

IN THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD “B” BENCH
(Conducted Through Virtual Court)
Before: **Shri Rajpal Yadav, Vice President**
And **Shri Amarjit Singh, Accountant Member**

ITA No. 968/Ahd/2019
Assessment Year 2017-18

The Halol Urban Co-op Bank Ltd. Rabari Faliya, Pavagadh Road, Halol-389350 PAN: AAAAT2873K (Appellant)	Vs	The Director of Income Tax (I & CI), Aayakar Bhavan, Ahmedabad (Respondent)
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Revenue by: Shri R.R. Makwana, Sr. D.R.
Assessee by: Shri Samir Parikh, A.R.

Date of hearing : 08-10-2021
Date of pronouncement : 25-10-2021

आदेश/ORDER

PER : AMARJIT SINGH, ACCOUNTANT MEMBER:-

This assessee’s appeal for A.Y. 2017-18, arises from order of the CIT(A), Ahmedabad dated 17-10-2017, in proceedings under section 271FA of the Income Tax Act, 1961; in short “the Act”.

2. The solitary ground of appeal of the assessee is directed against the decision of Id. CIT(A) in levying penalty of Rs. 73,000/- u/s. 271F of the Act.

3. The fact in brief is that Id. Director of Income Tax (I & CI) has passed order u/s. 274 r.w.s. 271FA on 17th October, 2017 and levied penalty of Rs. 73,000/- u/s. 271FA for failing to file SFT-014 for assessment year 2017-18 for which the last date was expired on 31st Jan, 2016. The Id. Director of Income Tax (I & CI) stated that two notices on 11th April, 2017 and 1st June, 2017 were issued directing the assessee to file the SFT-014 failing which penalty would be leviable @ Rs. 500 per day for each day of failure commencing on 21st June, 2017 since the assessee bank had not responded to the notices therefore penalty was worked out at Rs. 73,000/-.

4. During the course of appellate proceedings before us, the Id. counsel has contended that assessee was unaware of non-filing of SFT return for F.Y. 2016-17 and it came to its knowledge only after a notice received by it from the office of the Director of Income Tax (I & CI) Ahmedabad on receipt of notice, the SFT return 014 for F.Y. 2016-17 was filed electronically on 28th March, 2019. The Id. counsel has also submitted that from Jan, 2017 premises of the company was under renovation therefore notices stated in the penalty order by the Director of Income Tax (I & CI) were not received by the bank and even the

penalty order levied u/s. 271FA was also not received by the bank. On the other hand, Id. Departmental Representative has supported the order of Director of Income Tax (I & CI)

5. Heard both the sides and perused the material on record. The assessee is a co-operative bank engaged in the business of banking. The bank is required to file SFT return (statement of special finances transaction) u/s. 285BA of the Act. In view of the provision of section 285BA of the act, the assessee was required to file annual information return in relation to F.Y. 2016-17 on or before 31st Jan, 2016 and the assessee has failed to comply with the said statutory requirement. Therefore, the Director of Income Tax (I & CI) accordingly levied the penalty u/s. 271FA for the period of delay at Rs. 79,000/-. The penalty amount was worked out as under:-

(a) Rs.14,000/- For the delay of 140 days from 01/02/2017 to 20/06/2017@ Rs. 100/- per day;

(b) Rs. 59,000/- For the delay of 118 days from 21/06/2017 to 16/10/2017 @ rate Rs. 500/- per day.

The amount of penalty was computed as per the provision of section 271FA. We do not find any merit in the plea of the assessee stating that it was unaware about the filing of impugned statement. Regarding the contention of the assessee that it had not received the notices reported in the penalty order, it is observed that the Id. DIT(I & IC) has also not mentioned the date of serving the two notices dated 11-04-

2017 & 1-6-2017 upon the assessee. Looking to the above facts and circumstances, we hold that penalty of Rs. 25,800/- (258 days x Rs. 100 per day) on the assessee will be justified. Accordingly, the appeal of the assessee is partly allowed.

6. In the result, the appeal of the assessee is partly allowed.

Order pronounced in the open court on 25-10-2021

Sd/
(RAJPAL YADAV)
VICE PRESIDENT
Ahmedabad : Dated 25/10/2021

Sd/-
(AMARJIT SINGH)
ACCOUNTANT MEMBER

आदेश की प्रतिलिपि अग्रहित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार
आयकर अपीलीय अधिकरण,
अहमदाबाद