

**IN THE INCOME-TAX APPELLATE TRIBUNAL “E” BENCH,  
MUMBAI**

**BEFORE SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER  
&  
SMT. RENU JAUHRI, ACCOUNTANT MEMBER**

**ITA No. 1616/Mum/2024  
(A.Y. 2018-19)**

Tata Communications Collaboration Services Pvt. Ltd. C-21/C-36, 4 <sup>th</sup> Floor, Tower C, G Block, Bandra Kurla Complex, Vidyanagri Post Office, Mumbai-400098	Vs.	ITO (TDS)-2(3)(4), Mumbai MTNL TE Building, Pedder Road, Cumballa Hill, Mumbai-400026
<b>स्थायी लेखा सं./जीआइआर सं./PAN/GIR No: MUMT21413A</b>		
<b>Appellant</b>	<b>..</b>	<b>Respondent</b>

Appellant by :	Shri Dinesh Patil
Respondent by :	Shri Biswanath Das

Date of Hearing	25.06.2024
Date of Pronouncement	02.07.2024

**आदेश / O R D E R**

**PER RENU JAUHRI [A.M.] :-**

This appeal is filed by the assessee against the order of the Learned Commissioner of Income-tax (Appeals), Mumbai-60/National Faceless Appeal Centre, Delhi [hereinafter referred to as “CIT(A)”] dated 23.02.2024 passed u/s. 250 of the Income-tax Act, 1961 [hereinafter referred to as “Act”] for the Assessment Year [A.Y.] 2018-19.

2. The assessee has raised following grounds of appeal:

**"1. The impugned order passed by Ld. CIT(A) is invalid and bad in law**

1.1 On the facts and circumstance of the case and in law, the order dated February 23, 2024 passed under section 250 of the Income-tax Act, 1961 ('the Act'), by the Commissioner of Income-tax (Appeals) Addl./JCIT-4, Bengaluru (hereinafter referred as Hon'ble CIT(A)'), is incorrect, illegal, bad in law and hence ought to be struck down.

**2. Considering the Appellant as an 'assessee in default' u/s. 201(1) of the Income-tax Act, 1961 ('the Act'):**

2.1 On the facts and circumstances of the case and in law, the Hon'ble CIT(A) has erred in upholding the order dated February 20, 2020 passed under section 201(1)/201(1A) of the Act by the Income Tax Officer (TDS, 2(3)(4), Mumbai (hereinafter referred as 'Ld. TDS officer') as the Appellant has duly complied with the TDS provisions, wherever applicable vis-à-vis the impugned amount of Rs. 10,82,66,163/- and hence, the Appellant cannot be considered as an "assessee in default" for the same.

2.2 On the facts and circumstances of the case and in law, the Hon'ble CIT(A) has erred in not appreciating the submissions made by the Appellant and thereby ignoring a vital fact that the whole amount of Rs. 10,82,66,163/- was already disallowed by the Appellant in its income-tax return of the relevant year thereby paying income-tax thereon at the corporate tax rate by applying the provisions of section 40(a)(ia) of the Act and hence it is not a case that the said amount has escaped taxation.

2.3 On the facts and circumstances of the case and in law prevailing on the subject, the Hon'ble CIT(A) has grossly erred in not considering the submissions made by the Appellant as regards the incorrect and erroneous stand taken by the Ld. TDS officer in his order dated February 20, 2020 passed under section 201(1)/201(1A) of the Act.

**3. Levy of interest u/s, 201(1A) of the income-tax Act, 1961:**

3.1 On the facts and circumstances of its case and in law, the Hon'ble CIT(A) erred in not appreciating the fact that the Appellant has appropriately deducted tax at source, wherever required, and hence

*there can be no question of there being any default whatsoever and accordingly no interest u/s. 201(1A) of the Act can be levied.*

*3.2 On the facts and circumstances of the case and in law, appropriate directions be given by the Hon'ble ITAT to delete the interest levied on the Appellant u/s. 201(1A) of the Act.*

***Without prejudice to the foregoing:***

*3.3 On the facts and circumstances of the case and in law, the Hon'ble CIT(A) erred in not appreciating the fact that interest u/s. 201(1A) of the Act calculated by the Ld. TDS Officer is not in accordance with the law prevailing on the subject."*

3. At the outset, the Ld. AR has submitted a request vide letter dated 24.06.2024 for withdrawal of appeal. It is stated that the Ld. CIT(A) had accepted the alternate arguments of the assessee and given directions to TDS AO to check the TDS compliances made for the year-end provisions after the year-end.

After considering the requisite documents furnished by the assessee, the TDS AO has passed an order dated 02.06.2024 giving effect to the directions of Ld. CIT(A) and demand payable has been revised to Rs. 1,58,618/-. In this regard, the assessee has submitted as under:

*"Considering the smallness of the revised demand payable by the Appellant as against the time, cost and efforts for contesting this appeal before the Appellate Authorities, the management decided to pay the revised demand and withdraw the appeal preferred before your Honours. The Appellant has paid this revised demand and the challan evidencing this payment of tax is attached herewith as Annexure 2.*

*We submit that withdrawal of this appeal is only to avoid and minimize litigation for the Appellant considering smallness of the tax demand and should not be construed as acceptance by the Appellant of the stand taken by the TDS AO."*

4. In view of the above submissions, assessee's appeal is hereby dismissed as withdrawn.

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

Order Pronounced in Open Court on 02.07.2024

Sd/-

(PAVAN KUMAR GADALE)  
(JUDICIAL MEMBER)

Sd/-

(RENU JAUHRI)  
(ACCOUNTANT MEMBER)

Place: Mumbai

Date 02.07.2024

ANIKET SINGH RAJPUT/STENO

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त / CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण DR, ITAT,  
Mumbai
5. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//  
आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार (Dy./Asstt. Registrar)  
आयकर अपीलीय अधिकरण/ ITAT, Bench,  
Mumbai.