

**IN THE INCOME TAX APPELLATE TRIBUNAL  
AMRITSAR BENCH, AMRITSAR**

**(HYBRID COURT)**

**BEFORE SH. MANOJ KUMAR AGGARWAL, ACCOUNTANT MEMBER  
AND SH. UDAYAN DASGUPTA, JUDICIAL MEMBER**

**I.T.A. No. 375/Asr/2024**  
Assessment Year: 2013-14

Pepsu Road Transport  
Corporation, Kapurthala  
Punjab 144602

Vs.

Income Tax Officer (TDS),  
Jalandhar

[TAN: JLDG01261B]

**(Appellant)**

**(Respondent)**

Appellant by : Sh. Parikshit Aggarwal, C.A.  
Respondent by : Sh. Charan Dass, Sr. D.R.  
Date of Hearing : 10.09.2025  
Date of Pronouncement : 16.10.2025

**ORDER**

**Per Udayan Dasgupta, J.M.:**

This appeal is filed by the assessee against the order of the Id. Addl./JCIT (A)-1, Jaipur dated 30.04.2024 passed u/s 250 of the Income Tax Act, 1961 which has emanated from the order of the ITO (TDS), Jalandhar passed u/s 206C(6A) of the Act, 1961 dated 10.02.2021.

2. There are seven grounds taken by the assessee in this appeal and the main objection of the assessee is that the appeal has not been decided on merits by the Id. first appellate authority, because the appeal was belatedly filed by more than 1000 (*One thousand*) days and the Id. first appellate authority has not admitted the appeal for adjudication on merits and has treated the same as not maintainable by invoking the provisions of section 249(2) of the Act, 61.

3. Brief facts emerging from records are that the assessee is a *State Government Undertaking* engaged in Transport Activities and are receiving ADPA fees, license fees and parking fees from two wheelers and other vehicles. On inspection of records it has been ascertained by the Income Tax Officer, TDS, Jalandhar, that the assessee *PEPSU Road Transport Corporation (PRTC), Kapurthala* holding [TAN: *JLDG01261B*], has failed to collect the TCS as per provisions of section 206C(6A) and 206C(7) of the Act, 1961 relating to the receipts collected for use of parking roads for the financial year 2012-13 from the licensee/lessee.

4. As such, on account of failure to comply with the provisions of this aforesaid section, the assessee has been held to be assessee in default u/s 206C of the Act for non-collection of TCS, resulting in total TCS default of *Rs.8.58 lakhs (including interest u/s 206C(7) of the Act as applicable)*.

5. The order passed by the ITO (TDS) dated 10.02.2021 has been carried in appeal before the Id. first appellate authority on 11.12.2023 which was belated by 1004 (*One thousand four*) days. The said appeal has been dismissed as not maintainable by the Id. first appellate authority refusing to condone the delay and dismissing the appeal (*without adjudication on merits*) u/s 249(2) of the Act.

6. Now, the assessee is in appeal before the Tribunal on various grounds contained in the memorandum of appeal. In course of hearing, the Id. AR of the assessee filed an affidavit which is sworn by the *General Manager of the State Government Undertaking (PRTE) Mr. Parveen Kumar*, explaining the delay in filing the appeal before the Id. first appellate authority and has prayed for condonation of the said delay of 1004 (one thousand four) days and has prayed that an opportunity of hearing may please be allowed to the assessee before the Id. first appellate authority, to explain the merits of the case.

7. The contents of the affidavit explaining the delay are reproduced for ready reference:

*"1. That the TAN No, of the assessce is JLDG012618.*

*2. That the present case relates to TDS assessment framed u/s 206C(6A) and 206C(7) vide order of Ld. AO dtd. 10.02.2021 against which appeal was filed before Worthy CIT(A) on 11.12.2023. The Worthy CIT/A) dismissed the appeal of the assessee vide order dtd. 30.04.2024.*

3. That the due date of filing the appeal before the Worthy CIT(A) was 12.03.2021, however the appeal was actually filed before him on 11.12.2023, i.e. with a delay of 1004 days beyond the prescribed limitation period.

4. That the assessee is a State Government undertaking engaged in transport activities, whose officials are not well-versed with the intricacies of income-tax provisions and were entirely dependent upon professional advice for compliance. The delay occurred on account of circumstances completely beyond the control of the assessee and without any mala fide intention.

