

**IN THE INCOME TAX APPELLATE TRIBUNAL
“A”BENCH: BANGALORE**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER
AND
SHRI KESHAV DUBEY, JUDICIAL MEMBER**

ITA Nos.1504 to 1508/Bang/2025
Assessment Years :2015-16 to 2019-20

Gopal Krishna Karodi Sabbana Jayanagar Kasaba, Sullia Dakshina Kannada Karnataka 574 239 PAN NO : AHCPS1738G	Vs.	Dy./Asst. Commissioner of Income Tax Central Circle-2 Mangalore
APPELLANT		RESPONDENT

Appellant by	:	Sri Srinivas Kamath, A.R.
Respondent by	:	Sri Balusamy N., D.R.

Date of Hearing	:	08.10.2025
Date of Pronouncement	:	05.01.2026

O R D E R

PER BENCH:

These appeals at the instance of the assessee are directed against the separate orders of the Id. CIT(A)-2, Panaji all dated 16.12.2024 vide DIN No.ITBA/APL/M/250/2024-25/1071243914(1) for the AY 2015-16, vide DIN No.ITBA/APL/M/250/2024-25/1071244124(1) for the AY 2016-17, vide DIN No.ITBA/APL/M/250/2024-25/1071245723(1) for the AY 2017-18, vide DIN No.ITBA/APL/M/250/2024-25/1071244439(1) for the AY 2018-19 & vide DIN No.ITBA/APL/M/250/2024-25/1071244304(1) for the AY 2019-20. Since the issue involved in all these appeals is common in nature, these are clubbed together, heard together and disposed of by this common order for the sake convenience and brevity.

2. We take up the appeal in ITA No.1504/Bang/2025 as a lead case, the result of which will apply mutatis mutandis to the other appeals of the assessee before us. In ITA No.1504/Bang/2025 the assessee has raised the following grounds of appeal:

- 1. The impugned orders of the authorities below are opposed to the law and facts of the case.*
- 2. The impugned orders are against the provisions of Law/Act and have been made in violation of the principles of natural justice and equity.*
- 3. On the facts and circumstances of the case, the order dated 24.3.2022 was not in accordance with law and is not valid and is against the provisions of the law and in violation of principles of natural justice.*
- 4. On the facts and circumstances of the case, the ld. AO has erred in levy of penalty of Rs.1,50,000/- u/s 271B.*
- 5. The appellant craves for leave to, add to, delete from or amend the grounds of appeal.*

3. At the outset, there is a delay of 129 days in filing all these appeals before this Tribunal. The ld. A.R. of the assessee drew our attention to an affidavit filed in original sworn before the notary public on 6.10.2025 stating therein the cause for the delay, which are reproduced below for ease of reference and convenience:



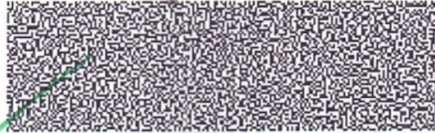
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Rs. 100

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Certificate Issued Date : 06-Oct-2025 12:05 PM
Account Reference : NONACC (FI)/ kacrsf108/ MANGALORE9/ KA-DK
Unique Doc. Reference : SUBIN-KAKACRSFL0833611755660208X
Purchased by : GOPALAKRISHNA K S
Description of Document : Article 4 Affidavit
Property Description : AFFIDAVIT
Consideration Price (Rs.) : 0
(Zero)
First Party : GOPALAKRISHNA K S
Second Party : S SRINIVAS KAMATH
Stamp Duty Paid By : GOPALAKRISHNA K S
Stamp Duty Amount(Rs.) : 100.
(One Hundred only)



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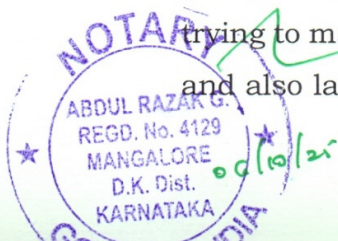
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*Nil,
06/10/25*

