

आयकर अपीलिय अधिकरण, 'बी' न्यायपीठ, चेन्नई
**IN THE INCOME TAX APPELLATE TRIBUNAL
'B' BENCH: CHENNAI**

श्री एबी टी. वर्की, न्यायिक सदस्य एवं
श्री एस. आर. रघुनाथा, लेखा सदस्य के समक्ष

**BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND
SHRI S.R.RAGHUNATHA, ACCOUNTANT MEMBER**

आयकर अपील सं./ITA No.2918/Chny/2025
निर्धारण वर्ष/Assessment Year: 2015-16

Sri JSSD] Educational Health & Charitable Trust, 48, Kubera Street, Villupuram-605 602. [PAN: AAFTS 0080 F]	v.	The ITO (Exemptions), Ward-1, Chennai.
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)
अपीलार्थी की ओर से/ Appellant by	:	Ms.Nidhi Jain, CA
प्रत्यर्थी की ओर से /Respondent by	:	Mr.K. Ilaiyaraja, Addl.CIT
सुनवाईकीतारीख/Date of Hearing	:	17.12.2025
घोषणाकीतारीख /Date of Pronouncement	:	04.02.2026

आदेश / ORDER

PER ABY T. VARKEY, JM:

This is an appeal preferred by the assessee Trust against the order of the Learned Commissioner of Income Tax (Appeals)/NFAC, (hereinafter referred to as "the Ld.CIT(A)"), Delhi, dated 11.09.2025 for the Assessment Year (hereinafter referred to as "AY") 2015-16 wherein the Ld.CIT(A) confirmed the action of the AO levying penalty u/s.272A(2)(e) of the Income Tax Act, 1961 (hereinafter referred to as "the Act") for non-filing of return of income (RoI) and levied penalty of ₹2,41,500/-.



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2. The brief facts are that the assessee had deposited a cash of ₹1,53,12,319/- in its bank account maintained with bank of Baroda and received interest income of ₹1,86,594/- but didn't file return of income (RoI/ITR). Hence, in order to verify the source of the cash deposits and interest income, the AO reopened the assessment by issuing notice u/s.148 of the Act on 30.03.2022 and pursuant to it, the assessee filed its RoI on 10.06.2022 declaring NIL income. The AO finalized the assessment order on 11.03.2023 accepting the RoI at ₹NIL.

3. Thereafter, the AO initiated penalty proceedings u/s.272A(2)(e) of the Act for 'non-furnishing of RoI', which the assessee Trust had to furnish under sub-section (4A) of Section 139 of the Act and since the assessee failed to do so, he issued show cause notice to the assessee for levy of penalty and thereafter is noted to have levied penalty of ₹2,41,500/- vide order dated 23.09.2024. Aggrieved, the assessee preferred an appeal before the Ld.CIT(A) who confirmed the same.

4. Aggrieved, the assessee is in appeal before this Tribunal.

5. We have heard both the parties and perused the material available on record. We note that the assessee is a Trust registered u/s.12A of the Act and didn't file RoI for AY 2015-16. The AO taking note that there is a cash deposits of ₹1,53,12,319/- and that it has received interest income of ₹1,86,594/-, issued notice u/s.148 of the Act, pursuant to which, the



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assessee filed its RoI on 10.06.2022 showing 'NIL' income which has been accepted by the AO vide assessment order dated 11.03.2023. In the assessment order dated 11.03.2023 at Para No.6, the AO recorded his satisfaction "*penalty proceedings u/s.271F of the Act for failure to furnish RoI u/s.139(1) of the Act on or before the end of the relevant assessment year are initiated for which notice u/s.274 r.w.s.271F of the Act is separately being issued*" and pursuant to it, the AO is noted to have issued notice u/s.271F of the Act vide letter dated 03.05.2023 [DIN: ITBA/PNL/F/271F/2023-24/1052577901(1)]. Pursuant to notice, the assessee replied pleading for non-levy of penalty, citing reasonable cause i.e. the Auditor of the assessee's Trust was diagnosed with cancer and therefore couldn't upload the Tax Audit Report (TAR) as well as the ITR which he had prepared. The assessee has filed medical reports as well as the Death Certificate of the Auditor Shri V. Anantharaman. Thereafter, the AO is noted to have again issued notice u/s.272A(2)(e) of the Act after realizing the mistake that the notices issued earlier u/s.271F of the Act was erroneous. And thereafter, is noted to have passed the penalty order dated 23.09.2024 levying penalty of ₹2,41,500/-. On appeal, the Ld.CIT(A) has confirmed the penalty. The assessee has filed a Chart (infra) which shows that assessee had been filing ITR-7 within the due date u/s.139(4A) of the Act except for the relevant assessment year. It would be gainful to refer to the Chart which is given below:



