appeal is further erred in accepting the Calculation of the A/A and ignoring the calculation of the Search Party as well as not considering the intension of the appellant.”

3. Both the learned representatives next invite our attention to the CIT(A)'s lower appellate discussion granting part relief to the assessee as under:

*Sh. Prakash Sachdeva, AY 2018-19
Appeal No: CIT(A), Delhi-27/10286/2019-20*

4. I have considered the facts of the case and written submissions of the appellant. The Grounds of Appeal Nos. 1 to 4 pertain to single issue of addition of Rs.33,95,864/- for AY 2018-19 as unexplained investment u/s 69 A r.w.s. 115BBE of the IT Act 1961. Hence all these grounds are cumulatively discussed as under:

4.1 The details of jewellery found during search operation conducted on various members of the Laxmi Remote Group are as under:

Premises searched	Jewellery	
	Found	Seized
Prakash Chand Sachdeva, Vijay Kumar Sachdeva, Anju Sachdeva S-285, Greater Kallash-2, New Delhi.	19,082,116.00	14,998,821.00
Prakash Sachdeva, Deepa Sachdeva Locker no 11, Indian Bank, Ashok Vihar, Phase 2 New Delhi.	1,408,495.00	
Vijay Sachdeva, Anju Sachdeva Locker no. 183/348, Punjab and Sird Bank, Mata Jai Kaur School, Ashok Vihar, Phase-2, Delhi	2,181,689.00	
TOTAL	22,672,300.00	14,998,821.00

4.2 It is observed that unexplained investment in jewellery u/s 69A by various members of the Laxmi Remote Group as determined by the Id. AO is as under:

Sl. No.	Name	AY	Amount of unexplained investment in jewellery in Rs.
1	Ms. Anju Sachdeva	2018-19	5315286
2	Ms. Deepa Sachdeva	2018-19	3395864
3	Mr. Prakash Sachdeva	2018-19	3395864
4	Mr. Vijay Sachdeva	2018-19	5315286
	TOTAL		17422300



Sh. Parkash Sachdeva, AY 2018-19
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4.3 Below is the chart showing the entitlement of the family members of the appellant as per CBDT Instructions No. 1916 dated 11.05.1994 :

Vijay Kumar Sachdeva	100
Anju Bala Sachdeva (Wife)	500
Divyu Sachdeva (Son)	100
Harshad Sachdeva (Son)	100
Prakash Chand Sachdeva	100
Deepa Sachdeva (Wife)	500
Jatin Sachdeva (Son)	100
Vidhi Sachdeva (Daughter)	250
Total	1750

4.4 The position of total jewellery is summarized as under:

S.No	Description	Gross weight (in grams)	Value in Rs.
1	Jewellery found from S-286, 3 rd Floor, GK-II, New Delhi	53.40	1832948
2	Jewellery found from S-286, 2 nd Floor, GK-II, New Delhi	1041.81	8233233
3	Jewellery found in locker no. 11, Indian Bank	755.00	1408495
4	Jewellery found from S-286, 3 rd Floor, GK-II, New Delhi	2091.35	8935935
5	Jewellery found in locker no. 348, Punjab & Sindh Bank	882.50	2181689
6	Total Jewellery found during search (1 to 5)	5624.06	22592300
7	Jewellery entitled as per CBDT instruction No.1916	1750.00	
8	Jewellery which had remained unexplained (6-7)	3874.06	

4.5 From the above it is observed that the total Jewellery found during the search is 5624.06 while the explained jewellery is 1750 grams. Hence in these facts and circumstances of the case, the source of gold jewellery weighing 3874.06 grams found during the search operation is considered as unexplained.

4.6 Therefore, the value of the unexplained jewellery weighing 3874.06 grams along with the value of diamonds and stones which are embedded, is calculated as under:

Weight of unexplained Jewellery (in grams)	Average Value of metal (in Rs./gram)	Value of unexplained jewellery (in Rs.)
3874.06	4017*	15562100

*Average value per gram = $22592300/5624.06 = 4017$



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Sh. Parkash Sachdeva, AY 2018-19
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4.7 From the above the value of unexplained jewellery is calculated at Rs.1,55,62,100/-. To this the total value of silver items amounting to Rs.80,000/- is added. Thus, the final addition comes to Rs. 1,56,42,100/-.

