आयकर अपीलीय अधिकरण,**'सी'** न्यायपीठ, चेन्नई

IN THE INCOME TAX APPELLATE TRIBUNAL
'C' BENCH, CHENNAI

श्रीएम.बालगणेश, लेखासदस्यकेसमक्षएवं. श्रीएसएसविश्वनेत्ररवि, न्यायिकसदस्य

BEFORE SHRI M. BALAGANESH, ACCOUNTANT MEMBER
AND SHRI S.S. VISWANETHRA RAVI, JUDICIAL MEMBER

आयकरअपीलसं./**ITA No.:2093/Chny/2025**

निर्धारणवर्ष / Assessment Year:**2022-23**

Parasuraman, **No.155/2, Middle Street,** **Kadampuliyur and Post,** **Panruti Taluk,** **Cuddalore,** **Tamil Nadu-607 103.** **[PAN:CLQPP6548F]**	vs.	**Income Tax Officer,** **Ward-2,** **Cuddalore.**
(अपीलार्थी/Appellant)		**(प्रत्यर्थी/Respondent)**

अपीलार्थीकीओरसे/Appellant by : None

प्रत्यर्थीकीओरसे/Revenue by : Mr.C.P.Solomon, JCIT

सुनवाईकीतारीख/Date of Hearing : 21.10.2025

घोषणाकीतारीख/Date of Pronouncement: 21.10.2025

आदेश /O R D E R

PER M. BALAGANESH, AM :

This appeal by the assessee is filed against the order of the learned Commissioner of Income Tax (Appeal), NFAC, Delhi, (in short Ld.CIT(A) for the assessment year 2022-23, vide order dated 23.06.2025.

2.0 The only issue to be decided in this appeal is as to whether the Ld.CIT(A) was justified in confirming the levy of penalty u/s 271B of the act in the facts and circumstances of the instant case.

3.0 None appeared on behalf of the assessee despite issuance of notice. Hence, we proceed to dispose of this appeal on hearing the Ld.DR and based on materials available on record. The assessee is an individual and had filed his return of income for the AY-2022-23 on 20.10.2022 declaring a taxable income of Rs.5,04,770/- which includes net commission income. The assessee submitted that he was engaged in the business activities of collecting money from public as payment towards stamp duty and pay to Tamil Nadu Government Registration Department. For rendering this services, the assessee was getting commission which was duly offered in the tax return. During the course of scrutiny assessment of the assessee framed u/s 143(3) r.w.s. 144B of the Act on 12.02.2024 wherein the source for cash deposits made by the assessee in the bank account was subject matter of examination. The explanation offered by the assessee explaining source of cash deposit was duly accepted and assessment was completed accepting the return of income. It is pertinent to note that no shifting of head of income was even contemplated by the revenue in the quantum assessment proceedings. Further, the Ld.AO in the quantum assessment order in Page-6, para-3.4.2 had even accepted that the assessee is engaging in earning commission business income. However, the Ld.AO pleaded that assessee had received registration charges from public to the tune of Rs.3,29,58,336/- which constitute turnover of the assessee and that the said turnover had exceeded the threshold limit of getting accounts audited u/s 44AB of the Act and accordingly initiated penalty proceedings u/s 271B of the Act for not getting his accounts audited u/s. 44AB of the Act. This culminated in passing of penalty order dated 28.08.2024 levying penalty of Rs.1,50,000/- u/s 271B of the Act, which stood upheld by the Ld.CIT(A).

4.0 We find that the explanation given by the assessee explaining the source of cash deposit to be emanating out of the monies received on

account of registration and stamp duty charges from public had been duly accepted by the revenue. The assessee had been taking consistent stand that he is engaged in this business only for earning commission income. The said commission has been offered to tax by the assessee as income from business and which has been accepted by the Ld.AO in the scrutiny assessment as such. Hence, having accepted the assessee to be deriving only commission income and having accepted the modus operandi of the same in the quantum of proceedings, taking divergent stand that assessee has not been able to prove that is he engaged in the commission income in the penalty proceedings, does not adhere to the canons of law. We hold that this is not a fit case for levy of penalty as assessee is not required to get his accounts audited u/s. 44AB of the Act as the commission has not exceeded the threshold limit for getting accounts audited. Accordingly, the grounds raised by the assessee are allowed.

5.0 In the result, the appeal of the assessee is allowed.

Order pronounced in the court 21st ,October, 2025 at Chennai.

Sd/-	**Sd/-**
(एसएसविश्वनेत्ररवि)	(एम.बालगणेश)
(S.S. VISWANETHRA RAVI)	**(M. BALAGANESH)**
न्यायिकसदस्य/**JUDICIAL MEMBER**	लेखासदस्य/**ACCOUNTANT MEMBER**

चेन्नई/Chennai, दिनांक/Dated 21st , October, 2025

KB/-

आदेशकीप्रतिलिपिअग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3.आयकरआयुक्त/CIT– Chennai/Coimbatore/Madurai/Salem
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF