

In Dass Trading (Revenue's Appeal Allowed on Tax Concealment Penalty)...

"..We are in agreement with the reason given by the AO in support of the penalty order. It is a clear case where the assessee in its original return had shown under Agricultural Income a sum of Rs.3,76,222/-, which was reduced from the total income. However, in his revised return, it accepted the fact that the aforesaid income was not agricultural income and, therefore, declared the same as taxable income. **Its claim that revised return was filed suo motu is not that innocent as is projected to be. It is only after the ADI (Inv.), Unit-V inquired into the matter and found that the assessee had declared bogus agricultural income that the revised return was filed.** It would be material to note that ADI (Inv.) had given his report vide letter No. 239 dated 9/16.5.1995. As per that report, the assessee had declared bogus agricultural income. Inquiries had revealed that the assessee had not sold any agricultural produce to M/s. Shiv Bhandar as claimed by the assessee in the original return. Statement of the proprietor of M/s. Shiv Bhandar was recorded, who had stated that he received only commission for issuing sale bills and no agricultural produce was purchased. Thus, the assessee had procured bogus bills to show sale of the agricultural produce. The report further revealed that even agricultural land in question did not exist in village Archar, Tehsil Sikandarbad (UP). The assessee was sent various letters during this inquiry, but he did not respond. **Cat was out of box on the culmination of inquiry and report dated 9/16.5.1995. It is only thereafter that the revised return was filed on 8.3.1996 when the assessee had his back to the wall and was exposed of its bogus claim made in the original return. Therefore, the alleged reason given by the assessee that the revised return was filed suo motu and, therefore, there was no concealment, cannot be digested.**

13. In CIT v. Sajjan, 178 ITR 643, it was held that concealment of income in the original return would attract penalty even if the assessee submits a revised return before the assessment is completed.

Case would have been different had there been an inadvertent omission or error in the original return and the same is corrected by a revised return. However, in the present case, we find that there was a deliberate concealment and/or filing false return stating certain income to be agricultural income, when the assessee had not undertaken any such agricultural activity. The explanation furnished for filing the revised return is not bona fide."