4.8 It is further observed that Laxmi Remote Group has approached the Settlement Commission. The relevant part of the order of Hon'ble Interim Board for Settlement-VII, Chennai dated 24.04.2023 is as under:


GOVERNMENT OF INDIA
INTERIM BOARD FOR SETTLEMENT-VII
SATHGUNJI COMPLEX, 540, ANNA SALAI,
NANDANAM, CHENNAI-600 035.

PROCEEDINGS BEFORE THE INTERIM BOARD FOR SETTLEMENT-VII, CHENNAI

Settlement Application No.	DL/DG-52/2019-20/52-IT
Date of filing of the application	25.12.2019
1. Full name and address of the applicant	M/s. Laxmi Remote India Private Limited, 1501-94/19-20, 14 J Building, 3 rd floor, Bhagirath Plaza, New Delhi.
2. Status	Company
3. Permanent Account Number	AAACL6104F
4. Commissioner having jurisdiction	Pr. Commissioner of Income-tax, Central-2, New Delhi.
5. Assessment Year(s) to which the application for settlement relates	A.Yrs. 2012-13 to 2018-19
6. Present for the applicant	Shri Niraj Jain, C.A.
7. Present for the Department	Shri N. Balakrishnan, CIT(DR) Shri Guru Deeksham, CIT(DR)
8. Settlement Commission's Officer	Mrs. Anu Mary Baby, DIT (Inv.) Shri Paramjit Singh, Secretary
9. Date of hearing	08.09.2022, 27.02.2023 & 12.04.2023 (Virtual Hearing)
10. Date of Order	24.04.2023
11. Section under which order is being passed	245C(4) of the I.T. Act.

[ALL SECTIONS MENTIONED IN THE ORDER ARE OF INCOME TAX ACT,
UNLESS MENTIONED OTHERWISE]





M/s. Laxmi Remote India Private Limited S.A. No. DL/DC-52/2010-20/52-IT Order u/s 245D(4)

ORDER

The applicant company is engaged in the business of manufacturing and sale of remote controls, set top boxes, adapters, etc. in the open market, sales as Original Equipment Manufacturers (OEM) and sales made to Multi Service Operators (MSO).

1.1 The applicant filed settlement application for Assl. Years 2012-13 to 2018-19 u/s 245C(1) on 26.12.2019 offering additional income of Rs.34,07,00,000/- before the Commission. The application was allowed to be proceeded with vide order u/s. 245D(1) of the Act dated 08.01.2020. Subsequently, the application was held as 'not invalid' by the Commission vide order u/s. 245D(2C) dated 21.02.2020.

1.2 A search/survey u/s.132/133A of the Act was carried out on 21.08.2017 at various premises of 'Laxmi Remote India Private Ltd. group of cases'. Cash of Rs.67,96,370/- and jewellery/other asset worth Rs.1,49,18,821/- were seized (Pages 5-7 of SOF).

1.3 Notices u/s.153A were issued for A.Ys.2012-13 & 2017-18 and for A.Yr. 2018-19, notice u/s 143(2) was issued. Thus, assessment proceedings are pending for all assessment years.

1.4 In the SOF, details of year-wise additional income offered by the applicant is as under:-

A.Y.	Additional income offered (Rs.)	Nature of income
2012-13	29,00,000/-	Business Income
2013-14	2,07,00,000/-	
2014-15	5,90,00,000/-	
2015-16	17,51,00,000/-	
2016-17	3,33,00,000/-	
2017-18	4,47,00,000/-	
2018-19	60,00,000/-	
Total	34,07,00,000/-	

Rule-9 report and applicant's reply thereto:

2. The PCIT, Central-2, New Delhi has submitted the report under Rule-9 on 21.07.2020. The applicant has also submitted its reply on 29.01.2021. The issues are discussed hereunder:-

Suppression of turnover:

2.1 During the course of search, it is found that the applicant was using parallel accounting in Inventory Management Software (IVMS) maintained on cloud server along with regular accounting in ERP software. It is also gathered that applicant was involved in tax evasion by way of making unaccounted cash sales at higher prices to various customers without bill which has been recorded in accounting software i.e. IVMS software. The IVMS software contains details of actual cash sales made by the applicant and the utilization of cash. IVMS software was used to record unaccounted cash sale by the applicant. ERP software was

Determination of Profit Earned

2.3 The PCIT stated that the applicant has suppressed value of sales by Rs.129.89 Crore which may be brought to tax without providing for any claim of unverified expenses as claimed before the Board.

