

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'G', NEW DELHI**

Before Sh. C. M. Garg, Judicial Member

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

ITA No. 1118/Del/2022 : Asstt. Year: 2018-19

Software Technology Parks of India, 1 st Floor, Plate B, Office Block-1, East Didwai Nagar, New Delhi-110023 (APPELLANT)	Vs	ACIT, CPC, TDS, Ghaziabad, U.P.-201010 (RESPONDENT)
PAN No. AAATS2468J		

**Assessee by : Sh. Atul Ninawat, Adv.
Revenue by : Sh. Anuj Garg, Sr. DR**

Date of Hearing: 05.07.2023

Date of Pronouncement: 31.07.2023

ORDER

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

The present appeal has been filed by assessee against the order of National Faceless Appeal Centre (NFAC), Delhi dated 23.03.2022.

2. Following grounds have been raised by the assessee:

"1. The order passed u/s 250 of the Income Tax Act, 1961 ("Act") is bad in law and on the facts and circumstances of the case.

2. The Learned Commissioner of Income Tax (Appeals) ["Ld. CIT(A)"] has erred in law and on the facts and circumstances while upholding the actions of Learned Assessing Officer ("Ld. AO") for imposition of interest u/s 201(1A) of the Act.

3. The Ld. CIT(A) has erred in law and on the facts and circumstances of the case by passing the order u/s 250 of the Act, in violation of the principles of

natural justice by completely disregarding the adjournment request of the Appellant.

4. The Ld. AO as well as Ld. CIT(A) has erred in law and on facts of the" case by not rectifying the error apparent from records furnished before him and consequently not deleting the demand raised for the Quarter 2 in the Form 24Q amounting to Rs. 49,350 on account of late deposition of TDS.

5. The Ld AO as well Ld. CIT(A) has failed to understand that the delayed deposit of TDS on challan is merely on account of some technical error at the end of bank and the same is beyond the control of the Appellant.

6. The Ld. AO as well as Ld. CIT(A) has erred in law by levying the interest u/s 220(2) of the Act as the same is erroneous and timely unwarranted and uncalled for."

3. The assessee Software Technology Parks of India is an Autonomous Society set-up by the Ministry of Electronics and Information Technology, Government of India in 1991 with the objective of encouraging, promoting and boosting the Software Exports from India. The assessee has filed TDS return for Quarter-2 of F.Y. 2017-18 in Form 24Q on 27/10/2017. The Total TDS liability for the month of July 17 of Rs. 15,81,800/- has been dully deposited by the appellant on 07/08/2017. Subsequently, the appellant was in receipt of intimation u/s 200A of the Act wherein a sum of Rs.47,450/- was determined to be payable by the appellant on account of late deposition of TDS.

4. In this regard, the assessee filed a letter to TDS-CPC on 30.11.2017 clarifying that total TDS for July 2017 was duly deposited on 07.08.2017 i.e. within the prescribed time and was

debited from the account but the same was reversed and then subsequently cleared by the bank on 08.08.2017, on account of transaction verification which should have been done on the same day. This fact has been verified with the concerned bank vide its communication letter dated 29.11.2017. In response to the above letter, the assessee was in receipt of mail from TDS-CPC stating that it considered the date of challan as updated in OLTAS by RBI system and no further action is possible at their end. Subsequently, intimation u/s 154 r.w.s. 200A of the Act dated 02.02.2018 was issued requiring the appellant to pay the demand on account of late deposition of TDS liability for the month of July 2017 and interest u/s 220(2) of the Act levied therein. Detail of demands raised as mentioned in intimation u/s 154 r.w.s. 200A of the Act is as –Interest on late deposit of TDS of Rs.47,454/ and interest on late deposition of Rs.1,896/. (Total Rs.49,350/-)

5. Aggrieved, the assessee filed appeal before the Id. CIT(A) who decline to interfere with the intimation of the CPC on the grounds that the assessee did not furnish any documents in support of his claim.

6. We have gone through the documents filed before the Id. CIT(A) and find that the assessee has duly deposited the amount of TDS on 07.10.2017 which has been duly debited from the account of the assessee. The bank acts as the agent of the department, hence any technical glitch which resulted in one day delay in updating of the OLTAS by RBI system cannot be treated as default committed by the assessee. Hence, we hold that the assessee is not liable to pay any interest u/s 201(1A)

of the Income Tax Act, 1961 on the amount of tax already deposited within the due date.

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

Order Pronounced in the Open Court on 31/07/2023.

Sd/-

(C. M. Garg)
Judicial Member

Sd/-

(Dr. B. R. R. Kumar)
Accountant Member

Dated: 31/07/2023

Subodh Kumar, Sr. PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR