

**IN THE INCOME TAX APPELLATE TRIBUNAL  
"D" BENCH, MUMBAI**

**SHRI RAHUL CHAUDHARY, JUDICIAL MEMBER  
SHRI MAKARAND VASANT MAHADEOKAR, ACCOUNTANT MEMBER**

**ITA No.7559/MUM/2025  
(Assessment Year:2022-2023)**

**Mobil Trust Series 06**

Ground Floor, 17, R. Kamani Marg, Asian Building,  
Ballard Estate, Mumbai - 400001. Maharashtra  
[PAN: AAGTM6614C]

..... **Appellant**  
Vs

**Income Tax Officer Ward 1(1), Thane**

Qureshi Mansion, Gokhale Road, Thane  
West, Thane - 400602. Maharashtra.

..... **Respondent**

**Appearance**

For the Appellant/Assessee : Shri S. Raghunathan &  
Shri Gopal Sharma  
For the Respondent/Department : Shri Annavarani Kosuri

**Date**

Conclusion of hearing : 02.02.2026  
Pronouncement of order : 06.03.2026

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**ORDER**

**Per Rahul Chaudhary, Judicial Member:**

1. The present appeal preferred by the Assessee is directed against the Order, dated 11/03/2025, passed by the National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'the **CIT(A)**'] whereby the Ld. CIT(A) had dismissed the appeal against the Penalty Order, dated 27/06/2024, passed under Section 272A(1)(d) of the Income Tax Act, 1961 [hereinafter referred to as 'the **Act**'] for the Assessment Year 2022-2023.
2. There is delay of 172 days in filing the present appeal. The Assessee had filed application seeking condonation of delay which was accompanied by supporting affidavit. The Assessee has explained that the Assessee-trust is a Special Purpose Vehicle (SPV) created entirely for regulatory purpose for securitization of the standard assets. The

Assessee is a 'Securitisation Trust' as defined under Section 115TCA of the Act. IDBI Trusteeship Services Limited, which was serving around 700 trusts every month and managing all activity in relation to securitization process at the relevant time, was appointed as trustee of the Assessee-Trust. Further, during the relevant previous year the Assessee was undertaking compliances under different statutes. There were significant change of officers in the team and many senior officers (including the officer handling compliances and taxation matters) had left. This lead to delays in gathering records and responding to departmental communications. It was contended on behalf of the Assessee that there were genuine operational constraints and heavy compliance workload which resulted in an inadvertent delay of 172 days in filing the present appeal. Accepting the contention of the Assessee, we hold that in the present case the Assessee was prevented by the sufficient cause from filing the present appeal before the Tribunal within the prescribed time and therefore, we condone the delay of 172 days in filing the present appeal. Accordingly, we proceed to adjudicate the grounds raised in the present appeal.

3. The Assessee has raised 5 ground and has challenged the levy of penalty of INR.10,000/- under Section 272A(1)(d) of the Act. We have considered the rival submissions advanced by both the sides on ground No.1 and have perused the material on record.
4. We note that vide Penalty Order, dated 26/06/2024, the Assessing Officer had levied penalty of INR.10,000/- on the Assessee under Section 272A(1)(d) of the Act since the Assessee had failed to apply with Notice, dated 17/08/2023, issued under Section 142(1) of the Act during the assessment proceedings. The appeal preferred by the Assessee challenging the aforesaid penalty was dismissed by the Learned CIT(A) holding that the Assessee was negligent in complying with the notice issued by the Assessing Officer under Section 142(1) of the Act. Therefore, the Assessee has preferred present appeal

challenging the Order, dated 11/03/2025, passed by the Learned CIT(A) .

5. During the course of hearing learned Authorized Representative for the Assessee had placed reliance upon the submissions filed before the Assessing Officer on 11/06/2024 [*in reply to the show-cause notice, dated 07/06/2024, issued by the Assessing Officer*] in the penalty proceedings. We find that the Assessee had made following submissions [*reproduced by the Assessing Officer in Paragraph 3.2 of the Penalty Order*]:

"1. *The reason for such non-submission or/and delayed submission given below:*

***i. Email ids as per income tax portal***

*As per the income tax portal, the notices were sent to email id italtax@gmail.com with CC to Nilesh palavidbitrustec.com and arvindmohtasbiyanimittal.com.*

*Email itsltax@gmail.com this email address was created specifically for the purpose of an audit, and the only person who may access it is the securitization trust auditor. We were unaware that notices had been sent to that email address because the audit firm is the only one with access to it.*

*Email Nilesh.palavi@idbitrustee.com. this email id belongs to Mr. Nilesh Palav, a former employee who left the organization on 08-04-2021. This ID was not active when the notices were issued. We have attached a copy of Mr. Nilesh Palav's reliving letter, marked as Exhibit 1. to support our position*