2.3.1 The applicant stated that the case made out by the PCIT for suppressed value of sales by Ha 1,28,88,90,047/- is not in accordance with the facts of the case and the material on record. Having regard to the submissions made by the applicant, the additional Income offered by the applicant before the Board is full and true.

Accommodation entries:

2.4 The PCIT stated that during search, it was found that the applicant, its directors & their family members and sister concerns have taken accommodation entries as loans/advances from bogus companies/entities. Following chart shows the loans received, repayment of loans and commission paid:

F.Y.	Loan Received	Loan Repayment	Loan Balance	Commission paid @ 3%
	Rs	Rs	Rs	Rs
2011-12	Rs 28,61,100/-		28,61,100/-	85,830/-
2012-13	10,33,00,000/-	8,56,00,000/-	1,75,00,000/-	30,99,000/-
2013-14	8,90,00,000/-	1,40,00,000/-	5,50,00,000/-	20,70,000/-
2014-15	18,18,00,000/-	4,50,00,000/-	13,68,00,000/-	54.54,000/-
2015-16	14,76,85,000/-	9,40,00,000/-	6.36,85,000/-	44,30,550/-
2016-17 & 2017-18				
TOTAL	50,46,46,100/-	23.88.00,000/-	26,58,48,100/-	1,51.39.380/-

The PCIT stated that the abovementioned loans and advances taken by the applicant are bogus accommodation entries purchased by paying commission as well as the corresponding amount in cash. The PCIT stated that the repayment mechanism is faulty as because to repay the loan amount, applicant should have that much cash available, if that much amount not generated, then the entire amount is unexplained. Cash flow should be made on day to day basis. The applicant's claim that all loans taken by the group are out of income of suppressed sales can be checked only if combined cash flow statement is drawn. Such an approach is neither feasible nor desirable because assessments of the above directors and sister concerns have already been assessed in their hands. in the SOF, the applicant claimed that his unaccounted income from suppressed sales resulted in generation of cash which has been utilized for purchasing the bogus accommodation entries and that the income so earned has been rolled over. The PCIT stated that benefit of roll over would be admissible only if the applicant is able to show organic linkage between the source and the application of income by matching the dates and availability.

2.4.1 From the expel sheet found during search, it is clear that there is no dispute that the applicant has made payment of commission to so called entry operators such as, Aashish

Begwani and Vikash Kumar Aggarwal for getting accommodation entries in lieu of cash 3%.. This fact has also been admitted by Sh. Prakasth Chand Sachdeva in his statement given on oath. The alleged bogus interest paid each year comes back to the applicant and hence, it being entry of bogus expense in the books is taxable separately.

2.4.2 The applicant stated that cash generated out of additional Income offered has been utilized for payment of cash to service the loan accommodation entries. The commission paid for accommodation Joans is Rs.1,14,48,084/-, out of which, a sum of Rs 89,08,572/- has been paid in cash and the balance amount was the TDS deposited by applicant on their behalf, the benefit of which has been taken by them. The total amount of commission paid against such accommodation loans is Rs.89 lakh. The applicant has itself disallowed the claim of interest totaling to Rs.3.65 crores made in the books of account with respect to accommodation loans.

Cash

2.5 The PCIT stated that during the search, cash of Rs.72,54,870/- was found from the premises of applicant, out of which, cash of Rs.87,98,870/- was seized. The applicant was asked to explain the source of cash, however, no explanation has been offered by them. They have not oven submitted cash In hand as on the date of search. Secondly, the applicant has claimed benefit of cash flow only to the extent of Rs.67,98,870/-. The applicant is silent about the remaining amount. As per discussion above, the cash flow statement submitted by the applicant is not based on true facts and figures.

2.5.1 The applicant stated that the funds available with the applicant are out of regular books and the savings of other family members, and the remaining amount of Rs.67,00,000/- has been covered by the income offered by the applicant since Income offered is much more than cash found during the course of search.

Jewellery

2.6 The PGIT stated during the search, jewellery worth Rs.2,26,72,300/- has been found from the residential premises and lockers of the directors & their family members, out of which, jewellery worth Rs.1,49,18,321/- was seized. The applicant could not produce any evidence. Secondly, the applicant has claimed benefit of cash flow only to the extent of Rs.1.49 crore whereas jewellery worth Rs.2,26,72,300/-has, been found and they are remained silent on remaining Rs 77,53,479 worth of undisclosed jewellery.

