

**IN THE INCOME TAX APPELLATE TRIBUNAL
AMRITSAR BENCH, AMRITSAR.**

**BEFORE SH. UDAYAN DAS GUPTA, JUDICIAL MEMBER
AND SH. BRAJESH KUMAR SINGH, ACCOUNTANT MEMBER**

**I.T.A. No. 50/Asr/2025
Assessment Year: 2014-15**

Sumesh Chadha, C/o Benepal Service Station, Transport Nagar, Ludhiana, Punjab. [PAN:-ABFPC1459B] (Appellant)	Vs.	CIT, C.C.-1, Jalandhar. (Respondent)
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**I.T.A. No. 51/Asr/2025
Assessment Year: 2014-15**

Smt. Geeta Chadha, 704/9, Gurdev Nagar, Ludhiana, Punjab. [PAN:-ABFPC1460L] (Appellant)	Vs.	CIT, C.C.-1, Jalandhar. (Respondent)
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Appellant by	Ms. Shruti Khandelwal, Adv.
Respondent by	Sh. Charan Dass, Sr. DR

Date of Hearing	20.05.2025
Date of Pronouncement	29.05.2025

ORDER

Per: Brajesh Kumar Singh, AM:

The instant appeals of the different assessee were filed against the order of the ld. Commissioner of Income Tax (Appeals)-5, Ludhiana, [in brevity the 'CIT

(A)'], order passed u/s 250 (6) of the Income Tax Act 1961, [in brevity 'the Act'] for A.Y. 2014-15 dated 08.11.2024 separately. The impugned order was emanated from the order of the ld. DCIT, C.C.-1, Jalandhar, order passed u/s 271(1)(b) of the Act. dated 20.09.2023 respectively.

2. At the outset both the appeals are related to penalty order u/s 271(1)(b) of the Act of the different assessee. Fact and issue in both the appeals are similar in nature, therefore, for the sake of convenience, **ITA No. 50/Asr/2025** is taken as lead case. The assessee has taken the following grounds:

“1. That on the facts, circumstances and legal position of the case, Worthy CIT(A), Ludhiana in Appeal No. 10876/2013-14/IT/CIT(A)-5/Ldh has erred in passing order dtd. 19.10.2023 in contravention of provisions of S. 250 of the Income Tax Act, 1961 (hereinafter referred to as “Act”).

2. That on facts, circumstances and legal position of the case, Worthy CIT(A) has erred in confirming the action of Ld. AO of imposition of penalty u/s 271(l)(b) of Rs. 50,000/-on account of alleged non-compliance to the notice(s) issued during the assessment proceedings.

3. That on facts, circumstances and circumstances of the case, Worthy CIT(A) has erred in confirming the actions of Ld. AO of levying penalty of Rs. 50,000/-u/s 271(l)(b) without considering the provisions of s. 274 of the Act and without

recording the necessary satisfaction while initiating the said proceedings.

4. *That on facts, circumstances and legal position of the case, the impugned order passed by the Ld. AO u/s 271(l)(b) and then by Worthy CIT(A) u/s 250 deserves to be quashed since the same have been passed without affording reasonable opportunity of being heard to the appellant.*

5. *That the appellant craves leave for any addition, deletion or amendment in the grounds of appeal on or before the disposal of the same.”*

3. Brief fact of the case is that the assessee's case was processed and the notices u/s 142(1) on five different dated 25.02.2022, 13.03.2022, 18.01.2023, 01.02.2023 and 15.02.2023 were served. The said notices were not complied by the assessee, so, the notice u/s 271(1)(b) dated 31.03.2023 was issued due to non-compliance of the notices u/s 142(1) of the Act. But on the date of hearing no compliance was made and none was appeared before the revenue. So, the ld. AO passed the penalty order and levied penalty u/s 271(1) (b) amount of Rs.50,000/-. Aggrieved assessee filed an appeal before the ld. CIT(A). The ld. CIT(A) upheld the order of the ld. AO. Being aggrieved, the assessee filed an appeal before us.