*Email arvindmohtaja/biyanimittal.com: this email id is of auditor of the trust.*

*However, while checking the income tax portal for the routine activity, we came to know that the income tax department had issued notices under section 142(1) of the Act pertaining to the assessment year 2022-23, but in some of the cases submission had not been made on time in response, and your good self had issued the captioned show cause notice. This fact had come to our knowledge only in the month of February and March 2024.*

**ii. Significant change in team officers during November 2020 to December 2023**

We further submit that between November 2020 to December 2023 there were significant change of officers in the team. The details of the officers are as under:

Mr. Bhavik Modi was also a member of the securitization team. In addition to managing operations, he was also in charge of tax concerns. However, on 02-11-2020, he left from the organization.

Mr. Nilesh Palav, team leader and person who was handing the whole operational activity of the securitisation along with the taxation issues had left the organization on 08-04-2021.

Mr. Sanket Hagde was also a member of the securitization team. In addition to managing operations, he was also in charge of tax concerns. However, in 07-01-2022, he left from the organization.

Mr. Rushikesh Redij was also a member of the securitization team. He was part of regular operational activities. However, in 17-04-2023, he left from the organization.

Mr. Hemani Khanodi was also a member of the securitization team. She was part of regular operational activities. However, in 25-08-2023, she left from the organization.

Mr. Vineet Patil was also a member of the securitization team. He was part of regular operational activities. However, in 31-08-2023, he left from the organization.

Mr. Sayali Pawar was also a member of the securitization team. She was part of regular operational activities. However, in 10-11-2023, he left from the organization.

*Summary*

<b>Office Name</b>	<b>Designation</b>	<b>Relieving date</b>
Bhavik Modi	Manager	02-11-2020
Nilesh Palav	Vice President	08-04-2021
Sanket Hegde	Asst. Vice President	07-01-2022
Rushikesh Redij	Dy. Manager	17-04-2023
Hemani Khanudi	Dy. Manager	25-08-2023

<i>Vineet Patil</i>	<i>Sr. Manager</i>	<i>31-08-2023</i>
<i>Sayali Pawar</i>	<i>Manager</i>	<i>10-11-2023</i>

*Due to the frequent change of senior officers in the team from 2020 to 2023, there was a huge pressure on the other members, who generally handles the operational activity, to check and respond the numerous income tax issues. This further caused some income tax notices to be delayed or not answered at all.*

*To substantiate, we are herewith attaching a copy of reliving letters of all the above officers, marked as Exhibit 2.*

**iii. Notices were issued in huge numbers**

*We would like to mention here that on an average every year ITSL is handling around 350 securitisation trust.*

*For the assessment year 2022-23, the income tax department had issued scrutiny notice to around 117 securitisation trust asking various details. Generally, we have not got this huge number of notices in the earlier years. In all the cases, assessee companies has been selected under CASS for the reason of Large Claim of Exemption u/s 10. Copy of list of assessee trust selected under CASS are attached herewith as Exhibit 3.*

*Due to huge number of scrutiny notice issued, frequent changes in the seniors managers and huge pressure on the other member of the team- some of the notices were not answered or/and delayed answered.*

*When we came to know about the assessment notices, we immediately discussed with the auditor team, prepared details required and submitted. However, in some of the cases the orders have been passed before our knowledge.*

**iv. Change in office premises**

*We submit that in the month of January 2023, our office premises shifted to address so the correspondence which the income tax department sent through post had also not reached us.*

*Our new address is IDBI Trusteeship Services Limited, Ground Floor, 17R Kamani Marg. Asian Building, Ballard*

*Estate, R Kamani Marg, Mumbai-400001, Maharashtra.*

*The lease agreement for the new premises was executed on 14-07-2024 and after renovation and interior work our office shifted to new premises in the month of January 2023. For your reference and record, we are herewith attaching a copy of rental agreement as Exhibit 4.*

**2. Steps taken so that no notice will get unattended in future**

*We humbly submit that there has been major changes within the core team that handles securitisation at ITSL during the past couple of years. While the incoming officials have taken up and got the matters to speed, there is a little struggle to the extent of collation, extraction and dissemination of past records. We assure you that ITSL has now implemented best organization practices for business continuity and automated its operational functions thereby reducing specific person dependencies in this regards. Apart from these, we would like to maintain that all the statutory compliances like filing ITR, Form 64F, TDS compliances have already been filed within the time line. However, because the assessee has only received these notices for the past two years, they are relatively new to the assessee.*

**3. Duly attended other notices such as Penalty**

*We would like to state that, going forward, no notice will be unattended as we are making every effort to verify and respond to all notices related to income tax issues.*