2.6.1 The applicant stated that Income Tax Department during the search had given credit for customary holding of Jewellery having regard to the size of family and had seized the balance amount of Rs.1,48,18,821/- it is submitted that Rs.1.49 crores has been covered by the Income offered by the applicant since income offered is much more than cash found during the search.

3.7.1 The applicant stated that the only Income of applicant is from business of manufacturing of remotes and other related electronic items. The accommodation entries are sourced from the said business and thus, the applicant has offered funds deployed in these entries as sourced from the funds of business. The profit across the years of Rs.0 crores is the aggregate of year-rise difference between unaccounted sales and expenses

thereon, whereas the accommodation entries are sourced from the funds of that very same business outside books, but have been separately offered to give a quietus to the issue.

3.7.2 In the rejoinder to applicant's reply to 245D(3) report dated 02.02.2023, the PCIT stated that the applicant failed to explain how It could have taken accommodation entries of about Rs. 30 crores(net) while generating a net profit of only Rs.9 crores. As such, the comments offered in Rule & report are relied upon.

To verify the manner in which the additional income has been derived by the applicant. Applicant to explain the modus operandi of deriving additional income disclosed in the application.

3.8 The PCIT stated that as is evident from the reply of the applicant, it has failed to produce any new material on record to substantiate its claim on this issue. The detailed comments have already been provided in the foregoing paragraphs.

3.8.1 In its reply, the applicant has referred to statement of facts and the enclosures filed with the settlement application and also the submissions made to the Issues 1 to 7 above.

FINDINGS:

4. During the course of hearings, the AR and CIT(DR) reiterated the arguments put forth in various reports submitted by both the sides. We have carefully considered the reports/submissions made by the Revenue and the Applicant's side and perused the materials on record. On thoughtful consideration of the Information contained in the documents brought on record and after considering the written and oral submissions advanced by both the sides, our findings in respect of the issues involved in the applicant's case are given below-

4.1 The search and seizure operations have resulted in unearthing of a duplicate set of books of account maintained in IVMS software. The PCIT has observed that the applicant has engaged in unaccounted transactions of at least Rs.100 Crores against which an expense of Rs.89.31 Crores has been set off. It is the department's contention that the applicant has not been able to explain the logic behind maintaining duplicate set of books nor has it been able to substantiate how accommodation entries have availed when net income as per the duplicate set of books maintained in IVMS software is only Rs.9 Crores. The applicant stated that it has offered income being profit/loss from the manufacturing and sales made outside the books and the additional income offered to cover the cash outflow for taking accommodation entries. The applicant further submitted that cash outflow for accommodation entries is partially out of the profits of undisclosed manufacturing and sales made by the applicant and the remaining part of the additional income is on account of accommodation entries sourced from its funds disclosed outside the books, but have been separately offered after setting off the undisclosed profit from the undisclosed business to give a quietus to the issue. We are unable to accept the applicant's contentions in this regard.