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NAVANITHI VIVIDHODDESHA SAHAKARA SANGH
Capital Avenue Building
Opposite STATE BANK
MANGALORE
Ph:4285977
NOTARY
ABDUL RAZAK G.
REGD. No. 4129
MANGALORE
D.K. Dist.
KARNATAKA
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3. In case of any discrepancy please inform the Competent Authority.
Nil,
06/10/25

I, Gopalakrishna Karodi Subbanna, (AHCPS1738G), presently aged about 59 years, residing at Jayanagar, Sulia, Kasaba, Dakshina Kannada District, do solemnly state and affirm as follows:

1. I state that, at present, I am aged 59 years, and am hailing from a remote area of Jayanagar, Sullia of Dakshina Kannada District.
2. I state that I do not have much educational qualification and also I am not aware of frequent changing taxation provisions/laws.
3. Further, I do not possess any technical/computer knowledge etc. and am totally depending on professionals who are stationed in District Headquarter of Mangalore city which is almost 70kms and takes about two hours to reach from my native. Due to bad road condition etc. travelling becomes difficult for me, keeping in mind my health conditions.
4. I further state that my main source of income is from Road Contract work from PWD in the state of Karnataka and agriculture Income. I am managing both agriculture and business through employees only.
5. I state that for the past few years, say from 2013 onwards I am not keeping well due to blood pressure, diabetes, eye pain, leg pain etc.
6. I further state that I was implanted with Trauma to left eye in the year 2023 and at present I am totally blind in left eye and 50% blind in my right eye. If my sugar level increases, it is still difficult to read in right eye. I am having very frequent and regular dialysis between 07-12-2024 to 24-07-2025 (still continuing to weekly 2-3 times), and hence, I have reduced going to my office at Sullia, which is far from my residence and trying to manage my business activities etc. from residence only and also largely trusting my managers.



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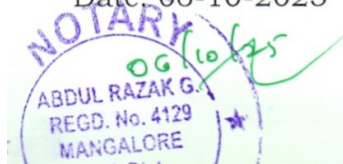
7. I further state that copies of appellate penalty orders of CIT(A) for A.Y. 2015-16, A.Y. 2016-17, A.Y. 2017-18, A.Y. 2018-19 and for A.Y. 2019-20 vide order dtd. 16-12-2024 might have been served on me during 2024 or so. Due to my acute health problems, I have not handed over to my auditors/professionals stationed in Mangalore.
8. I further state that I had experienced acute abdomen pain and was admitted into hospital from 21-04-2024 to 25-04-2024 and was identified with acute pancreatic problem and since then I can say that my health condition further deteriorated and finding it difficult to cope up.
9. I state that, I am not verifying mail personally as I am not knowing computer and due to poor eye sight. I also state that I am not verifying Income Tax Portal also.
10. However, later my AR stated that he had downloaded the copies of Appellate Orders dtd.16-12-2024 for A.Y.2015-16, A.Y.2016-17, A.Y.2017-18, A.Y.2018-19 and A.Y.2019-20 later he has filed these appeals before the Honorable Income Tax, Appellate Tribunal Bangalore on 07-07-2025 with approximately around 129 days of delay. These is no delay intentionally in filing appeals and reasons for delay were mainly my very poor health conditions. These reasons for delay in filing appeal, were beyond my control and not intentional
11. I further state that my staff has read over this affidavit to me and I have understood/ aware the contents.

Place: Sullia

Date: 06-10-2025



Gopalakrishna Karodi Subbanna



Sworn and Signed before Me
06/10/25

4. Before us, the Id. A.R. of the assessee vehemently submitted that the delay was caused mainly due to the fact that the assessee was having acute health problems. Further, the Id. A.R. also submitted that the delay was unintentional and no benefit can be attributed to the assessee in filing the appeal belatedly. It is also submitted that if the delay is not condoned, the assessee would be put to great hardship and irreparable injury and on the other hand, no hardship or injury would be caused to the revenue if condonation of delay is allowed and accordingly prayed that such unintended delay may be condoned as there is sufficient cause.

