

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'B': NEW DELHI**

**BEFORE,
SHRI M. BALAGANESH, ACCOUNTANT MEMBER
AND
SHRI YOGESH KUMAR U.S., JUDICIAL MEMBER**

**ITA No.2415/Del/2023
(ASSESSMENT YEAR 2013-14)**

Extrieve Technologies Private Limited 805, 2 nd Floor Arjun Nagar Kotla Mubarakpur New Delhi-110 003 PAN-AAACP 7605H (Appellant)	Vs.	AO CPC Bangalore (Respondent)
---	-----	--

Appellant by	Sh. Rakesh Agarwal, CA
Respondent by	Sh. Vivek Kumar Upadhyay, Sr. DR

Date of Hearing	11/12/2023
Date of Pronouncement	14/12/2023

ORDER

PER YOGESH KUMAR U.S., JM:

This appeal filed by the assessee against the order of Learned Commissioner of Income Tax, National Faceless Appeal Centre (NFAC), Delhi ["Ld. CIT(A)", for short], dated 26/06/2023 for Assessment Year 2013-14. Grounds taken in this appeal are as under:

"1. Under the facts and circumstances of the case, the ld. CIT(A)-NFAC has erred in confirming the order of AO CPC passed u/s 154 whereby the AO CPC has reduced the interest granted u/s 244A to Rs.47,595.00 from Rs.1,00,195.00.

2. Under the facts and circumstances of the case, the ld. AO CPC has erred in passing the order u/s 154 of the Income Tax Act without providing any opportunity of hearing as required u/s 154(3) of the IT Act.

3. The assessee reserve the rights to add, alter, amend and modify any ground of appeal.”

2. The brief facts of the case are that return filed by the assessee was processed by CPC and refund of Rs.6,01,280.00 including interest of Rs.1,00,195.00 was generated. Later on, A.O./CPC vide rectification order dated 06/11/2020 passed under section 154 of the Act reduced the interest amount to Rs.47,595.00.

3. Aggrieved by the order passed u/s 154 of the Act dated 06/11/2020, the assessee preferred an appeal before the Ld. CIT(A). The Ld. CIT(A), vide order dated 26/06/2023 dismissed the appeal on the ground that as per section 244A(2) of the Act, if the proceedings resulting in the refund are delayed for the reasons attributable to the assessee, whether wholly or in part, the period of the delay so attributable to the assessee shall be excluded from the period for which interest is payable and further observing that the delay of issuing of refund is due to the reason attributable to the assessee, thus the assessee is not eligible to get interest on refunds for 19 months. Accordingly, the Ld. CIT(A) upheld the order of the AO /CPC by justifying the reduction of the interest on refund u/s 244A of the Act.

4. Aggrieved by the order of the Ld. CIT(A), dated 26/06/2023 the assessee preferred the present appeal on the ground mentioned above.

5. The Ld. Counsel for the assessee submitted that the A.O /CPC has committed error in reducing interest on refunds by invoking the provisions of section 244A of the Act by way of rectification order dated 29/10/2020 for the assessment year 2013-14, whereas the said section 244A(2) is not applicable for assessment year under consideration as the said section has been amended w.e.f. 01/04/2017. Therefore, submitted that the order of the lower authorities are deserves to be reversed.

6. Per contra, the Ld. DR submitted that the provisions of section 244A of the Act have been rightly invoked as the delay in issuing the refund is due to the reasons attributable to the assessee. Therefore, the Grounds of Appeal of the Assessee is devoid of merit.

7. We have heard both the parties and perused the materials available on record. It is not in dispute that originally the return was processed by CPC and refund of Rs.6,01,280/- including interest of Rs.1,00,195/- was generated. The rectification order has been passed u/s 154 of the Act by the AO/CPC by reducing the interest amount to Rs.47,595/-. It is the case of the Revenue that the delay of issuing of refund is due to the reason attributable to the deductor of the assessee, therefore, as per section 244A(2) of the Act, the assessee is not

entitled for such period of 19 months. The amendment to the provisions of section 244A(2) of the Act has been carried out by inserting the word “*or the deductor, as the case may be*” on 01/04/2017 vide Finance Act, 2017, therefore, the said provisions of section 244A(2) of the Act is not applicable in the present case being A.Y 2013-14 and the ld. CIT(A) committed an error in observing that the Section 244A(2) of the Act is applicable to the case of the assessee. Therefore, we deem it fit to restore the issue to the file of the AO to re-compute and grant interest in accordance with law by keeping in the mind that the amendment to the Section 244A (2) of the Act is not applicable for the year under consideration.

8. In the result, the appeal filed by the assessee is partly allowed for statistical purposes.

Order pronounced in open Court on 14th December, 2023.

Sd/-
(M. BALAGANESH)
ACCOUNTANT MEMBER
Dated: 14/12/2023
Pk/R.N sr ps

Sd/-
(YOGESH KUMAR U.S.)
JUDICIAL MEMBER

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, NEW DELHI

5. *ITA No.2415/Del/2023*
Extrieve Technologies Pvt. Ltd. vs. AO CPC