4.2 The break up of expenses as per IVMS software for F.Yrs.2013-14 to 2017-18 found during the search is given below-

Expense Head	(In Rupees)					
	FINANCIAL YEAR					
	2013-14	201-15	2015-16	2016-17	2017-18 FY 1 May 2017-18 Aug. 2017	total
Noida Pawan Exp.	5,45,75,260	7,98,17,154/-	8,68,53,160/-	14,43,10,130/-	5,89,19,470/-	42,44,75,174/-
EXPENSE MIX	56,96,019/-	54,41,722	54,07,710/-	46,99,550/-	16,33,277/-	2,28,78,278/-
Salary A/c	12,02,070/-	13,85,120/-	13,97,210/-	15,53,292/-	6.96,190/-	62,33,882/-
Cash Pur A/c	19,79,870/-	46,71,646	26,78,230/-	1,18,75,869/-	10.03.266/-	2.22,08,881/-
PCS	37,58,542/-	52,79,114/-	46,43,240/-	39,87,912/-	51,57,500/-	2,28,26,308/-
VK	19,06,500/-	67,15,000/-	34,55,750 /-	81,85,200	82,78,700/-	2,85,41,150/-
Shop 284	54,489	1,19,42,565	53,59,459/-	42,83,780/-	13,02,170/-	2,29,42,463/-
Ticket A/c	6,76,770/-	1,11,184/-	19,64,400/-	70,570/-	24,672/-	10,79,636/-
HE	2,25,000/-	1,46,700/-	61,000/-	32,800/-	62,337/-	5,27,837/-
GIFT A/c	42,200/-	11,01,770/-	2,48,350/-	91,700/-	5,000/-	14,89,020/-
SALE RETURN	1,05,06,880/-	85,49,192	1,20,86,424/-	1,40,53,028/-	56,99,235/-	5,08,94,759/-
A2/C4	10,61,700/-	18,47,250	13,88,930-	16,05,500/-	5,03,000/-	64,06,380/-
NEW 284		9,00,000/-	77,65,000/-	1,92,52,500/-	3,34,91,1000/-	6,14,08,500/-
PARCIL			57,370/-	2,36,051/-	5,900/-	2.99,321/-
FACT A/C			2,26.46.900/-	79,45,000/-	20,00,000/-	3,25,91,900/-
TAX A/C	2,13,59,156	2,18,85,450	1,31,67,597/-	71,50,579/-	33,73,451/-	6,69,36,233/-
COMMISSION A/C	5,98,19,550/-	1,79,500/-	8,54,437/-	1.89.415/-	24,600/-	6,10,77,502/-
BABA JE EXP		2,40,903/-	7,11,541/-	1,82,068/-	67,235/-	12,01,747/-
TRAE DISCOUNT	77.37,500/-	1,65,31,500	1,46,10,293/-	1,12.91,703/-	37,15,335/-	5,38,86,347
RENT		26,500/-	-	-	-	26,500/-
SAND TEAM					1.17.330/-	1.17.330/-
VK EXPENSES	44,11,500/-	1,00,000/-				45,11,500/-
CAR MAINTENANCE	3,80,140/-	1,81,250/-	1,000/-	50,000/-		6,12,390/-
TOTAL	17.53.93,157	16,70,53,520/-	18,36,00,041/-	24,10,46,647/-	12,60,79,669/-	89,31,73.034/-

From the above, we find that Rs.80.31 Crores claimed as expenses in the IVIAS software comprise of several terms of personal expenditure as well as heads of expenses which have not been adequately explained by the applicant. For instance, expenses booked under the head "VK", "VK Expenses", "PCS", etc. are expenditure incurred on behalf of the Directors Other heads of expenditure such as Gift Account, Tax Account, Baba Jee Expenses, etc. have not been substantiated to be regular business expenditure. It is pertinent to note that the vouchers for most of these expenses were not found during the search, but were produced by the applicant for the first time before the A.O during the verification u/x.2450(3).

4.3 In the circumstances, we hold that the entire sum of Rs.89,31,73,034/- found in the, IVMS software does not represent expenditure laid out or expended wholly and exclusively for the purpose of the business of the applicant. Hence, we order disallowance of 7% of such expenditure for Anat. Yrs.2014-15 to 2018-19 on account of non-business expenditure and expenditure not substantiated by sufficient proof in the following manner:-

A.Yr.	Expenditure as per IVMS software	Expenditure disallowed @7%
2014-15	17,53,93,157	1,22,77,521
2015-16	16,70,53,520	1,16,93,746
2016-17	18,36,00,041	1,28,52,003
2017-18	24,10,46,647	1,68,73,265
2018-19	12,60,79,669	88,25,577
Total	89,31,73,034	6,25,22,112

Accordingly, the amount of Rs.6,25,22,112/- shall be added to the total income of the applicant for A. Yrs.2014-15 to 2018-19 over and above the income offered in the Settlement Application.

5. In respect of remaining issues discussed in the preceding paragraphs of this order, we have considered the contentions of the applicant and the Department during the hearings and the various written submissions/reports submitted in this regard. We are of the view that no further addition is called for on the remaining issues.

