

**INCOME TAX APPELLATE TRIBUNAL
AGRA BENCH "DB": AGRA
BEFORE SHRI M. BALAGANESH, ACCOUNTANT MEMBER
AND
SHRI SUNIL KUMAR SINGH, JUDICIAL MEMBER**

**ITA No. 64/AGR/2026
(Assessment Year: 2014-15)**

Banco Construction, Bansal Kothi, Nehru Colony, Thatipur, Gwalior	Vs.	ACIT, Faceless, Gwalior
(Appellant)		(Respondent)
PAN: AABFB7336D		

Assessee by :	Shri Anurag singh, Adv
Revenue by:	Shri Shailendra Srivastava, Sr. DR
Date of Hearing	18/03/2026
Date of pronouncement	18/03/2026

ORDER

PER M. BALAGANESH, A. M.:

1. The appeal in ITA No. 64/AGR/2026 for AY 2014-15, arises out of the order of the Id. National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'Id. CIT(A)', in short] dated 26.12.2025 against the order of assessment passed u/s 271(1)(b) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 28.06.2025 by the Assessing Officer, NFAC, Delhi (hereinafter referred to as 'Id. AO').
2. The only issue to be decided in this appeal is as to whether the learned CITA was justified in confirming the levy of penalty under section 271(1)(b) in the facts and circumstances of the instant case.
3. We have heard the rival submissions and perused the materials available on record. The Assessee is a partnership firm and had not filed its return of income for assessment year 2014-15. As per the information available in the system, the Assessee had received contractual payment amounting to Rs.

18,85,06,529 during the financial year 2013-14 relevant to assessment year 2014-15. Further, the Assessee had received amount of Rs. 17,88,429 as interest on which tax has been deducted at source under section 194A of the Act. The Learned AO accordingly sought to reopen the case of the Assessee and issued notice under section 148 of the Act. No return of income was filed in response to notice under section 148 of the Act. The assessment was completed under section 147 read with section 144 read with section 144B of the Act on 26-3-2022 determining total income at Rs. 1,68,68,951. The various notices under section 142(1) of the Act were also issued to the Assessee on 29-11-2021 and 3-1-2022 and final show-cause notice dated 14-3-2022 during the course of assessment proceedings. Since there was no compliance to the said notices, penalty proceedings stood initiated under section 271(1)(b) of the Act by the Learned AO which culminated in the passing of order under section 271(1)(b) of the Act on 28-6-2025 levying penalty of Rs. 30,000 comprising of Rs. 10000 for each default. Since, there were three defaults committed by the Assessee, penalty of Rs. 30,000 was levied by the Learned AO. This penalty was confirmed by the Learned CITA.

4. Before us, the Learned AR submitted that the partnership firm was converted into private limited company on 22-6-2012. But he fairly stated that the fact of conversion was not intimated to the Learned AO at all. Accordingly, the Ground No. 2 raised by the Assessee that assessment and levy of penalty being made on a non-existent entity would not have any legs to stand as no intimation per se was made by the Assessee to the Learned AO regarding the fact of conversion of firm into a private limited company. Hence, the Ground No. 2 raised by the Assessee is dismissed.

5. Further we find that no reasonable cause was sought to be adduced by the Learned AR before us or by the Assessee before the lower authorities for

non-compliance to statutory notices issued under Section 142(1) of the Act during the course of assessment proceedings. Hence, we hold that the penalty under Section 271(1)(b) of the Act has been rightly levied in the facts and circumstances of the instant case. Accordingly, the Ground Nos. 1 and 3 raised by the Assessee are dismissed.

6. In the result, the appeal of the Assessee is dismissed.

Order pronounced in the open court on 18/03/2026.

-Sd/-
(SUNIL KUMAR SINGH)
JUDICIAL MEMBER

-Sd/-
(M. BALAGANESH)
ACCOUNTANT MEMBER

Dated: 02/04/2026
A K Keot

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1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi