

IN THE INCOME TAX APPELLATE TRIBUNAL,
NAGPUR BENCH

(At e- Court, Pune)

BEFORE SHRI R.S.SYAL, VICE PRESIDENT AND
SHRI PARTHA SARATHI CHAUDHURY, JUDICIAL MEMBER

Sl. No.	ITA No.	Name of the Applicant	Name of Respondent	Asst. Year
1	344/Nag/2022	Bank of India, Katol Branch Nagpur Zonal Office, 3 rd Floor, CSD Dept., Kingsways, Nagpur – 440 001 Maharashtra PAN : AAACB0472C	DCIT (TDS), Circle-51(1),Nagpur	2013-14
2	345/Nag/2022	Bank of India, Katol Branch	-do-	2014-15
3	346/Nag/2022	Bank of India, Fetri Branch	-do-	2013-14
4	347/Nag/2022	Bank of India, Fetri Branch	-do-	2014-15
5	348/Nag/2022	Bank of India, Sitabuldi Branch	-do-	2013-14
6	349/Nag/2022	Bank of India, Sitabuldi Branch	-do-	2014-15
7	350/Nag/2022	Bank of India, Besa Branch	-do-	2013-14
8	351/Nag/2022	Bank of India, Besa Branch	-do-	2014-15
9	352/Nag/2022	Bank of India, Midcorporate Branch	-do-	2013-14
10	353/Nag/2022	Bank of India, Hingna Branch	-do-	2014-15
11	354/Nag/2022	Bank of India, Ajnisquare Branch	-do-	2014-15
12	355/Nag/2022	Bank of India, Bongargaon Branch	-do-	2014-15
13	356/Nag/2022	Bank of India, Reshimbagh Branch	-do-	2014-15
14	357/Nag/2022	Bank of India, Umred Branch	-do-	2014-15
15	358/Nag/2022	Bank of India, Medical College Branch	-do-	2014-15

Assessee by : Shri Pratik Sadrani &
Shri Hardik Chordia
Revenue by : Shri Sanjay Agrawal

सुनवाई की तारीख / Date of Hearing : 24.08.2023

घोषणा की तारीख / Date of Pronouncement : 28.08.2023

आदेश / ORDER

PER Bench:

These fifteen appeals arise out of the different orders passed by the CIT(A) in National Faceless Appeal Centre (NFAC), Delhi u/s.250 of the Income-tax Act, 1961 (hereinafter also called 'the Act') in relation to the assessment years 2013-14 & 2014-15. Since common issues are raised in these appeals, we are, therefore, proceeding to dispose them off by this consolidated order for the sake of convenience.

2. The foremost issue raised in these appeals is against the confirmation of the orders passed by the AOs u/s.201(1)/201(1A) of the Act treating the assessee in default for non-deduction of tax at source u/s 194A on interest paid/credited to its customers and also non-condonation of delay by the Id. CIT(A) in presenting the appeals before him.

3. Briefly stated, the facts of the case in the captioned appeals are that the assessee is a Nationalised Bank engaged in the banking business. Section 194A mandates that tax has to be deducted at source in respect of interest paid/credited to the account of the customers. A spot verification in some branches of the assessee bank was conducted in March, 2016 and default in compliance was found anent to the TDS

provisions under the section. Information was collected from Zonal office as regards the branches paying/crediting interest to customers' accounts, for an amount in excess of the basic exemption limit, without deduction of tax at source on receiving Form Nos.15G/15H. On perusal of such information, the AO noted certain cases, as tabulated in his order, where interest paid was more than the relevant basic exemption limits but no deduction of tax at source was made on receiving Form Nos.15G/15H. After considering the reply and getting partially satisfied, the AO held the assessee to be in default u/s.201. No succor was provided by the Id. CIT(A) on merits, who also dismissed the appeals filed before him as time barred.

4. Both the sides are in agreement that the issues raised in these appeals are *mutatis mutandis* similar to the one extensively argued in the case of the assessee in ITA No.277/Nag/2022. Resultantly, it was pleaded that the decision arrived at by the Tribunal in such lead case will stand good for the extant batch of appeals under consideration.

5. We have heard the rival submissions and gone through the relevant material on record. The Pune Tribunal in the above referred case has held that there was a reasonable cause in presenting the appeal belatedly before the Id. CIT(A), thereby condoning the delay in filing

of the appeal. Following the view, we condone the delay in presenting the appeals before the Id. CIT(A).

6. The next issue assailed in the instant batch is about the limitation. Taking cognizance of the amendment carried out to the provisions of section 201(3) by the Finance (No.2) Act, 2014 substituting the sub-section (3) w.e.f. 01-10-2014, we have held in our above referred order that the order u/s.201(1)/201(1A) was not time barred. Following the view taken therein, the ground raised by the assessee on this score is not allowed.

7. Next issue which survives on merits is about the liability of the assessee to deduct tax at source. We have discussed the issue lock stock and barrel in ITA No.277/Nag/2022, drawing the following conclusions:

- i. The question whether the assessee is in default in terms of section 201(1) needs to be determined in the light of Explanation to section 191. Howbeit, the cases covered u/s 197A(1A) [i.e. the eligible person furnishing declaration in form No. 15G that his tax liability on total income, including the interest, will be Nil] but not hit by section 197A(1B) [i.e. interest income other than interest on securities as referred to in section 194A does not exceed the basic exemption limit], will at the outset be excluded from consideration as not entailing any obligation to deduct tax at source. Similarly, the cases covered u/s 194A(1C) [i.e. persons exceeding the specified

age furnishing form No. 15H to the effect that tax on their total income including such interest will be Nil] will also be excluded.

ii. Interest u/s 201(1A) is payable by the assessee - even w.r.t. the cases where it is not in default in terms of Explanation to section 191 - from the date when the tax was deductible up to the date of filing of return by the payee including the interest income in his total income. However, the cases in which there is no obligation to deduct tax at source will not be considered for interest u/s 201(1A) of the Act.

8. In the ultimate conclusion, we set aside the impugned orders and send the matter back to the respective AOs for passing fresh orders u/s 201(1)/(1A) in the light of above directions. In case it is found that the recipients included the amount of interest in their total income, then the assessee should not be treated in default in terms of section 201(1). Needless to say, the assessee will be allowed adequate opportunity of hearing in such fresh proceedings.

9. In the result, all the appeals are partly allowed in above terms.

Order pronounced in the Open Court on 28th August, 2023.

Sd/-
(PARTHA SARATHI CHAUDHURY)
JUDICIAL MEMBER

Sd/-
(R.S.SYAL)
VICE PRESIDENT

पुणे / Pune; दिनांक / Dated : 28th August, 2023
Satish

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr.CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, “नागपुर” बेंच,
/ DR, ITAT, “Nagpur” Bench
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune

		Date	
1.	Draft dictated on	23-08-2023	Sr.PS
2.	Draft placed before author	28-08-2023	Sr.PS
3.	Draft proposed & placed before the second member		JM
4.	Draft discussed/approved by Second Member.		JM
5.	Approved Draft comes to the Sr.PS/PS		Sr.PS
6.	Kept for pronouncement on		Sr.PS
7.	Date of uploading order		Sr.PS
8.	File sent to the Bench Clerk		Sr.PS
9.	Date on which file goes to the Head Clerk		
10.	Date on which file goes to the A.R.		
11.	Date of dispatch of Order.		

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