

**IN THE INCOME TAX APPELLATE TRIBUNAL  
JABALPUR BENCH 'DB', JABALPUR**

**Before Dr. B. R. R. Kumar, Accountant Member**

**Sh. Yogesh Kumar US, Judicial Member**

**ITA No. 92/JAB/2023 : Asstt. Year: 2017-18**

Banprabha Real Estate Pvt. Ltd., Nirmal Chhaya, Behind Block Office, Khutehi, Rewa (MP) 486001	Vs	The ACIT, Circle Satna, MP 485001
(APPELLANT)		(RESPONDENT)
<b>PAN No. AQLPS 1764 Q</b>		

**Assessee by : Sh. K.P Dewani, Adv.  
Sh. B K Nema, Adv.**

**Revenue by : Sh. Ravi Mehrotra, JCIT-DR**

<b>Date of Hearing: 29.11.2023</b>	<b>Date of Pronouncement: 30.11.2023</b>
------------------------------------	--

**ORDER**

**Per Dr. B. R. R. Kumar, Accountant Member:**

The present appeal has been filed by assessee against the order of Id. NFAC/CIT(A), New Delhi dated 19.06.2023.

2. The assessee has raised the following grounds of appeal are as under:-

- 1) *The order imposing penalty u/s 271FA at Rs.71,000/- is unjustified, unwarranted and bad in law.*
- 2) *The penalty imposed at Rs.71,000/- is unjustified, unwarranted and excessive.*
- 3) *The learned A.O. ought to have held that there is reasonable cause for delay in submission of Annual Information Return and no penalty u/s 271FA of I.T. Act 1961 is exigible.*
- 4) *The learned A.O. erred in levying penalty at Rs.71,000/- u/s 271FA of I.T. Act 1961.*
- 5) *The learned CIT(A) erred in upholding the order imposing penalty u/s 271FA of I.T. Act 1961*

6) *The order passed by learned CIT(A) without considering the written submission submitted by assessee on 24/05/2023 is in violation of principles of natural justice.*

7) *The learned CIT(A) ought to have deleted the penalty levied u/s 271FA of I.T. Act 1961.*

3. The assessee had issued share capital to group company Shri Hari Builders Pvt. Ltd. and details of share capital issued was indicated in financial statement submitted along with return on 05/10/2017. The information required u/s 285BA was matter of record.

4. Penalty was levied u/s 271FA for non-submission of annual return before due date. Assessee has filed AIR on 12/11/2018 immediately after receipt of notice. It was explained that accountant of assessee is located at Rewa a small town and on account of his ignorance and deficient knowledge statutory compliance had remained to be made. There is no loss of revenue and default is in the nature of technical and venial breach. It is worthwhile to note that this is first year of introduction of reporting transaction of share capital under Rule 114E of I.T. Rules 1962. The assessee had not received notice dated 30/08/2018 as noted in order u/s 285BA(5). After receipt of show cause notice assessee became aware of obligation to submit AIR and filed on 12/11/2018 before the date of compliance to be made.

5. The provision of Section 273B reads as under:-

*[Penalty not to be imposed in certain cases.*

*273B. Notwithstanding anything contained in the provisions of 20[clause (b) of sub-section (1) of] 21[ section 271 , section 271A, 22 [ section 271AA,] section 271B 23[, section 271BA], 24 [ section 271BB,] section 271C , 25[ section 271CA , ] section 271D, section 271E, 26 [ section 271F, 27 [ section 271FA,] 28 [ section 271FB,]*

*29 [ section 271G,] clause (c) or clause (d) of sub-section (1) or sub-section (2) of section 272A, sub-section (1) of section 272AA] or 30 [ section 272B or] 31[sub-section (1) 32[or sub-section (1A)] of section 272BB or] 33 [sub-section (1) of section 272BBB or] clause (b) of sub-section (1) or clause (b) or clause (c) of sub-section (2) of section 273, no penalty shall be imposable on the person or the assessee, as the case may be, for any failure referred to in the said provisions if he proves that there was reasonable cause 34 for the said failure.]*

6. We have also examined the order in ITA No.956 & 597/Kol/2013 in the case of Malda District Central Co-op. Bank Ltd. dated 03/08/2016, in ITA No. 121 to 124/LKW/2015 in the case of Indian Mercantile Co-operative Bank Ltd. dated 20/08/2015 and order in ITA Nos. 256 & 257/LKW/2015 in the case of Pioneer Urban Co-operative Bank Ltd. dated 07/07/2015.

7. We have also find, that the reasons given by the assessee can be considered as reasonable cause for the said failure. Hence, keeping in view the orders of the coordinate bench, compliance by the assessee and provisions of the Act, we direct that the penalty u/s. 271FA be deleted.

8. In the result, the appeal of the assessee is allowed.

Order Pronounced in the Open Court on 30/11/2023.

**Sd/-**  
**(Yogesh Kumar U.S)**  
**Judicial Member**

**Sd/-**  
**(Dr. B. R. R. Kumar)**  
**Accountant Member**

**Jabalpur Dated: 30/11/2023**

\*NV, Sr. PS\*  
Copy forwarded to:  
1. Appellant  
2. Respondent  
3. CIT  
4. CIT(Appeals)  
5. DR: ITAT

**ASSISTANT REGISTRAR**  
**ITAT JABALPUR**