

F. No.275/92/2024-IT(Budget)
Government of India/ (भारत सरकार)
Ministry of Finance/ (वित्त मंत्रालय)
Department of Revenue/ (राजस्व विभाग)
Central Board of Direct Taxes/ (केन्द्रीय प्रत्यक्ष कर बोर्ड)

New Delhi, 28th March, 2025

Subject: Order under section 119 of the Income-tax Act, 1961 for waiver on levy of interest under section 201(1A)(ii)/ 206C(7) of the Act, as the case maybe, in specific cases -regarding.

Section 201(1A) of the Income-tax Act (hereinafter “the Act”) provides for levy of interest on account of failure to deduct or pay the deducted tax to the credit of the Central Government by the deductor. Further, section 206C(7) of the Act provides for levy of interest on account of failure to collect or pay the collected tax to the credit of the Central Government by the collector.

2. Representations have been received by the Central Board of Direct Taxes (hereinafter “the Board”) that while making payments of taxes deducted at source (TDS) and taxes collected at source (TCS) to the credit of the Central Government as per section 200 and 206C of the Act, the taxpayers have encountered technical glitches. On account of such glitches, while the payment is initiated by the taxpayers/ deductors/ collectors and the amounts are debited from their bank accounts on or before the due date, the actual credit to the Central Government is done after the due date. In such cases, notices have been received by such taxpayers for levy of interest under section 201(1A)(ii)/ 206C(7) of the Act, as the case maybe.

3. In exercise of the powers under section 119 of the Act, the Board, hereby directs that the Chief Commissioner of Income-tax (CCIT) or Director General of Income-tax (DGIT) [or in case there is no CCIT and DGIT, then Principal Chief Commissioner of Income-tax (PrCCIT)] may reduce or waive interest charged under section 201(1A)(ii) / 206C(7) of the Act in the class of cases where-

- the payment is initiated by the taxpayers/ deductors/ collectors and the amounts are debited from their bank accounts on or before the due date, and
- the tax could not be credited to the Central Government, before due date because of technical problems, beyond the control of the taxpayer/ deductor / collector.

4. The CCIT or DGIT or PrCCIT, as the case maybe, examining an application for waiver of interest under this order shall pass a speaking order after providing adequate opportunity of being heard to the applicant and after verification of technical glitches from the bank/Directorate of Systems.

5. Even if the interest under section 201(1A)(ii)/ 206C(7) of the Act has already been paid by the taxpayer, the same can be considered for waiver and a refund maybe given to the deductor, if waiver is ordered.

6. No waiver application shall be entertained beyond one year from the end of the financial year for which the interest under section 201(1A)(ii)/ 206C(7) of the Act is charged.

7. An application received for waiver of interest under section 201(1A)(ii)/ 206C(7) of the Act shall be disposed of within a period of six months from the end of the month in which such application is received.

8. The order issued by the CCIT or DGIT or PrCCIT, as the case maybe, shall be final and no petition against that order shall be entertained by the Board.

9. The above will come into effect from the date of issue of this Circular. Hindi version shall follow.



(Rubal Singh)

Deputy Secretary, IT-Budget
CBDT

Copy to:-

1. The Chairman & Members, CBDT
2. All Pr.CCs1T, CCs1T/ DGs1T.
3. All Joint Secretaries/Cs1T, CBDT.
4. Commissioner of Income-tax (Media & TP) and official Spokesperson, CBDT, New Delhi.
5. ADG (PR, P&P) for necessary action.
6. JCIT, Database Cell, with a request to upload the order on the website www.irsofficersonline.gov.in.
7. Web Manager, O/o DGIT(Systems) with request to upload on the departmental website of www.incometaxindia.gov.in.
8. The Institute of Chartered Accountants of India, IP Estate, New Delhi
9. All Chambers of Commerce.
10. Hindi Cell for translation.
11. The Guard File.



(Rubal Singh)

Deputy Secretary, IT-Budget
CBDT