

IN THE INCOME TAX APPELLATE TRIBUNAL
GUWAHATI BENCH, GUWAHATI
(VIRTUAL HEARING AT KOLKATA)

SHRI MANOMOHAN DAS, JUDICIAL MEMBER
SHRI SANJAY AWASTHI, ACCOUNTANT MEMBER

I.T.A. No. 105/GTY/2025
Assessment Year: 2020-21

Raha T Amit,

Ganga Village, PO R.K. Mission,
Itanagar (Arunachal Pradesh) - 791113
[PAN: APOPT0095D]

.....**Appellant**

vs.

Income Tax Officer,

Ward North Lakhimpur,

Aaykar Bhawan, Bora Complex,
D K Road, North Lakhimpur,
Assam - 787001

..... **Respondent**

Appearances by:

Assessee represented by : Anil Kumar Agarwala, FCA
Department represented by : Kausik Ray, JCIT

Date of concluding the hearing : 13.08.2025

Date of pronouncing the order : 21.08.2025

ORDER

PER SANJAY AWASTHI, ACCOUNTANT MEMBER:

1. The present appeal arises from order u/s 250 of the Income Tax Act, 1961 (hereafter “the Act”) dated 04.04.2025, passed by Ld. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi.

1.1 In this case, the Ld. AO has imposed a penalty u/s 271B of the Act, for non-filing an audit report u/s 44AB of the Act, even when his receipts exceeded Rs. 1,00,00,000/-. Aggrieved with this action, the assessee

approached the Ld. CIT(A), where he could not succeed since it was held that the assessee was under a statutory obligation to get his accounts audited as per section 44AB of the Act.

1.2 Aggrieved with this action also, the assessee has approached the ITAT with the following grounds:

“For that the Learned Commissioner of Income Tax (Appeals) erred in law as well as on facts in confirming the penalty imposed u/s 271B.

For that the appellant urges leave to add to, modify or delete any ground of appeal, before or at the time of hearing of the appeal.”

1.3 Before us, the Ld. AR argued that the assessee was duly covered under the provision of section 10(26) of the Act. Since, he was covered under this section hence, he was under a genuine belief that there was no liability to get his accounts audited. It was averred by the Ld. AR that this fact was duly brought to the notice of the Ld. AO and the same has been recorded on page 2 of his penalty order. The Ld. AR stated that even before the Ld. CIT(A) this argument was advanced but it did not find favour with him. The Ld. AR concluded his arguments by stating that this was a case where the principles of “reasonable because” would apply and the assessee deserves relief.

2.1 The Ld. DR, on the other hand, relied on the orders of authorities below.

3. We have carefully considered the submissions of Ld. AR/DR and have gone through the orders of Ld. AO and Ld. CIT(A). We find considerable strength in the arguments of the Ld. AR that the assessee was under a genuine belief that he was not required to get his accounts audited since he was covered under the provisions of section 10(26) of the Act. After consideration of the facts, we feel that this case would be covered under the provisions of section 273B of the Act and would deserve relief

on that account. Accordingly, the impugned penalty is directed to be deleted.

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

Order pronounced on 21.08.2025

Sd/-
[Manomohan Das]
Judicial Member

Sd/-
[Sanjay Awasthi]
Accountant Member

Dated: 21.08.2025
AK, Sr. PS

Copy of the order forwarded to:

1. The Appellant
2. The Respondent
3. CIT(A)-
4. CIT-
5. CIT(DR)

//True copy//

By order

Assistant Registrar, Kolkata Benches