5. The Id. D.R. on the other hand submitted that all these appeals may be dismissed in limine as the delay are substantial and it is only due to the negligence of the assessee.

6. We have heard the rival submissions and perused the materials available on record. It is to be noted that u/s 253(5) of the Act, the Tribunal may admit an appeal filed beyond the period of limitation where it is established that there exists a sufficient cause on the part of the assessee for not presenting the appeal within the prescribed time.

6.1. The explanation therefore, becomes relevant to determine whether the same reflects sufficient and reasonable cause on the part of the assessee in not filing these appeals within the relevant period. On going through the above affidavit, we find that the assessee due to the acute health problems, could not file appeal within the relevant period and therefore, it cannot be said that the assessee is very callous in its approach in filing the appeal before us. It is perceived that the explanation offered in the affidavit is plausible and sufficient cause being shown by the assessee which

prevented him from filing these appeals within the relevant period and accordingly, we inclined to condone the delay and admit all these appeals for adjudication.

7. Now the brief facts of the case are that the assessee is an individual deriving income mainly from PWD contract works. The AO observed that the assessee had neither filed his return of income nor furnished the audit report as required under the provisions of the Act within the due date. Accordingly, a show cause notice was issued to the assessee as to why an order imposing penalty should not be made u/s 271B of the Act. The assessee in his reply submitted as under:

- *“I have been regularly filing my income tax returns for past several years and hail from a remote village area.*
- *I am running a State Government Contract Works business and run a one-man show. Hence, I have to look after business operations and also the administrative issues of my business myself and also regularly interact with State Government Departments at Mangalore, etc.*
- *Further, I am not at all conversant with practices, etc. Hence, I had outsourced maintenance of my books of accounts to part time accountant at Puttur.*
- *I also do not have any very high education and also do not have computer knowledge. Hence, I am unable to keep up with frequent changing case laws and cannot comprehend the legal and statutory requirements therein.*
- *I also wish to state that I am suffering from Blood Pressure and Diabetes need to be frequently admitted to the hospital. This is one major reason why I am unable to focus continuously on administrative and accounting issues of my business, etc.*
- *My auditor is based in Mangalore and I hail from Sullia, which sometimes results in communication gap and delay in completion of audit. Also, my business tends to take me other cities nearly too and many time, I am out of time and I am from Sullia, hence it takes time to travel and furnish details to my auditor/accountant, etc. Most of the time, my mobile network is out of coverage due to my business operations in remote areas of adjacent districts, etc.*
- *Further, my auditor is much aged and a senior citizen and having health related issues due to age factor. He is also not well versed in computer software and hence, took time for finalizing and uploading my tax audit reports.*
- *Further, the assessee gave reference of the ITAT Order in the case of the assessee for the A/Y 2014-15 wherein the Honourable ITAT has deleted the*

penalty u/s 271B for the reason that the tax audit report was available before the Assessing Officer during the Assessment proceedings and was filed along with ROI, even though there was delay.

- *The assessee stated that the same ratio as held by the ITAT is applicable for other years too in the case of the assessee.*
- *The various reasons which prevented the assessee from obtaining tax audit report within due date have already been submitted in our earlier submissions*
- *In light of all of the above, we request you to kindly drop the penalty proceedings initiated for all the years. Also, we request you to kindly give us an opportunity for personal hearing hereafter.*

The assessee also made reference to various case laws in respect of Penalty u/s 271B.”

