

**IN THE INCOME TAX APPELLATE TRIBUNAL  
COCHIN BENCH, COCHIN**

**Before Shri Satbeer Singh Godara, Judicial Member &  
Shri Amarjit Singh, Accountant Member**

ITA No.216 /Coch/2023  
& SA No. 37 /Coch/2023  
Assessment Year: 2017-18

Tanalur Service Co-operative Bank Limited, Service Bank Building Tanalur, Malappuram – 676 307. <b>PAN : AADAT8161F.</b>	v.	The Assistant Commissioner of Income-tax Kozhikkode.
(Appellant/Applicant)		(Respondent)

Appellant by : ----- None -----  
Respondent by : Smt. V. Swarnalatha, Sr. D.R.

<b>Date of Hearing : 12.08.2024</b>	<b>Date of Pronouncement : 25.09.2024</b>
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**ORDER**

**Per Bench :**

This assessee's appeal ITA No. 216/Coch/2023 for A.Y. 2017-18 arises against the National Faceless Appeal Centre, Delhi [CIT(A)]'s DIN & Order No. ITBA/NFAC/S/250/2022-23/1049296204(1) dated 31.01.2023 in proceedings u/s. 250 of the Income Tax Act, 1961 (the Act). It has also filed Stay Application SA No. 37/Coch/2023 seeking to restrain the department from recovering the corresponding demand as well.

2. It transpires during the course of hearing that both the lower authorities have levied s. 271B penalty of Rs. 1,50,000/- on the assessee on account of the fact that it had not filed its tax audit report well within the stipulated due date, i.e., 07.11.2017 which forms subject matter of adjudication in the main case ITA No. 216/Coch/2013 herein.

3. Learned D.R. is fair enough in not disputing the clinching fact that the assessee had duly filed the said audit report on 06.02.2018 which got approved/finalised only on 22.10.2017. The corresponding intervening period from 24.10.2017 to 06.02.2018 could not be held to be unreasonable given the fact that the assessee is governed by various procedural approvals under the state cooperative law. We accordingly hold that there exists a “reasonable” cause for the assessee in filing its tax audit report belatedly in view of these facts and circumstances within the meaning of s. 273B of the Act. We accordingly delete the impugned section 273B penalty. The assessee’s stay application SA No. 37/Coch/2023 is rendered infructuous.

4. This assessee’s appeal ITA No. 216/Coch/2023 is allowed and the corresponding stay application SA No. 37/Coch/2023 is dismissed as infructuous therefore. A copy of this common order be placed in the respective case files.

Order pronounced in the open court on this 25<sup>th</sup> Day of September, 2024.

**Sd/-**  
**(Satbeer Singh Godara)**  
**Judicial Member**

**Sd/-**  
**(Amarjit Singh)**  
**Accountant Member**

Cochin ; Dated :25<sup>th</sup> September, 2024.  
Devadas G\*

Copy to :

1. The Appellant.
2. The Respondent.
3. The CIT(A), Concerned.
4. The CIT Concerned.
5. The DR, ITAT, Cochin.
6. Guard File.

Asst. Registrar/ITAT, Cochin