Computation of Income

6. In view of the discussions made above, the total Income computed in the case of applicant is as under:-

A.Y.	Income returned u/s.153A/143(2)	Additional Income offered before the Board	Further additional brought to tax	Income	Aggregate total Income
(1)	(2)	(3)	(4)	(5)	(2)+ (3)+ (4)=6
2012-13	50,89,220/-	29,00,000/-	NIL	4.3	79,89,220/-
2013-14	1,01,46,610/-	2,07,00,000/-	NIL		3,08,46,610/-
2014-15	5,47,66,530	5,80,00,000	1,22,77,521/-		12,50,44,051/-
2015-16	6,99,62,470/-	17,51,00,000/-	1,16,93,746/-		25,67,56,216/-
2016-17	5,61,91,630/-	3,33,00,000/-	1,28,52,003/-		10,23,43,633/-
2017-18	7,32,51,780/-	4,47,00,000/-	1,68,73,265/-		13,48,25,045/-
2018-19	12,35,28,620/-	60,00,000/-	88,25,577/-		13,83,54,197/-
TOTAL	39,29,36,860/-	34,07,00,000/-	6,25,22,112/-		79,81,58,972/-

Payment of tax and interest

7. The applicant has prayed for grant of instalments for payment of tax and interest thereon while giving effect to the order u/s 245D(4) of the Board. We have carefully considered the request of the applicant and granted six months time from the date of order to pay tax including interest.

Waiver/charging of interest

The applicant has prayed for waiver of interest. However, it is well settled by the decision of the Hon'ble Supreme Court in the case of CIT va. Anjum M.H. Ghaswala & Others (2001) 252 ITR 1 (SC), that the Board is not empowered to grant waiver/reduction of interest chargeable u/s.2344, 2348 and 234C. Accordingly, interest u/s.234A, 2348 and 234C will be levied by applying, inter alia, the newly inserted provisions of Sec.234B(2A) w.e.f. 01.06.2015.

Immunity from Penalty and prosecution:

9. The applicant has prayed for grant of immunity from levy of penalty and prosecution. The applicant has co-operated in the settlement proceedings. It has disclosed all the facts, material to the computation of his additional income. Thus, the applicant has satisfied the provisions of Section 245H. The overall additional income is not on account of any suppression of any material facts in the application. The additional

income offered does not disclose any variance from the manner in which the additional Income had been earned. Hence, the applicant is entitled to immunity from penalty under the Income-tax Act for the assessment years which are settled in this order. For the same reasons, we also grant immunity from prosecution under the Income tax Act to the applicants for the assessment years which is settled in this order.

9.1 Immunity granted to the applicant by this order may be withdrawn, if it fails to pay the tax Including interest within the time and the manner as specified in this order or fail to comply with other conditions, if any, subject to which the immunity is granted and, thereupon, the provisions of the income-tax Act shall apply as if such immunity had not been granted.

9.2 Immunity granted to the applicant, may at any time be withdrawn, if the Board is satisfied that the applicant had, in the course of the settlement proceedings, concealed any particulars material to the settlement or had given false evidence and, thereupon, the applicant may be tried for the offence with respect to which the immunity was granted or for any other offence of which the applicant appear to have been guilty in connection with the settlement and the applicant shall also become liable to the imposition of any penalty and/or prosecution under the Act, to which the applicant would have been liable had not such immunity been granted.

10 The order shall be void u/s.245D(6) if it is subsequently found that it has been obtained by fraud or misrepresentation of facts

*Sd/-
(TRIPTI BISWAS)
MEMBER*

*Sd/-
(JAYANTHI KRISHNAN)
MEMBER-II*

*Sd/-
(KRISHNA MURARI)
MEMBER-III*

Date: 25.04.2023

*Endt. No. DL/DC-52/2019-20/52-IT
A copy of the order is forwarded to:-
The Applicant.*

2. The Pr. Commissioner of Income Tax, Central-2, New Delhi.

3 The CIT(DR), Chennai-600 035.

4. The ACIT, Central Circle-18, New Delhi.

5. The DIT(inv.), IBS-VII, Chennai.

6. The Secretary, IBS-VII, Chennai.

7. Guard file.

4.9 On the basis of the above order, the surrender on account of unexplained investment in jewellery by various persons of Laxmi Remote Group during AY 2018-19 is tabulated as under:

**LAXMI REMOTE (INDIA) PRIVATE LIMITED
CASH FLOW STATEMENT**

(Rs. in crores)

