

**IN THE INCOME TAX APPELLATE TRIBUNAL
CHANDIGARH BENCHES, 'B' CHANDIGARH
BEFORE SHRI SANJAY GARG, JUDICIAL MEMBER &
Ms. ANNAPURNA GUPTA, ACCOUNTANT MEMBER**

ITA No. 433/Chd/2018
Assessment Year: 2014-15

The ITO,
Ward 6(1),
Mohali

Vs.

Sh. Nirankar Singh,
SCF-71, Phase X,
Mohali
PAN No. ABRPS0919A

(Appellant)

(Respondent)

Appellant By : Sh. Manjit Singh, Sr.DR
Respondent By : Sh. Parikshit Aggarwal, CA

Date of hearing : 10.07.2018
Date of Pronouncement : 01.08.2018

ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the Revenue against the order dated 18.01.2018 of the Commissioner of Income Tax (Appeals)-2, Chandigarh [hereinafter referred to as CIT(A)].

2. The sole issue raised in this appeal by the Revenue is regarding the action of the CIT(A) in deleting the disallowance made by the Assessing officer u/s 40(a)(ia) of the Income-tax Act, 1961 (in short 'the Act') for non-deduction of TDS as per the provisions of section 194A of the Act on the interest payment made by the assessee to Punjab Urban Development Authority (PUDA). At the outset, Ld. Counsel for the assessee has invited our attention to the provisions of sub clause (f) of sub clause (iii), sub-section (3) of section 194A of the Act. The provisions of sub section (3) requiring an

assessee to deduct TDS on interest payment is not applicable to such institutions, associations or bodies which the Central Government may notify in this behalf in the office gazette. As per the Notification dated 22.10.1970, issued by the Central government any corporation established by the Central / State or Provincial Act is notified for the purpose of sub clause (f) of clause (iii) or sub section (3) of section 194A of the Act. It has been further submitted that the payment in this case has been made to PUDA which has been established by the State Act namely Punjab Regional and Town Planning and Development Act, 1995. The issue, thus, is squarely covered by the decision of the Coordinate Chandigarh Bench of the Tribunal in the case of M/s Sukham Infrastructure Ltd. Vs. ITO' in ITA No.. 638/Chd/2015 & others dated 07.06.2018. Moreover, the issue is now squarely covered by the decision of the Hon'ble Supreme Court in the case of 'CIT (TDS) & Anr Vs. Canara Bank' Civil appeal No. 6020 of 2018 vide order dated 2.7.2018.

3. In view of this, we do not find any infirmity in the order of the CIT(A) and deleting the addition so made by the Assessing officer. Moreover, the tax effect in the case in hand is less than prescribed limit of Rs. 20 lacs, as per the latest CBDT Circular 3/2018 dated 11.7.2018, which is applicable retrospectively to the pending appeals also. Thus on this score also, the appeal is liable to be dismissed.

In the result, the appeal of the Revenue is hereby dismissed.

Order pronounced in the Open Court on 01.08.2018

Sd/-

(ANNAPURNA GUPTA)
ACCOUNTANT MEMBER
Dated : 1.8.2018
Rkk

Sd/-

(SANJAY GARG)
JUDICIAL MEMBER

Copy to:

1. *The Appellant*
2. *The Respondent*
3. *The CIT*
4. *The CIT(A)*
5. *The DR*