

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'SMC', NEW DELHI**

Before Sh. Satbeer Singh Godara, Judicial Member

ITA No. 4642/Del/2024 : Asstt. Year: 2010-11

Rajesh Kumar, A-62, Duggal Colony, Devli Road, Khanpur, New Delhi-110062 (APPELLANT)	Vs	Income Tax Officer, Ward-31(3), New Delhi-110055 (RESPONDENT)
PAN No. ATTPK1681M		

**Assessee by : Sh. Sudarshan Jha, Adv.
Revenue by : Sh. Sanjay Kumar, Sr. DR**

Date of Hearing: 06.01.2025	Date of Pronouncement: 06.01.2025
------------------------------------	--

ORDER

This assessee's appeal for Assessment Year 2010-11, arises against the CIT(A)/NFAC, Delhi's DIN & order No. ITBA/NFAC/S/250/2024-25/1067762650(1) dated 20.08.2024, in proceedings u/s 271(1)(c) of the Income Tax Act, 1961 (in short "the Act").

2. It emerges during the course of hearing that both the learned lower authorities have levied section 271(1)(c) penalty of Rs.3,34,647/- in assessee's hands thereby holding him to have concealed and furnished inaccurate particulars of income.

3. I have given my thoughtful consideration to the assessee's pleadings and Revenue's vehement contention in support of impugned penalty and see no merit in the latter's stand. This is

for the precise reason that the impugned penalty pertains to quantum cash deposits addition of Rs.12,17,200/- and her presumptive tax computed u/s 44AD of the Act amounting to Rs.3,20,520/-; respectively. The only inference which *prima facie* arises in the given fact is that once assessee has been held as covered u/s 44AD admittedly, her cash deposits infact represent her business transactions only. I accordingly accept the assessee's instant sole grievance to delete the addition in very terms in light of CIT vs. Reliance Petroproducts Pvt. Ltd. (2010) 322 ITR 158 (SC) that quantum and penalty proceedings are parallel proceedings wherein each and every addition/disallowance made in the course of the former does not ipso facto attract the latter penal provision, to delete the impugned penalty in very terms. Ordered accordingly.

4. This assessee's appeal is allowed.

Order Pronounced in the Open Court on 06/01/2025.

Sd/-

(Satbeer Singh Godara)
Judicial Member

Dated: 06/01/2025

Subodh Kumar, Sr. PS

Copy forwarded to:

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

ASSISTANT REGISTRAR