Particular/a.y	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
OPENING BALANC					3.27		0.79	
SOURCES								
SALES AS PER IVMS MENTIONED IN THE NOTICE U/S 142(1) DATED 29.10.19			91.07	119.78	97.71	99.03	40.98	
SALES AS PER ERP			78.62	86.13	86.02	71.71	27.77	
UNDISCLOSED SALES (DIFFERENCE BETWEEN SALES AS PER IVMS MENTIONED IN THE NOTICE U/S 142(1) DATED 29.10.19 AND REGULAR BOOKS IN RESPECT OF SALES DEPOSITE			12.45	33.66	11.69	27.31	13.21	
Less- UNRECORDED EXPENSES (AS PER IVMS)			17.54	16.71	18.36	24.1	12.61	
NET PROFIT ON SALES			-5.09	16.95	-6.67	3.21	0.60	9.0
SCRAP SALES					0.02			0.02
EXCESS OF UTILIZATION OVER SOURCES	0.29	1.75	10.58		8.75			21.38
TOTAL	0.29	1.75	5.50	16.95	2.10	3.21	0.60	30.4
UTILIZATION								
LOANS (CASH PAID AGAINST LOAN TAKEN BY THE COMPANY, ITS DIRECTORS AND THEIR FAMILY MEMBERS)	0.29	1.75	5.50	13.68	5.37			26.59
COMMISSION PAID AGAINST LOAN ENTRIES						0.89		0.89
PURCHASE OF MACHINERY						0.04		0.04
CASH SEIZED							0.67	0.67
JEWELLERY SEIZED						1.49		1.49
TOTAL	0.29	1.75	5.50	13.68	5.37	2.42	0.67	29.68
CLOSING BALANCE				3.27		0.79	0.72	

4.10 From the above table and para 2.6.1 of the order of the Hon'ble Interim Board for Settlement-VII, Chennai, it is observed that the addition of Rs.1,49,18,821/- on account of unexplained investment in jewellery u/s 69A has been considered by the Hon'ble Interim Board for Settlement-VII, Chennai in its order dated 24.04.2023 and accepted the same as offered by the Laxmi Remote Group without making any adjustment in this regard.

4.11 In view of the above findings and respectfully following the order of Hon'ble Interim Board for Settlement-VII, Chennai, the addition on account of unexplained investment u/s 69A of the IT Act in the hands of Ms. Anju Sachdeva, Ms. Deepa Sachdeva, Mr. Prakash Sachdeva and Mr. Vijay Sachdeva is restricted to Rs,7,23,279/-(1,56,42,100-1,49,18,821).

4.12 The appellant in his submission has further submitted that

"It is worth mentioning here that the lockers are being kept separately in their respective names but the entire wealth was created out of the business income of the company therefore all the four family members are equally liable and entitled of the our come of jewelry seized during the search operation and assess thereafter."

4.13 The contention of the appellant is considered and found having some merit particularly in view of the order of the Hon'ble Interim Board for Settlement-VII, Chennai wherein surrender on account of jewellery has been accepted in totality and not in the hands of individual member of the group.

4.14 Therefore, addition of Rs.7,23,279/ is divided equally among the four members (Ms. Anju Sachdeva, Ms. Deepa Sachdeva, Mr. Prakash Sachdeva and Mr. Vijay Sachdeva) of the group i.e. Rs.1,80,820/- in the hands of each member.

4.15 In view of the above discussion, the addition made by the Id. AO under section 69A of the Act, on account of unexplained jewellery, is hereby restricted to Rs 1,80,820/- and these grounds of appeal are hereby partly allowed."

4. It is in this factual background that the assessee herein is aggrieved against both the lower authorities' respective findings leading to the impugned addition of Rs. 1,80,820/- representing Section 69A unexplained jewellery forming the sole subject matter of adjudication before us.

5. Learned counsel vehemently reiterates the assessee's pleadings that the impugned sum has already been offered to tax in "settlement" going by his corresponding petition filed in question. Ms. Swaroop on the other hand takes us to para 4.11 of the CIT(A)'s order extracted herein above that the entire issue has already been discussed whilst partly upholding the impugned addition Rs. 7,23,279/-; assessing it to the extent of 1/4th share in the hands of the assessee.

6. We have given our thoughtful consideration to the assessee and Revenue's foregoing vehement submissions. We find no merit in the assessee's arguments once the CIT(A) has already considered the entire factual position finalised in the

Interim Boart for Settlement-VII, Chennai, remaining unrebutted from the assessee's side. We, thus reject his instant sole substantive ground in very terms.

8. This assessee's appeal in ITA No. 2889/Del/2023 is dismissed.

Order pronounced in open court on 05.08.2025.

Sd/-
(MANISH AGARWAL)
ACCOUNTANT MEMBER

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Dated: 05.08.2025.

MP

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, NEW DELHI