

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

**BEFORE SHRI INTURI RAMA RAO, AM
AND SHRI SONJOY SARMA, JM**

**ITA Nos. 337 & 338/Coch/2025
Assessment Years: 2014-15 & 2015-16**

Sai Export Enterprises Appellant
Mangad P.O., Kollam 691015
[PAN: ABSFS2716A]

vs.

The Income Tax Officer, WD-1 & TPO, Kollam Respondent

Appellant by: Shri Rajakannan, Advocate
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 13.06.2025
Date of Pronouncement: 31.07.2025

ORDER

Per: Inturi Rama Rao, AM

These appeals filed by the assessee are directed against different orders of the National Faceless Appeal Centre, Delhi [CIT(A)] dated 28.03.2025 & 31.03.2024 for Assessment Years (AY) 2014-15 & 20145-16, respectively.

2. Since identical issues and facts are involved in these appeals, they are heard together and disposed of by this common order.

3. For the sake of convenience and clarity the facts relevant to ITA No. 337/Coch/2025 for AY 2014-15 are stated herein.

4. Brief facts of the case are that the appellant is a partnership firm. It is engaged in the business of processing and export of cashew nuts. The return of income for AY 2014-15 was filed on 14.05.2015 declaring income of Rs. 40,81,112/-. Against the said return of income, the assessment was completed by the ACIT, Circle-1, Kollam (hereinafter called "the AO") vide order dated 14.12.2016 passed u/s. at total income of Rs. 45,26,023/-. While the matter stood thus, a notice u/s. 274 r.w.s. 271B of the Income Tax Act, 1961 (the Act) was issued to the appellant on 14.12.2016 calling upon the appellant to show cause as to why the order imposing penalty u/s. 271B should not be levied for the failure of the assessee to get accounts audited and submit the report as required u/s. 44AB of the Act. In response to the show cause notice it is submitted that the delay in submission of the prescribed audit report had occurred on account of delay in getting the financial accounts, etc. Rejecting the above explanation the AO proceeded with levy of penalty of Rs. 1,50,000/- vide order dated 14.03.2017.

5. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order confirmed the penalty

6. Being aggrieved, the appellant is in appeal before this Tribunal in the present appeal.

7. We have heard the rival contentions of the parties and perused the materials available on record. At the outset, we note that the Hon'ble

Jurisdictional High Court in the case of Chavakkad Service Co-op. Bank Ltd. [2024] 169 taxmann.com 45 (Kerala) has observed as under: -

“Where assessee co-operative societies did not file audit report as mandated under section 44AB within time limit specified thereunder, however, audit reports were made available before Assessing Authority at time of finalization of assessments, since delay in obtaining audit reports from statutory auditors under Kerala Co-operative Societies Act and Rules could be seen as a reasonable cause for delayed submission of audit reports, no penalty under section 271B was to be imposed on assessee.”

8. The facts of the case on hand are identical as discussed above. Thus, respectfully following the same, we delete the penalty imposed by the Revenue.

9. Since identical issues and facts are involved in assessee’s appeal ITA No. 338/Coch/2025, our findings in ITA No. 337/Coch/2025 shall apply mutatis mutandis to this appeal also.

10. In the result, appeals filed by the assessee stands allowed.

Order pronounced in the open court on 31st July, 2025.

Sd/-
(SONJOY SARMA)
JUDICIAL MEMBER

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 31st July, 2025

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar
ITAT, Cochin