

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

**BEFORE SHRI GEORGE GEORGE K., VP
AND SHRI INTURI RAMA RAO, AM**

**ITA No. 1061 /Coch/2024
Assessment Year: 2015-16**

The South Indian Bank Ltd. Appellant
Mission Quarters, T.B. Road, Thrissur 680001
[PAN: AABCT0022F]

vs.

Dy. Commissioner of Income Tax (TDS) Respondent
Thiruvananthapuram

Appellant by: Shri Naresh C., CA
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 15.05.2025
Date of Pronouncement: 16.05.2025

ORDER

Per: Inturi Rama Rao, AM

This appeal filed by the assessee is directed against the order of the Commissioner of Income Tax (Appeals)-4, Kolkata [CIT(A)], dated 23.08.2024 for Assessment Year (AY) 2015-16.

2. Brief facts of the case are that the appellant is a scheduled bank. The DCIT (TDS) Thiruvananthapuram (hereinafter called "TDS Officer") on verification of the declaration uploaded by the appellant bank in TRACES for FY 2014-15 observed that he appellant bank had failed to deduct tax on interest paid on fixed

deposits. Accordingly formed an opinion that the appellant bank had failed to deduct tax on interest payments to fixed deposits as required u/s. 194A of the Act after accepting Form 15H from the persons who are not eligible to submit the same. Accordingly, the appellant bank was asked to explain as to why it should not be treated as assessee in default u/s. 201 of the Act. In response to the show cause notice the appellant filed a detailed explanation. Finally, after considering the explanation of the appellant the TDS officer held that in respect of the following parties the appellant had failed to deduct TDS: -

SI. No	PANs for which TDS was not made	PANs for which TDS was not made	Amount of Interest Paid	Remarks	Short deduction
1	AWHPB7056L	G BHASKARAN	4,19,988	Form 15H submitted. No proof submitted claiming exemption from TDS	41,999/-
2	AAATF0888P	PROVINCIAL & BURSAR	29,60,017	26A furnished for FY: 2014-15 shows that Rs.890,694/- only was taken as interest income from SIB. The deductor claimed that the remaining amount of Rs.20,69,323/- was shown in FY: 2015-16. However, neither the computation nor the 26A for FY: 2015-16 is clear on the fact that this amount has been offered for taxation.	206,932/-
3	AAETS9556K	IDFC CASH FUND	62,32,877	26A furnished, Return of income not filed claiming that the deductee's income is exempted. Non-deduction of tax not acceptable as IDFC Cash Fund does not come under the institutions whose income is unconditionally exempt under Section 10 as per CBDT's Circular	623,288/-

				No.4/2002 in F.No.153/127/2002-TPL dated 16/07/2002 regarding TDS in case of entities whose income is exempt under Section 10 of the IT Act.	
5	AAAAL0822C	LBS CENTRE FOR SCIENCE AND TECHNOLOGY	64,44,687	No proof submitted for non-deduction of Tax at source.	644,469/-
Total					15,16,688/-

Accordingly demanded TDS of Rs. 15,16,688/- along with interest u/s. 201(1A) of the Act of Rs. 13,22,784/- vide order dated 14.02.2022.

3. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order dismissed the appeal as infructuous on the ground that in Form 35, the assessment year is mentioned as 2014-15 and held that the mistake in the assessment cannot be cured.

4. Being aggrieved, the appellant is in appeal before us in the present appeal.

5. At the outset, we find that there is a delay of 59 days in filing the present appeal. The appellant filed a petition along with an affidavit seeking condonation of delay in filing the appeal, wherein it is stated that the appellant could not file the appeal mentioning the assessment year as the portal only displayed the financial year. As the appeal was dismissed by the Id. CIT(A) for the reason that the same should be filed for the assessment year, the bank raised a

grievance and had sent a mail for resolving the issue. The bank was honestly of the belief that the issue would be resolved. This caused the delay in filing the appeal. Therefore, the delay is not willful or deliberate. Therefore it is prayed that the delay in filing the appeal may be condoned and the appeal may be admitted for adjudication. On a perusal of the averments made in the condonation petition, it is evident that the appellant is prevented by reasonable cause from filing the appeal. Therefore, we condone the delay and admit the appeal for adjudication.

6. The learned counsel for the assessee submitted that the CIT(A) had failed to appreciate that the login through the TAN in the income tax portal do not provide for the assessment year and provided only for the financial year. He further submitted that no deduction of tax is required to be made in terms of provisions of section 297(C) of the Act if the deductor firms file Form 15H.

7. On the other hand the learned Sr. DR submits that the CIT(A) had passed a reasoned order and not interference is called for.

8. We have heard the rival contentions and perused the material available on record. At the outset, we find that the CIT(A) has dismissed the appeal by adopting hyper technical approach without appreciating that in the TDS Login only financial year can be mentioned. However, in order to verify whether there is any default in deduction of tax at source in terms of section 197A of the Act it

requires verification of the declaration filed. Therefore, the matter is remanded to the file of the AO for de novo adjudication of the matter in accordance with law after affording reasonable opportunity of hearing to the appellant.

9. In the result, appeal filed by the assessee stands partly allowed.

Order pronounced in the open court on 16th May, 2025.

Sd/-
GEORGE GEORGE K.
VICE PRESIDENT

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 16th May, 2025

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar
ITAT, Cochin