

IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCHES : C : NEW DELHI

BEFORE MS MADHUMITA ROY, JUDICIAL MEMBER  
AND  
SMT. RENU JAUHRI, ACCOUNTANT MEMBER

ITA No.2940/Del/2025  
Assessment Year : 2015-16

Tarang Infra Projects Ltd.,  
Plot No.D2/20, Sector 10,  
DLF, Faridabad,  
Haryana – 121 006.

Vs. Income Tax Officer,  
TDS Ward 76(3),  
Delhi.

PAN: AAACP3059K

(Appellant)

(Respondent)

Assessee by : Shri Akul Agarwal, FCA (through VC)  
Revenue by : Shri Chandra Bhanu Mandal, Sr. DR

Date of Hearing : 07.01.2026  
Date of Pronouncement : 14.01.2026

ORDER

PER MADHUMITA ROY, JM:

The instant appeal filed by the Assessee is directed against the order dated 10.02.2025 of the Id. Commissioner of Income-tax (Appeals)-4, Bengaluru [hereinafter referred to as the Ld. CIT(A)] u/s 250 of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') in appeal arising out of the assessment order dated 14<sup>th</sup> March, 2022 passed by the ITO, Ward 76(3), Delhi (hereinafter referred to as 'the Id. AO') u/s 201 of the Act for Assessment Year 2015-16.

2. The facts of the case are that a survey/inspection U/s 133A of the Income Tax act was carried out at the business/office premises of Haryana Urban Development Authority (HUDA) on 09.02.2017. During the course of survey, The AO noticed that EDC (External Development Charges) were received by HUDA from private builders/persons without making tax deduction at source (TDS). EDC is received for use of urban development infrastructure known as EDW (External development Work) carried out by HUDA on its own land. The AO observed that EDC is in the nature of income and therefore, it should have been subjected to TDS by private builder/persons making such payments. After the survey, a detailed report of the findings of survey was received by the AO, wherein, it was mentioned that the Appellant company M/s Printpak Machinery Pvt. Ltd. ( Now known as M/s Tarang Infra Projects Ltd) has made payment towards External Development Charges (EDC) of Rs.36,41,000/- to Haryana Development Authority (HUDA) during the year under consideration. Therefore, the AO initiated proceedings under section 201(1)/201(1A) of the IT Act, 1961 wherein not being satisfied with the Appellant's explanation the AO treated the Appellant as "Assessee in default" and passed the order u/s 201(1)/201(1A) of the Act on 14.03.2022 for F.Y. 2014-15 raising a demand of Rs.1,37,017/-.

3. The instant appeal preferred by the assessee is directed against the order passed by the AO u/s 201(1)/201(1A) of the Act whereby and whereunder the assessee has been treated as an "Assessee in Default" on the alleged ground of

non-deduction of tax at source. The first appellate authority, however, confirmed the order relying upon the judgement passed by the Hon'ble Delhi High Court in the case of ***Puri Constructions Pvt. Ltd. reported in (2024) 462 ITR 326 (Del)***. However, the case of the assessee is that the proviso to section 201(1) is being satisfied and, therefore, the assessee cannot be held to be an 'assessee in default.' On this aspect, he has relied upon the judgement passed by the coordinate Bench in the case of ***Deputy Gothwal Constructions P. Ltd., ITA No.2862/Del/2025, order dated 17.12.2025***, on identical facts and circumstances. In that matter, considering the judgement passed by the Hon'ble Delhi High Court in Puri Constructions Pvt. Ltd. (supra), the issue has been remitted back to the file of the Ld. AO for verifying whether the conditions mentioned in the first proviso to section 201(1) of the Act has been satisfied by the assessee or not. The relevant paragraph whereof is as follows:-

*"4. We have carefully considered the rival submissions and have gone through the records before us. We have also perused the documents in the paper book filed by the assessee and the case laws relied upon by the Ld. AR. Right at the outset, it needs to be mentioned that the assessee did not make any significant presentation of facts before either of the authorities below. Thus, prima facie, the case of Puri Constructions (supra) would hold fort in this case. We are conscious of the fact that there could be a factual distinguishing feature in as much as a plain reading of the Puri Construction case (supra) reveals that the appellant there was apparently the license holder for the proposed development, whereas in this case it appears that the license has been granted individually to 17 persons. Since there is absolutely no fact finding at the lower level in this regard we are unable to comment on whether this distinguishing feature could lead to a different view than whatever has been propounded in the Puri Construction case (supra) by the Hon'ble Jurisdictional High Court. However, the alternative submission of the Ld.AR that HUDA would be filing its returns of income and would be showing the receipts on account of EDC thereon, has considerable persuasive value since it is not only the Hindustan Coca*

*Cola case (supra) but also a subsequent amendment in section 201(1) where a proviso has been inserted w.e.f. 01.07.2012 where a person would not be in default in case the payee has (i) furnished his return of income u/s 139; (ii) has taken into account such sum for computing income in such return of income; and (iii) has paid the tax due on the income declared by him in such return of income. There is also a directive in this section that the person needs to furnish a certificate to this effect from an Accountant in such form as may be prescribed. Accordingly, we deem it fit to set aside the impugned order and remand this matter back to the file of Ld. AO for verifying whether the conditions mentioned in the first proviso to section 201(1) of the Act have been fulfilled or not. In case the said conditions have been fulfilled, then the assessee cannot be saddled with any liability u/s 201(1)/201(1A) of the Act.”*

4. The Ld. DR has not raised any serious objection to the submissions made by the Ld. AR.

5. Having heard the ld. counsels appearing for the parties, having regard to the facts and circumstances of the matter and considering the judgement passed by the coordinate Bench, we dispose of this appeal by remitting the matter to the file of the Ld. AO with a direction to him to consider the same particularly the fact of satisfying the conditions stipulated under the first proviso to section 201(1) of the Act by the assessee and to pass orders accordingly.

6. In the result, the appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 14.01.2026.

Sd/-  
(RENU JAUHRI)  
ACCOUNTANT MEMBER

Sd/-  
(MADHUMITA ROY)  
JUDICIAL MEMBER

Dated: 14<sup>th</sup> January, 2026.

dk

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asstt. Registrar, ITAT, New Delhi