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Status of filing Income Tax Return since AY 2015-16								
Assessment Year	Filing Type	ITR	Filing Section	Filing Date	Due Date of Filing ITR	Extended Due Date of Filing ITR	Extensions granted due to the COVID	whether Return filed within due date or belated return
2025-26	Original	ITR-7	139(4A)	04-11-2025	31-10-2025	10-12-2025		Yes
2024-25	Original	ITR-7	139(4A)	23-10-2024	31-10-2024	15-11-2024		Yes
2023-24	Original	ITR-7	139(4A)	21-11-2023	31-10-2023	30-11-2023		Yes
2022-23	Original	ITR-7	139(4A)	26-10-2022	31-10-2022	07-11-2022		Yes
2021-22	Original	ITR-7	139(4A)	12-03-2022	31-10-2021	15-03-2022		Yes
2020-21	Original	ITR-7	139(4A)	14-01-2022	30-09-2020	31-01-2021	15-02-2021	Yes
2019-20	Original	ITR-7	139(4A)	25-10-2019	30-09-2019	31-10-2019	30-11-2020	Yes
2018-19	Original	ITR-7	139(4A)	31-10-2018	30-09-2018	31-10-2018		Yes
2017-18	Return filed in response to notice u/s 142(1)	ITR-7	139(4A)	03-04-2018	30-09-2017	-		Yes
2016-17	Original	ITR-7	139(4)	31-03-2018	30-09-2016	139(4) -		Yes
2016-17	Rectification	ITR-7	-	22-01-2019	-	-		
2015-16	Return filed in response to notice u/s 148	ITR-7	148	10-06-2022	30-09-2015	31-10-2015		NO

6. A perusal of the aforesaid chart, reveals that the assessee has been regularly filing ITR-7 u/s.139(4A) of the Act within the due time from AY 2016-17 to AY 2025-26; and for the relevant assessment year under consideration i.e. AY 2015-16, the assessee is noted to have duly prepared its TAR and prepared even the ITR but couldn't upload it since the Auditor, Shri V. Anantharaman was diagnosed with cancer and was hospitalized and ultimately passed away as noted from the Death Certificate [copy placed at Page No.11-12 of the Paper Book]. Considering the past as well as the post-conduct of the assessee which shows that assessee has been consistently filing return as well as TAR



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within the due date and the lapse of not filing ITR was only for this year and also due to hospitalization of the deceased Auditor. Hence, we are of the view that assessee should not be penalized since there was a reasonable cause for non-levy of penalty, for such action we rely on the decision of the Tribunal in the case of National Institute of Women Child & Rural Health Trust v. JCIT reported in [2022] 136 taxmann.com 261 (Chennai-Trib.) order dated 08.12.2021 wherein the Tribunal held as under:

7. We have heard both the parties, perused materials available on record and gone through orders of the authorities below. Admittedly, the assessee has filed returns of income for all these assessment years, but such returns of income were filed belatedly after the due date specified under ss. 139(4A) and 139(4C) of the. The assessee has explained reasons for delay in filing return of income, as per which, the Managing Trustee Smt. Chitra Ganapathy, was falling ill from the year 2006 and was hospitalized for treatment of various illness. In her absence, no one was in a position to take care day to day affairs of the assessee which resulted in delay in finalization of accounts and filing returns of income for all these assessment years. But, the delay in filing of return of income was neither intentional nor to derive any undue benefit. We have gone through the reasons given by the AO to reject arguments of the assessee for levying of penalty under s. 272A(2)(e) of the, in light of arguments of the assessee, and we ourselves do not subscribe to the reasons given by the AO for the simple reason that, when the AO himself has recorded a finding that medical records submitted by the assessee show that managing trustee Smt. Chitra Ganapathy, was suffering from illness for the period 2010-11, he ought not to have rejected the arguments of the assessee that she was ill since 2006. In our considered view, illness of Managing Trustee of the trust during the relevant period will definitely come under reasonable cause as provided under s. 273B of the for not filing return of income within due date specified under the. We further noted that the assessee neither intentionally filed return of income belatedly, nor derived any benefit by filing belated return. In fact, the assessee was having excess of expenditure over income for all these years and thus, by not filing return of income within due date specified under the, there is no loss of revenue to the Government In this view of the matter and considering facts and circumstances of the case, we are of the considered view that the reasons given by the assessee for not filing return of income within due date specified under s. 139(4A) of the comes under reasonable cause as provided under the for not levying penalty under s. 272A(2)(e) of the. The learned CIT(A) without appreciating facts simply confirmed penalty levied by the AO. Hence, we set aside order of the learned CIT(A) and direct the AO to delete penalty levied under s. 272A(2)(e) of the for all four assessment years.



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Sri JSSDJ Educational Health &
Charitable Trust

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7. Since the assessee has been able to show reasonable cause as envisaged u/s.273B of the Act, the levy of penalty u/s.272A(2)(e) of the Act is directed to be deleted.

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

Order pronounced on the 04th day of February, 2026, in Chennai.

Sd/-
(एस. आर. रघुनाथा)
(S.R.RAGHUNATHA)
लेखा सदस्य/**ACCOUNTANT MEMBER**

Sd/-
(एबी टी. वर्की)
(ABY T. VARKEY)
न्यायिक सदस्य/**JUDICIAL MEMBER**

चेन्नई/Chennai,
दिनांक/Dated: 04th February, 2026.
TLN

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT, Chennai / Madurai / Salem / Coimbatore.
4. विभागीय प्रतिनिधि/DR
5. गार्डफाईल/GF