

आयकर अपीलीय अधिकरण, अहमदाबाद न्यायपीठ - अहमदाबाद ।
IN THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD – BENCH ‘C’

**BEFORE SHRI RAJPAL YADAV, JUDICIAL MEMBER
AND
SHRI WASEEM AHMED, ACCOUNTANT MEMBER**

आयकर अपील सं./ ITA No. 1301/Ahd/2018

निर्धारण वर्ष/Assessment Year: 2014-15

Bhavnagar Energy Company Ltd. 34d Floor, Uyog Bhavan Sector 11, Block No.8 Gandhinagar 382 011.	Vs	ACIT, TDS Circle Ahmedabad.
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अपीलार्थी/ (Appellant)	प्रत्यर्थी/ (Respondent)
Assessee by :	None
Revenue by :	Shri L.P. Jain, Sr.DR

सुनवाई की तारीख/Date of Hearing : 10/01/2020

घोषणा की तारीख /Date of Pronouncement : 13/01/2020

ORDER

PER RAJPAL YADAV, JUDICIAL MEMBER : Assessee is in appeal before the Tribunal against order of the Id.CIT(A)-8, Ahmedabad dated 16.3.2018 passed for the Asstt.Year 2014-15.

2. In response to the notice of hearing, none has come present on behalf of the assessee. Therefore, we proceed to decide the appeal *ex parte qua* the assessee appellant.

3. Brief facts of the case are that the assessee had filed an application dated 15.2.2015 under section 154 of the Act and contended that the company has deducted TDS at the rate of 0.5% for the financial year based on the certificate of lower rate being produced by the company. In fact the TDS was required to be deducted at the rate of 2%. When the AO wrote a letter dated 10.9.2015 for recovery of short deduction of tax, then the assessee filed this rectification application. In the rectification application, the assessee further pleaded that the payee company has already accounted for the income, and has paid tax. Therefore, there is no short fall in collection of tax as such. The Id.AO on the other hand

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found the submissions of the assessee correct, hence, recovery notice sent at Rs.21,88,764/- was scaled down to Rs.3,06,432/-. This amount was calculated by the AO under section 201(1A) of the Act i.e. interest for the period for which tax required to be paid by the assessee were not paid either by the company or by the payee. He rectified recovery letter and calculated interest at Rs.3,06,432/-.

4. Against this order, assessee went in appeal before the Id.CIT(A). The Id.CIT(A) has rejected the appeal of the assessee.

5. With the assistance of the Id.DR, we have gone through the record. There is no dispute with regard to the fact that the period calculated by the AO, the taxes required to be deducted by the assessee and paid to the Government treasury were not paid either by the assessee or by the payee, and therefore, for the default period, the interest is leviable upon the assessee. The AO has rightly levied interest, and no interference is called for in the order of the Id.CIT(A) on this issue. Accordingly, the appeal of the assessee is dismissed.

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

Pronounced in the Open Court on 13th January, 2020

**Sd/-
(WASEEM AHMED)
ACCOUNTANT MEMBER**

**Sd/-
(RAJPAL YADAV)
JUDICIAL MEMBER**

Ahmedabad; Dated, 13/01/2020