4. During hearing the Id. AR filed written submission which is kept in the record. The Id. AR placed that there is a specific cause and inability for the assessee for non-compliance the notices u/s 142(1). The Id. AR had made argument and placed the reason in para 6 and 7 of APB which are reproduced as below:

6. *Following is the sequence of events of issuing notice / order by the Id. AO during the quantum proceedings which were concluded u/s 153C r.w.s. 143(3) on 31.03.2023 after taking into account the submissions filed by the appellant :-*

Date	Event	Response filed by the Appellant
04.02.2022	Notice u/s 153C was issued.	Return filed on 04.03.2022 (Copy of screenshot of reply filed appended herewith)
25.02.2022	Detailed questionnaire u/s 142(1) was issued.	Request for adjournment filed on 04.03.2022. (Copy of screenshot of reply filed appended herewith)
05.03.2022	Notice u/s 142(1) was issued asking the assessee to file return u/s 153C.	Reply filed on 11.03.2022 and 12.03.2022 requesting the Id. AO to stay the proceedings in light of interim order passed by the Hon'ble P&H HC. (Copy of screenshot of reply filed appended herewith)
13.03.2022	Notice u/s 142(1) was issued mentioning that proceedings u/s 147 was	

	<i>filed before initiating 153C, hence in light of stay granted by Hon'ble HC the proceedings u/s 147 are dropped and proceedings u/s 153C are validly initiated as per the attached copy of satisfaction note dtd. 04.02.2022 and typed copy of order sheet for proceedings u/s 148.</i>	
29.06.2022	<i>Notice u/s 143(2) issued.</i>	
18.01.2023	<i>Notice u/s 142(1) was issued asking the assessee to provide details as per notice dtd. 25.02.2022.</i>	<i>No reply filed.</i>
01.02.2023	<i>Notice u/s 142(1) was issued asking the assessee to provide details as per notice dtd. 25.02.2022.</i>	<i>No reply filed.</i>
15.02.2023	<i>Notice u/s 142(1) was issued asking the assessee to provide details as per notice dtd. 25.02.2022.</i>	<i>No reply filed.</i>
01.03.2023	<i>Notice u/s 142(1) was issued asking the assessee to provide details as per notice dtd. 25.02.2022.</i>	<i>Complete reply along with documentary evidences filed by the assessee on 04.03.2023. (Copy of screenshot of reply filed appended herewith)</i>
18.03.2023	<i>Notice u/s 142(1) for providing documents as per notice dtd. 25.02.2022 and alleging the that no compliance had been made by the assessee till 04.03.2023.</i>	<i>The assessee vide reply dtd. 22.03.2023 filed objections and explanation to the jewellery found seized. (Copy of screenshot of reply filed appended herewith)</i>
23.03.2023	<i>Objections filed by the assessee disposed.</i>	<i>The assessee filed copy of order passed u/s 143(3) vide reply dtd. 25.03.2023.</i>
31.03.2023	<i>Order u/s 153C r.w.s. 143(3) was passed.</i>	

7. *From the above table it is evident that the assessee did not persistently defy the statutory notices issued by the Id. AO. The compliance was admittedly delayed at three occasions, but eventually full replies along with supporting documents were submitted on 04.03.2023 and thereafter. Regarding the non-filing of submission on some occasions, it is submitted that the wife of the appellant had been diagnosed with cancer and to look after her, he could not adhere to the timelines. But then immediately thereafter, he filed complete replies which have been acknowledged by the Ld. AO.”*

5. The Id. DR vehemently argued and fully relied on the order of the revenue authorities.

6. We heard the rival submission and relied on the documents available in the record. The assessee has explained the reasonable cause for noncompliance of the notice u/s 142(1). The assessee was incapable to follow the notice and to appear before the Id. AO. The wife of the appellant had been diagnosed with cancer and to look after her, is also valid reason for noncompliance of the notices, issued by the revenue. We accept the reasonable cause for nonappearance before the Id. AO. Accordingly, the penalty u/s 271(1)(b) is quashed.

7. Facts and issue are similar in both the cases, so, our observation in **ITA No. 50/Asr/2025** is mutatis mutandis applicable on the **ITA No. 51/Asr/2025** and will be followed accordingly.

8. In the result, both the appeals of the assesseees are allowed.

Order pronounced in the open court on 29.05.2025

Sd/-

Sd/-

(Udayan Das Gupta)
Judicial Member

(Brajesh Kumar Singh)
Accountant Member

AKV

Copy of the order forwarded to:

- (1) The Appellant
- (2) The Respondent
- (3) The CIT
- (4) The CIT (Appeals)
- (5) The DR, I.T.A.T.

True Copy
By order