IN THE INCOME TAX APPELLATE TRIBUNAL
JAIPUR "SMC" BENCH, JAIPUR
(PHYSICAL HEARING)

BEFORE SMT. ANNAPURNA GUPTA, ACCOUNTANT MEMBER
& SHRI KULDIP SINGH, JUDICIAL MEMBER

ITA No: 694/JPR/2026
Assessment Year: 2019-20

Rashmi Singh F-2, B-35 Shivam Apartment, Sector-04, Chitrakoot, Vaishali Nagar, Jaipur **PAN: CRVPS6786H** **(Appellant)**	Vs	ITO, TDS-02, Jaipur **(Respondent)**

Assessee Represented: Sh. Deepak Sharma, Adv. (Thr. VC)
Revenue Represented: Mrs. Aarti Rawat, JCIT

Date of hearing	:	13-08-2026
Date of pronouncement	:	25-08-2026

ORDER

PER : KULDIP SINGH, JUDICIAL MEMBER:-

Appellant, Rashmi Singh by filing the present appeal, sought to set aside the impugned order (dated 12.02.2026) passed by Commissioner of Income Tax (Appeals)-3, Mumbai [hereinafter referred to as the 'CIT(A)'] on the grounds interalia that :-

1. The impugned order passed u/s 201(1)/201(1A) dated 30-03-2025 is bad in law; for want of jurisdiction, against the principle of natural justice and various other statutory reasons and hence same kindly be quashed.

2. The action of Id. AO in taking action u/s 201(1)/201(1A) is bad in law and without jurisdiction. Consequently, framing the impugned assessment order u/s 201(1)/201(1A) of the Act is bad in law and against the facts and circumstances of the case and thus void ab initio.

3. Ld. AO erred in law as well as on the facts of the case in treating the purchaser assessee as "assessee in default" u/s 201(1) on account of alleged non deduction of TDS u/s 194-IA of the act amounting to Rs.66,204/-. The determination so made being contrary to the provisions of law and facts, without considering the submission of assessee in right perspective and rejecting the contention made purely on hyper technical and procedural grounds, hence, kindly be deleted in full.

4. Ld.AO erred in law as well as on the facts of the case in imposing the interest of Rs.48,990/-u/s 201(1A) of the Act on alleged non deduction of TDS amounting to Rs.66,204/- u/s 194-IA of the Act. The interest so calculated and imposed being contrary to the provisions of law and facts, deserves to be deleted in full.

5. Ld.AO erred in law as well as on the facts of the case in determining total tax demand of Rs.1,15,194/- consisting of alleged TDS of Rs.66,204/- and interest thereon u/s 201(1A) amounting to Rs.48,990/-. The determination so made is being contrary to the provisions of law and facts, deserves to be deleted in full.

6. Ld.AO erred in law as well as on the facts of the case in making a reference for initiating penalty u/s 271C of the Income. The said action of Ld.AO being contrary to the provisions of law and facts, deserves to be quashed and set aside.

7. The appellant prays your honour indulgences to add, amend or alter of or any of the grounds of the appeal on or before the date of hearing.

2. Briefly stated, facts necessary for consideration and adjudication of the issues at hand are: assessee has purchased an immovable property on 20.12.2009 for a sale consideration of Rs. 66,20,435/-, however, failed to deduct tax at source [hereinafter referred to as the 'TDS'] @ 1% amounting to Rs. 66,20,435/- u/s 194IA of the Act. Declining the contentions raised by the assessee, who has taken shelter under proviso to section 201(1). AO proceeded to treat 'assessee in default' u/s 201(1) of the Act and made addition to pay interest @ 1% month. Accordingly, AO directed the assessee to pay total demand of Rs. 1,15,194/-.

3. The assessee carried the matter before ld. CIT(A) by way of filing present appeal who has confirmed the demand made by Assessing Officer by dismissing the appeal. Feeling aggrieved with the impugned order passed by ld. CIT(A), the assessee has come up before ld. Tribunal by way of filing present appeal.

4. We have heard ld. AR of the assessee, ld. DR of the revenue and perused the documents available on record.

5. Undisputedly, assessee has purchased the immovable property on 02.01.2019 for a total sale consideration of Rs.

66,20,435/- without deducting TDS @ 1% amounting to Rs. 66,20,435/-. It is also not in dispute that seller has already discharged his tax liability and Form 26A duly certified by Chartered Accountant was furnished.

6. In the back drop of aforesaid undisputed fact, ld. CIT(A) declined the relief to the assessee claimed under proviso to section 201(1) of the Act on the sale ground that: “the assessee has failed to file Form 26A in the manner prescribed under law i..e as per rule 31ACB read with CBDT Notification No. 11/2016 dated 22nd June, 2016. Form 26A is required to be furnished electronically”. However, assessee has filed Form 26A in manual/offline mode.

7. In the totality of circumstances, we are of the considered view that this mere procedural lapse on the part of the assessee in not filing Form 26A in electronic mode, otherwise tax liability on her behalf has been duly discharged. No doubt, our India is fastly growing as a digital nation but still most of our population is not conversant with procedure to be followed electronically. It is also a matter of common knowledge that nobody while

purchasing immovable property ought to consult direct tax expert to know the intricacies of law.

8. When the assessee was show caused by the AO as to not deducting TDS on the amount of sale consideration paid by her, she has filed Form 26A manually/offline mode being ignorant of the rules that the same is required to be filed electronically. It is settled principle of law that filing Form 26A manually and not electronically is a procedural lapse on the basis of which assessee cannot be penalized. So, we consider the filing of Form 26A, showing that her seller has already discharged his tax liability, which is a mere procedural lapse and as such assessee is entitled to the protection provided under proviso to section 201(1) of the Act.

9. Resultantly, demand raised by AO and confirmed by ld. CIT(A) is order to be deleted and appeal is allowed.

Order pronounced in the open court on 25-08-2026

Sd/-	**Sd/-**
(ANNAPURNA GUPTA)	**(KULDIP SINGH)**
ACCOUNTANT MEMBER	**JUDICIAL MEMBER**

Jaipur
Dated:- 25/08/2026.

*Ganesh Kumar, Sr. PS
Copy of the order forwarded to:
1. The Appellant-
2. The Respondent-
3. CIT
4. CIT(A)
5. DR, ITAT, Jaipur.
6. Guard File

By order,

Asst. Registrar