5. That regarding the reason for delay in filing the appeal before the Worthy CIT(A), it is most respectfully submitted that:

a. Immediately upon receipt of the impugned order passed by the Id. AO dated 10.02.2021, the assessee was consistently advised by its consultant to first obtain PAN and assessment details of the contractors from whom adda fee and parking lot charges were collected, so as to mitigate being treated as an assessee in default since the provisions of s. 206C(6A) and 206C(7) clearly provide that if the deductor having failed to deduct provides particulars of deductee and also provides certificate in Form 26A from that deductee, it shall not be treated as an assessee in default.

b. That the assessee in good faith, made diligent efforts to comply with such advice, though it could not succeed in securing all requisite details.

c. That unfortunately, the assessee was never apprised about the alternate statutory remedy of filing appeal before the Worthy CIT(A), due to which the assessee did not initiate appellate proceedings within the prescribed time.

d. That the concerned employees of the assessee at PRTC, being non-experts in taxation law, were not aware of the relevant legal provisions and acted strictly on the basis of the advice rendered by the engaged professional.

e. That even the advice above referred about obtaining PAN and 26A from the deductee was not a blatant bad advice and was in-fact one of the other possible/ alternate remedies available with the assessee against the TDS assessment order. It is also a settled law that

*when an assessee takes route of one possible remedy and later chooses the route of other alternate remedy on changed legal advice, the time lost in exploring the first remedy should be excluded in counting the limitation to use the second remedy.*

*f. That after passage of time it came to the knowledge of the Kapurthala Depot of the assessee that the Patiala Depot of PRTC had already challenged similar additions by filing appeal before the Worthy CIT(A). This revelation made the assessee realize that appeal remedy was available to it as well which could not be exercised due to lack of proper guidance.*

*g. That thereafter, the assessee promptly engaged another counsel at Patiala, who, after examining the records, advised filing of the present appeal and the assessee then immediately filed the appeal which got delayed by 1004 days.*

*6. That the delay caused was totally unintentional and bona-fide on part of the assessee.*

*7. That in the light of above facts and more so in the interest of natural justice, it is prayed that the delay of 1004 days in filing of the appeal before the Worthy may please be condoned.”*

8. The Id. AR further submitted that the employees of the State Government Undertaking are not well versed with the various provisions of *Income Tax Laws* and are entirely dependent upon professional advice for compliance. The assessee was advised by this existing tax consultant to first collect and obtain the PAN numbers of various contractors from whom fees and various other charges are collected so that certificates in Form No. 26AS could be furnished from those deductees which will absolve the assessee to be treated as an assessee in default, but the consultant never advised the assessee to file an appeal against the said order and because incorrect advice resulted in huge delay.

9. Subsequently, it came to the knowledge of the assessee that the *Patiala Depot of PRTC*, has also filed similar appeals before the appellate authorities, and thereafter, on advice of newly appointed counsel, the assessee has taken steps to file appeal before the Id. first appellate authority which was delayed by 1004 days and since this delay was not intentional and there was no neglect on the part of the assessee or his employees, it has been humbly prayed by the Id. AR that the delay may please be condoned and the matter may please be remanded back to the Id. first appellate authority for adjudication on various grounds contained in Form No. 35 on merits of the case, and the Id. AR has agreed to fully cooperate in appellate proceedings for proper disposal of the appeal.

10. The Id. DR has no objection if the matter is remanded back to files of the Id. first appellate authority for adjudication on merits.

11. We have heard the rival submissions and considered the materials on record and we find that the assessee is a *State Government Undertaking* and there has not been any willful default or neglect on the part of the assessee in filing the appeal belatedly before the Id. first appellate authority and the delay seems to have occurred as stated due to incorrect advice by the existing counsels of the assessee which has resulted in this inordinate delay.

12. As such, in the interest of justice, we condone the delay and remand the matter back to the files of the ld. first appellate authority for adjudication of the appeal on the various issues contained in Form No. 35 on merits, and we also direct the assessee to fully cooperate in the appellate proceedings by furnishing all particulars and documents and submissions in support of its contentions.
13. The assessee shall be allowed reasonable opportunity of being heard.
14. We have not expressed any opinion on merits.
15. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in accordance with Rule 34(4) of the Income Tax (Appellate Tribunal) Rules, 1963 as on 16.10.2025

**Sd/-**  
**(Manoj Kumar Aggarwal)**  
**Accountant Member**

**Sd/-**  
**(Udayan Dasgupta)**  
**Judicial Member**

*\*GP/Sr.PS\**

Copy of the order forwarded to:

- (1) The Appellant:
- (2) The Respondent:
- (3) The CIT concerned
- (4) The Sr. DR, I.T.A.T

True Copy

By Order