7.1 The AO however noticed that the reason attributed for delay by the assessee are not convincing and there appears to be no reasonable cause for the undue delay in filing returns and also furnishing audit reports as per section 44AB of the Act. Further, the AO also observed that the submission of the assessee is untrue, mischievous and misleading. During the assessment year commencing from assessment year 2015-16 to assessment year 2019-20, the assessee had consistently filed tax audit reports only after the due date prescribed as per law. The delay is between 151 to 424 days as detailed below:

S.No.	AY	Due Date	Actual Date of e-filing	Delay (in days)
1	2015-16	31.10.2015	28.12.2016	424
2	2016-17	17.10.2016	30.03.2017	164
3	2017-18	07.11.2017	31.03.2018	144
4	2018-19	31.10.2018	15.03.2019	151
5	2019-20	31.10.2019	14.02.2020	106

7.2 Accordingly, the AO found the assessee to be a habitual defaulter and default in filing the audit reports were not the first instance as noted above and also there is no reasonable cause for such default year after year and after considering all the above, the AO levied the penalty u/s 271B of the Act amounting to

Rs.1,50,000/- or a sum equal to one-half percent of the total sales, turnover or gross receipts, whichever is less.

8. Aggrieved by the order of AO passed u/s 271B of the Act, the assessee preferred an appeal before the Id. CIT(A)-2, Panaji.

9. The Id. CIT(A) dismissed the appeal of the assessee as the assessee did not comply any of the notices issued by the Id. CIT(A) and accordingly the Id. CIT(A) inferred that the assessee is not interested in prosecuting the appeal. As the assessee had not filed any reply to various notices issued, therefore, the penalty levied by the AO was upheld by the Id. CIT(A)-2, Panaji. However, for the AY 2017-18, the Id.CIT(A) observed that the explanation filed by the assessee is very generic in nature. When the assessee is engaged in the business of contract work, he must be aware about various income tax provisions & accordingly did not accept the contention of the assessee that he has no knowledge about tax audit.

10. Again, aggrieved by the order of Id. CIT(A)-2, Panaji, the assessee has filed the appeals for the assessment years 2015-16 to 2019-20 separately before us. The assessee has also filed consolidated paper book comprising 18 pages containing therein a copy of comparative year-wise chart of returns & tax audit filed, ITAT penalty order for AY 2014-15 in assessee's own case, The Id. CIT(A) order for AY 2014-15, Penalty order u/s 271B of the Act for AY 2024-15 along with the summary of medial ailments with evidences.

11. Before us, the Id. A.R. of the assessee vehemently submitted that it is not a case that no audit report had been filed for all these assessment years but in fact there were delay in furnishing the audit report due to the fact that the assessee was having acute

health issues in all these years under consideration. The ld. AR of the assessee also drew our attention to the medical reports, various discharge summaries, Dialysis treatment record along with Echocardiogram report produced before us in order to substantiate that there was reasonable cause for delay filing of audit report for the AY 2015-16 to AY 2019-20 and accordingly prayed that the penalty levied for all these years may be deleted.

12. The ld. D.R. on the other hand supported the orders of the authorities below and submitted that as there is a clear violation of section 271B of the Act to furnish the audit report as required u/s 44AB of the Act within the due date, the penalty levied may be sustained. Further, the ld. DR vehemently argued that the assessee is a habitual defaulter and it is only after the survey conducted on 20/02/2020, the AO found that the assessee had not filed the tax audit reports for all these years within due date and accordingly prayed that the penalty levied by the AO may be sustained.

13. We have heard the rival submissions and perused the materials available on record. Before proceeding further, it is apposite here to present the factual position in a tabular form for all these assessment years for ease of reference & convenience-

Particulars	AY 2015-16	AY 2016-17	AY 2017-18	AY 2018-19	AY 2019-20
Turnover	4,47,85,291	3,14,56,152	7,71,29,484	7,34,47,438	6,53,94,261
Due dates of Tax Audit	31-10-2015	17-10-2016	07-11-2017	31-10-2018	31-10-2019
Audit Uploaded	28-12-2016	30-03-2017	31-03-2018	15-03-2019	14-02-2020
Actual delay in days	424	164	144	135	106
Delay as per 271B Order	424	164	144	151	106

