

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

**BEFORE SHRI INTURI RAMA RAO, AM  
AND SHRI ANIKESH BANERJEE, JM**

**ITA Nos. 640 & 641/Coch/2025  
Assessment Years: 2014-15 & 2015-16**

St. Josephs Educational and Charitable Trust ..... Appellant  
St. Gosephs Generalate, Kottayam 686006  
[PAN: AAHTS8310C]

vs.

ITO (Exemptions), Kottayam ..... Respondent

Assessee by: Shri P.V. Chacko, CA  
Revenue by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 29.10.2025  
Date of Pronouncement: 31.10.2025

**ORDER**

**Per: Inturi Rama Rao, AM**

These appeals filed by the assessee are directed against the order of the National Faceless Appeal Centre, Delhi (NFAC) dated 16.07.2025 for Assessment Years (AY) 2014-15 & 2015-16.

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 the appeal bearing ITA No. 640/Coch/2025 for AY 2014-15 are stated herein.

4. Brief facts of the case are that the appellant is a charitable trust registered u/s. 12A of the Income Tax Act, 1961 (the Act). No return of income u/s. 139(1) was filed for AY 2014-15 by the appellant. However, the appellant trust had filed return of income in response to notice u/s. 148 of the Act dated 15.12.2021. Against the said return of income, the assessment was completed by the National Faceless Assessment Centre, Delhi (hereinafter called "the AO") vide order dated 19.03.2022 u/s. 147 r.w.s. 144B of the Act at Nil income. Subsequently, the assessing authority had initiated penalty proceedings u/s. 272A(2)(e) of the Act by issuing show cause notice dated 18.09.2022 for non filing of return of income for AY in question within the prescribed time u/s. 139(1) of the Act. In response to the show cause notice, it is submitted that filing of return of income is not compulsory in the absence of any taxable income. However, rejecting the above contention the AO had proceeded with levy of penalty of Rs. 2,57,100/- u/s. 272A(2)(e) of the Act for non filing of the return of income.

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

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

7. The learned counsel for the assessee submits that for the year under consideration filing of return of income u/s. 139(1) was not

compulsory in the absence of taxable income. It is further submitted that even in the assessment made pursuant to the notice u/s. 148, no additions were made by the AO. The income was assessed at Nil income. Therefore, no prejudice was caused to the Revenue and levy of penalty is unjustified.

8. The learned Sr. DR opposed the above submissions.

9. We have heard the rival contentions and perused the material available on record. The only issue that arises for our consideration is whether the CIT(A) was justified in confirming levy of penalty u/s. 272A(2)(e) of the Act. Admittedly, there was no taxable income for the year under consideration. Even in the assessment made pursuant to notice u/s. 148 of the Act, it resulted in Nil assessed income. Thus, these facts demonstrate that there was no taxable income in the hands of the appellant trust for the year under consideration. Provisions of Income Tax does not mandate that filing of return of income is mandatory in the absence of taxable income and, therefore, we are of the considered opinion that levy of penalty for non filing of return of income u/s. 139(1) of the Act is not warranted and accordingly, we direct the AO to delete the penalty levied u/s. 272A(2)(e) of the Act.

10. Since identical issues and facts are involved in assessee's appeal ITA No. 641/Coch/2025, our findings in ITA No. 649/Coch/2025 shall apply mutatis mutandis to this appeal also.

11. In the result, the appeal filed by the assessee stands allowed.

Order pronounced in the open court on 31<sup>st</sup> October, 2025.

Sd/-  
**(ANIKESH BANERJEE)**  
**JUDICIAL MEMBER**

Sd/-  
**(INTURI RAMA RAO)**  
**ACCOUNTANT MEMBER**

Cochin, Dated: 31<sup>st</sup> October, 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

Assistant Registrar  
ITAT, Cochin