

आयकर अपीलीय अधिकरण न्यायपीठ, कोचीन
IN THE INCOME TAX APPELLATE TRIBUNAL, COCHIN

माननीय इंटूरी रामा राव, लेखा सदस्य एवं
माननीय श्री मनु कुमार गिरि, न्यायिक सदस्य के समक्ष
**BEFORE HON'BLE SHRI INTURI RAMA RAO, ACCOUNTANT MEMBER
AND
SHRI HON'BLE MANU KUMAR GIRI, JUDICIAL MEMBER**

आयकर अपील सं. / ITA No. 767/Coch/2025
निर्धारण वर्ष /Assessment Year: 2015-16

Prathapa Chandra Menon,
Menon Mar Madom,
Ambalapuzha Fast EDB.O,
Ambalappuzha,
Alappuzha – 688 561.
PAN: CMZPM 2672R

The Asst. Commissioner of
Vs. Income Tax,
Alappuzha.

(अपीलार्थी/Appellant)

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/ Appellant by
प्रत्यर्थी की ओर से /Respondent by

: None
: Smt. Leena Lal, Snr A.R

सुनवाई की तारीख/Date of Hearing

: 06.11.2025

घोषणा की तारीख /Date of Pronouncement

: 28.11.2025

आदेश / O R D E R

PER MANU KUMAR GIRI (Judicial Member):

The captioned appeal filed by the assessee is directed against order of the Ld. Commissioner of Income Tax (Appeal)/NFAC, Delhi ['CIT(A)' in short] dated 12.09.2025 for Assessment Year 2015-16



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confirming imposition of penalty u/s.271F of the Income tax Act, 1961 ('Act' in short).

2. The assessee has raised several grounds challenging the levy of penalty u/s 271F. In essence, the grievance of the assessee is that the penalty has been wrongly levied despite the fact that the assessee had no taxable income for the relevant assessment year. The assessee is a non-resident, and the statutory notices allegedly issued by the AO were never received. The non-filing of return and non-response to notices were not wilful, and were due to circumstances beyond the assessee's control. The penalty order violates the principles of natural justice.

3. Facts of the case is that the assessee, a non-resident individual, did not file a return of income for A.Y. 2015-16. The Assessing Officer issued penalty proceedings u/s 271F and imposed a penalty of Rs.5,000/- for failure to file the return within the prescribed time. The assessee contended that he had no taxable income and that



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the notices sent by the AO were not received. The CIT(A) upheld the penalty.

4. We have carefully considered the rival submissions and perused the record. The assessee has consistently maintained that he had no taxable income for the year. The Revenue has not brought any material on record to contradict this claim. When there is no taxable income, the obligation to file return is materially diluted, and penalty for non-filing becomes unsustainable in the facts of the case. Further, the assessee is a non-resident, and it is plausible that notices issued at his last known address went unnoticed. The Revenue has not demonstrated proper service of notice. Penalty cannot be sustained when the assessee was deprived of an effective opportunity to comply. The non-response to notices was due to reasons beyond the assessee's control. There is nothing on record to show that the default was intentional or deliberate. Penalty u/s 271F is imposable only where failure is without reasonable cause. In this case, reasonable cause exists. Considering the above facts and the settled legal position that penalty cannot be levied where there is reasonable cause, we hold that the levy of penalty u/s



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271F in the present case is not justified. Accordingly, the penalty of Rs. 5,000 levied u/s 271F is hereby deleted.

5. In the result, appeal filed by the assessee is allowed.

Order pronounced on 28th day of November, 2025 at Cochin.

Sd/-
(इंटूरी रामा राव)

(Inturi Rama Rao)

लेखा सदस्य /Accountant Member

Sd/-

(मनु कुमार गिरि)

(Manu Kumar Giri)

न्यायिक सदस्य / Judicial Member

Cochin, दिनांक/Dated: 28th November, 2025.

EDN, Sr. P.S

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT,
4. विभागीय प्रतिनिधि/DR
5. गार्ड फाईल/GF