Thus, as can be seen from the above table that the total turnover of the assessee during the each of the assessment years under consideration exceeds Rs. One crore and accordingly the assessee was liable to get his books of accounts audited u/s. 44AB of the Act & required to furnish/upload the same within the due dates as prescribed. However, as the assessee had furnished the audited accounts u/s. 44AB of the Act belatedly, the penalty u/s. 271B of the Act were levied by the AO for all these AYs under consideration. Before AO, the assessee submitted his reply stating that the major reason for delay in filing the audit reports was due to the fact that he was suffering **from blood pressure & Diabetes** & frequently admitted to the hospital. Further, he also submitted that his auditor is also a much aged and a senior citizen and having health related issues due to age factor. Further, neither the assessee nor his auditor was well versed with computer operation and hence it took time to finalize & upload the audit for all these AY under consideration. The ld. CIT (A) on the other hand observed that the explanation filed by the assessee is very generic in nature. The ld. CIT(A) was of the opinion that when the assessee is engaged in the business of contract work, he must be aware about various income tax provisions

13.1 Before proceeding further, it is appropriate to take note of section 44AB, 271B and 273B of the Act for the purpose of this case, which reads as follows:

44AB. Audit of accounts of certain persons carrying on business or profession.

Every person,—

*(a) carrying on business shall, if his total sales, turnover or gross receipts, as the case may be, in business exceed or exceeds one crore rupees in any previous year [***]:*

[Provided that in the case of a person whose—

(a) aggregate of all amounts received including amount received for sales, turnover or gross receipts during the previous year, in cash, does not exceed five per cent of the said amount; and

(b) aggregate of all payments made including amount incurred for expenditure, in cash, during the previous year does not exceed five per cent of the said payment, this clause shall have effect as if for the words "one crore rupees", the words "[ten] crore rupees" had been substituted:]

[Provided further that for the purposes of this clause, the payment or receipt, as the case may be, by a cheque drawn on a bank or by a bank draft, which is not account payee, shall be deemed to be the payment or receipt, as the case may be, in cash; or]

(b) carrying on profession shall, if his gross receipts in profession exceed fifty lakh rupees in any previous year; or

(c) carrying on the business shall, if the profits and gains from the business are deemed to be the profits and gains of such person under section 44AE or section 44BB or section 44BBB, as the case may be, and he has claimed his income to be lower than the profits or gains so deemed to be the profits and gains of his business, as the case may be, in any previous year; or

(d) carrying on the profession shall, if the profits and gains from the profession are deemed to be the profits and gains of such person under section 44ADA and he has claimed such income to be lower than the profits and gains so deemed to be the profits and gains of his profession and his income exceeds the maximum amount which is not chargeable to income-tax in any previous year; or

(e) carrying on the business shall, if the provisions of sub-section (4) of section 44AD are applicable in his case and his income exceeds the maximum amount which is not chargeable to income-tax in any previous year,]

get his accounts of such previous year audited by an accountant before the specified date and furnish by that date the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed:

Provided that this section shall not apply to the person, who declares profits and gains for the previous year in accordance with the provisions of sub-section (1) of section 44AD and his total sales, turnover or gross receipts, as the case may be, in business does not exceed two crore rupees in such previous year:

Provided [further] that this section shall not apply to the person, who derives income of the nature referred to in section 44B or section 44BBA, on and from the 1st day of April, 1985 or, as the case may be, the date on which the relevant section came into force, whichever is later:

Provided [also] that in a case where such person is required by or under any other law to get his accounts audited, it shall be sufficient compliance with the provisions of this section if such person gets the accounts of such business or profession audited under such law before the specified date and furnishes by that date the report of the audit as required under such other law and a further report by an accountant in the form prescribed under this section.

