

**IN THE INCOME TAX APPELLATE TRIBUNAL
“F” BENCH, MUMBAI**

**BEFORE SHRI SANDEEP GOSAIN, JUDICIAL MEMBER &
SHRI OM PRAKASH KANT, ACCOUNTANT MEMBER**

**I.T.A. No.3393/Mum/2025
A.Y: 2014-15**

Vijaya Prakash Nagori 409/C, Abhar, JP Road, Seven Bungalows, Andheri (W), Mumbai PAN – ABTPN8669C	Vs	ITO, Ward 32(2)(1) Kautilya Bhawan, BKC Mumbai
(Appellant)		(Respondent)

Assessee by	Shri Bharat Kumar
Revenue by	Ms. Kavita Kaushik, Sr. DR

Date of Hearing	10.11.2025
Date of Pronouncement	12.11.2025

ORDER

Per: SHRI. SANDEEP GOSAIN, J.M.:

The present appeals have been filed by the assessee challenging the impugned order dt. 09.05.2025 passed under section 250 of the Income Tax Act, 1961 (‘the Act’), by the National Faceless Appeal Centre (NFAC) / CIT(A) for the assessment year 2014-15.

2. The only ground raised by the assessee relates to challenging the order of Ld. CIT(A) in confirming the penalty levied u/s 271(1)(b) of the Act.

3. In this regard, we have heard the counsels for both the parties, perused the material placed on record, judgements cited before us and also the orders passed by

the revenue authorities. From the records, we noticed that penalty in the present case was levied on account of the fact that assessee has not complied with statutory notices issued u/s 142(1) and 143(2) of the Act by the AO and thus AO went ahead and levied penalty amounting to Rs. 20,000/- u/s 271(1)(b) of the Act r.w.s 274 of the Act.

4. In this regard, Ld. AR submitted that assessee being female senior citizen had filed her return of income in respect to the notices issued u/s 148 of the Act. It was further submitted that there was delay in filing the reply to the statutory notices issued by AO because the chartered accountant who was handling the case could not file the reply in time. Finally the assessee had changed the said chartered accountant and filed the reply on 20.01.2023 along with all the details and thereafter AO recorded his satisfaction and passed the assessment under regular proceedings.

5. After having heard both the sides, we noticed that it is an undisputed fact that assessee being female senior citizen had ultimately responded to the notices and the reason for initial non-compliance was on account of the negligence on the part of the chartered accountant. In this case the assessee had not complied with the initial notices, but the assessment eventually was completed u/s 143(3) of the Act, therefore it goes to show that the subsequent compliances were considered as sufficient and therefore earlier default was effectively ignored. Even otherwise, in

our view, the penalties are not automatic and can be waived if the assessee demonstrated a reasonable cause in non-compliance with statutory notices.

6. Since in the present case assessee has successfully demonstrated “*reasonable cause*” for initial non-compliance. Therefore, considering overall facts and circumstances we are of the view that penalty levied by AO u/s 271(1)(b) of the Act is not sustainable and thus we direct the AO to delete the same.

7. In the result the appeal filed by the assessee stands allowed.

Order pronounced in the open court on 12/11/2025

Sd/-
(OM PRAKASH KANT)
(ACCOUNTANT MEMBER)

Sd/-
(SANDEEP GOSAIN)
(JUDICIAL MEMBER)

Mumbai:
Dated: 12/11/2025

KRK, Sr. PS.

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

(Asstt.Registrar)
ITAT, Mumbai