*The assessee trust have got penalty notices u/s 272A(1)(d) of the Act dated 22-02-2024 and the same was duly replied on 15-03-2024, 20-03-2024. Also, we have got the notices u/s 270A of the Act, in response abeyance letter 06-03-2024, 27-03-2024 and 30-05-2024. Copy of acknowledgment enclosed as Exhibit 5. And Copy of submission dated 20-03-2024 also enclosed as Exhibit 6.*

**4. Appeal Filed before the CIT-A NFAC**

*We would like to further submit that aggrieved by the additions/disallowance made in assessment order passed u/s 144 r.w.s 144B of the Act dated 23-02-2024, the assessee trust has approached to the CIT-A NFAC filed appeal on 22-03-2024. We are herewith attaching a copy assessment year order and appeal acknowledgment alongwith form 35 as Exhibit 7 and 8.*

6. The above submission were rejected by the Assessing Officer on the

ground that the same were general in nature; the Assessee was duty bound to comply with the duty bound to comply with the notices; and shifting of office premises was on no consequence as the proceeding were conducted in faceless manner. Further, the Assessee was under obligation to update Email-ID and mobile number at Income Tax Business Portal (ITBA). However, the Assessee failed to discharge aforesaid obligation and did not respond to Notice, dated 17/08/2023, issued under Section 142(1) of the Act. Therefore, the Assessee had acted negligently and the penalty of INR.10,000/- under Section 272A(1)(d) of the Act was leviable for failure to comply with the aforesaid Notice, dated 17/08/2023, issued under Section 142(1) of the Act.

7. The appeal preferred by the Assessee was dismissed by Learned CIT(A) vide Order, dated 11/03/2025, concluding as under:

"5.0. xx

*The contention of the assessee is found not tenable, the AO issued show cause notice u/s 142(1) of the Act, seeking explanation of the assessee. The assessee did not file response to the notices. It is mere denial of the assessee that blame thrown to the appellant's trust auditor, ex-employee's, team officers and technical difficulties. It is a sheer negligence of the assessee to comply the notice issued by the AO. Therefore, it is understood that the assessee failed to discharge onus on its contention raised in grounds of appeal filed. In light of the above facts, the penalty of Rs. 10,000/- levied by the AO u/s 272A(1)(d) is upheld and grounds of the appeal are dismissed.*

*In result, the appeal is dismissed."*

8. During the course of hearing of the present appeal both sides reiterated the stand taken before the authorities below.
9. Having given thoughtful consideration the rival contention and on perusal of material on record, we are of the view while the Assessee failed to comply with the notice, such failure was occasioned on account of bonafide reasons. The Assessee is a Special Purpose Vehicle

(SPV) created entirely for regulatory purpose for securitization of the standard assets. The Assessee had provided following reasons on account of which the, Notice dated 17/08/2023, issued under Section 142(1) of the Act could not be complied with – (a) The Assessee-trust's employee who had knowledge of the tax matters and had received the notice left the organization. There were significant changes in team officers, (b) email addresses on which notices were sent were either accessed by the auditor or were inactive, (c) on account of large number of changes in the team and for the reason a large number of statutory compliances were to be undertaken some of the statutory notices could not be attended to by the Assessee within prescribed time, and (d) there was also change in office premises during the relevant which also lead to difficulty in keeping track of the proceedings. It was submitted that the Assessee had complied with the subsequent notices and has been undertaking tax compliances diligently. Given the aforesaid, we deemed it appropriate to grant the benefit of Section 237B of the Act to the Assessee since the Assessee had provided reasonable explanation. Therefore, we are of the view that penalty levied by the Assessing Officer under Section 272A(1)(d) of the Act cannot be sustained. Accordingly, Ground No.1 raised by the Assessee is allowed and all the other Grounds raised by the Assessee are dismissed as having been rendered infructuous.

10. In terms of above, the present appeal preferred by the Assessee is partly allowed.

Order pronounced on 06.03.2026.

*Sd/-*  
**(Makarand Vasant Mahadeokar)**  
**Accountant Member**

*Sd/-*  
**(Rahul Chaudhary)**  
**Judicial Member**

मुंबई Mumbai; दिनांक Dated :06.03.2026  
*Milan, LDC*

**आदेश की प्रतिलिपि अग्रेषित/ Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त/ The CIT
4. प्रधान आयकर आयुक्त / Pr.CIT
5. विभागीय प्रतिनिधि , आयकर अपीलीय अधिकरण , मुंबई / DR,  
ITAT, Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

उप/सहायक पंजीकार /(Dy./Asstt. Registrar)  
आयकर अपीलीय अधिकरण, मुंबई / ITAT, Mumbai