Explanation.—For the purposes of this section,—

(i) "accountant" shall have the same meaning as in the Explanation below sub-section (2) of section 288;

(ii)"specified date", in relation to the accounts of the assessee of the previous year relevant to an assessment year, means [date one month prior to] the due date for furnishing the return of income under sub-section (1) of section 139.

271B. [Failure to get accounts audited. [Inserted by Act 21 of 1984, Section 30 (w.e.f. 1.4.1985).]

- If any person fails][* *][Omitted by Act 46 of 1986, Section 21 (w.e.f. 10.9.1986).] to get his accounts audited in respect of any previous year or years relevant to an assessment year or [furnish a report of such audit as required under section 44-AB] [Substituted by Act 22 of 1995, Section 48, for certain words (w.e.f. 1.7.1995).], the [Assessing Officer] [Substituted by Act 4 of 1988, Section 2, for " Income-tax Officer" (w.e.f. 1.4.1988).] may direct that such person shall pay, by way of penalty, a sum equal to one-half per cent. of the total sales, turnover or gross receipts, as the case may be, in business, or of the gross receipts in profession, in such previous year or years or a sum of one hundred thousand rupees, whichever is less.*

273B. [Penalty not to be imposed in certain cases.

- Notwithstanding anything contained in the provisions of [clause (b) of sub-section (1) of] [section 271, section 271-A] [Substituted by Act 4 of 1988, Section 114, for " section 270, clause (a) or Clause (b) of sub-Section (1) of section 271, section 271-A, section 271-B, sub-Section (2) of section 272-A, sub-Section (1) of section 272-AA, sub-Section (1) of section 272-B" (w.e.f. 1.4.1989).], section 271-AA] [Inserted by Act 14 of 2001, Section 94 (w.e.f. 1.4.2002).], section 271 B,] [Inserted by Act 46 of 1986, Section 26 (w.e.f. 10.9.1986).][section 271-BA] [Inserted by Act 14 of 2001, Section 94 (w.e.f. 1.4.2002).], section 271-BB,] [Inserted by Act 12 of 1990, Section 50 (w.r.e.f. 1.4.1990).] [section 271-C, section 271-CA] [Substituted by Act 21 of 2006, Section 55, for " section 271-C" (w.e.f. 1.4.2007).], section 271-D, section 271-E,] [Inserted by Act 46 of 1986, Section 26 (w.e.f. 10.9.1986).][section 271-F,] [Substituted by Act 26 of 1997, Section 55, for " section 271-F" (w.r.e.f. 1.4.1997).][section 271-FA,] [Substituted by Act 18 of 2005, Section 61, for " Section 271-FA" (w.e.f. 1.4.2006).] [section 271FAB, section 271FB, section 271G, section 271GA] [Substituted 'section 271-FB, section 271-G' by Finance Act, 2015 (No. 20 of 2015), dated 14.5.2015.], clause (c) or clause (d) of sub-section (1) or sub-section (2) of section 272-A, sub-section (1) of section 272-AA or] [Inserted by Act 46 of 1986, Section 26 (w.e.f. 10.9.1986).][section 272-B or] [Inserted by Act 20 of 2002, Section 106 (w.e.f. 1.6.2002).] [sub-section (1) or sub-section (1-A) of] [Substituted by Act 21 of 2006, Section 55, for " sub-section (1) of section 272-BB" (w.e.f. 1.6.2006).][section 272-BB] [Substituted by Act 20 of 2002, Section 106, for " section 272-BB or" (w.e.f. 1.6.2002).][or sub-section (1) of section 272-BBB or] [Substituted by Act 21 of 2006, Section 55, for " sub-section (1) of section 272-BB" (w.e.f. 1.6.2006).] [clause (b) or clause (c) of sub-section (2) of section 273, no penalty shall be imposable on the person or the assessee, as the case may be, for any failure referred to in the said provisions if he proves that there was reasonable cause for the said failure.]”.

13.2 An order imposing penalty for failure to carry out a statutory obligation is the result of a quasi-criminal proceeding, and penalty will not ordinarily be imposed unless the party obliged, either acted deliberately in defiance of law or was guilty of conduct, contumacious or dishonest, or acted in conscious disregard of its obligation. Penalty will not also be imposed merely because it is lawful to do so. Whether penalty should be imposed for failure to perform a statutory obligation is a matter of discretion of the authority to be exercised judicially and on a consideration of all the relevant circumstances.

13.3 Section 273B starts with the non obstante clause and provides that notwithstanding anything contained in several provisions enumerated therein including section 271B, no penalty shall be imposable on the person or the assessee, as the case may be, for failure referred to in the said provisions, if he proves that there was reasonable cause for the said failure. A clause beginning with 'notwithstanding anything' is sometimes appended to a section in the beginning with a view to give the enacting part of the section in case of conflict, an overriding effect over the provision or Act mentioned in the non obstante clause. A non obstante clause may be used as a legislative device to modify the ambit of the provision or law mentioned in the non obstante clause, or to override it in specified circumstances. The true effect of the non obstante clause is that in spite of the provision or the Act mentioned in the non obstante clause, the enactment following it will have its full operation or that the provisions embraced in the non obstante clause will not be an impediment for the operation of the enactment. Therefore, in order to bring in application of section 271B in the backdrop of section 273B, absence of reasonable cause, existence of which has to be established by the assessee, is the sine qua non.

13.4 Levy of penalty under section 271B is not automatic. Before levying penalty, the concerned officer is required to find out that even if there was any failure referred to in the concerned provision; the same was without a reasonable cause. The initial burden is on the assessee to show that there existed reasonable cause which was the reason for the failure referred to in the concerned provision. Thereafter the officer dealing with the matter has to consider whether the explanation offered by the assessee or the person, as the case may be, as regards the reason for failure, was on account of reasonable cause. 'Reasonable cause' as applied to human action is that which would constrain a person of average intelligence and ordinary prudence. It can be described as a probable cause. The cause shown has to be considered and only if it is found to be frivolous, without substance or foundation, the prescribed consequences will follow.

13.5 Taking into cumulative effect of the explanations offered by the assessee and from a reading of the relevant provisions of 273B of the Act read with Section 271B and read with Section 44AB of the Act, we are of the considered opinion that assessee demonstrated that there was a sufficient & reasonable cause for the said failure as per the provisions contained in section 273B of the Act as the assessee by way of an affidavit stated that he was not keeping well since 2013 due to the blood pressure, diabetes, eye pain & leg pain etc. The assessee was also implanted with trauma to left eye and also having frequent and regular dialysis. Further the assessee had experienced acute abdomen pain and admitted into Hospital and was also identified with acute pancreatic problem. Before us, the assessee has also produced Medical Reports, Discharge summaries, Dialysis treatment record along with 2D Echocardiogram report to substantiate his claim. Further, the

assessee also submitted before the AO that his auditor is also a much aged and a senior citizen and having health related issues due to age factor. Further, neither the assessee nor his auditor was well versed with computer operation and hence it took time to finalize & upload the audit for these AY under consideration. Thus, it cannot be said to be without a reasonable cause within the meaning of Section 273B of the Act.

14. Above being the position, the non-consideration of the plea raised by the assessee about the existence of reasonable cause vitiates the orders. On that score, the penalty levied u/s.271B in the instant case is not justified and as such, we annul the penalty levied u/s.271B of the Act for all the AYs 2015-16 to 2019-20 by allowing the appeals of the assessee with the above observations & findings.

In the result, appeals filed by the assessee for all these AY are allowed.

Order pronounced in the open court on 5th Jan, 2026

Sd/-
(Waseem Ahmed)
Accountant Member

Sd/-
(Keshav Dubey)
Judicial Member

Bangalore,
Dated 5th Jan, 2026.
VG/SPS

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The DR, ITAT, Bangalore.
5. Guard file

By order

Asst. Registrar,
ITAT, Bangalore.