

**IN THE INCOME TAX APPELLATE TRIBUNAL “F” BENCH, MUMBAI**

**BEFORE MS. KAVITHA RAJAGOPAL, JM  
AND  
SHRI OMKARESHWAR CHIDARA, AM**

ITA No.3500/Mum/2025  
(Assessment Year: 2024-25)

<b>M/s. Sporta Technologies Private Limited,</b> Unit 1201, 1202, A-Wing, 12 <sup>th</sup> Floor One BKC, Plot No.66, G Block Bandra Kurla Complex, Mumbai – 400 051	Vs.	Additional/Joint Commissioner of Income Tax (Appeals) – 1 Jaipur, DCIT 3(1)(1), Aayakar Bhawan, Mumbai
<b>PAN: AAGCA4854K</b>		
<b>(Appellant)</b>	:	<b>(Respondent)</b>

<b>Assessee by</b>	:	Shri Sagar Joshi, AR
<b>Respondent by</b>	:	Shri Leyaqt Ali Aafaqui, Sr. DR (virtually appeared)

<b>Date of Hearing</b>	:	31.10.2025
<b>Date of Pronouncement</b>	:	22.01.2026

**ORDER**

**Per Kavitha Rajagopal, JM:**

This appeal has been filed by the assessee against the order of the Learned Commissioner of Income Tax (Appeals) [‘Ld. CIT(A)’ for short], passed u/s. 250 of the Income Tax Act, 1961 (‘the Act’), pertaining to the Assessment Year (‘A.Y.’ for short) 2024-25.

2. The assessee has raised the following grounds of appeal:

*“1. Ground No. 1 - Erroneous levy of interest of INR 12,380,937/- under section 234C of the Act*

*1.1. On the facts and circumstances of the case and in law, Hon'ble CIT(A)/Centralized Processing Centre ('CPC') erred in levying interest under section 234C of the Act as the*

*Appellant had paid the advance tax for the third quarter on a timely basis and funds have been debited from the bank account on 15 December 2023.*

*1.2. On the facts and circumstances of the case and in law, Hon'ble CIT(A)/CPC erred in levying interest under section 234C of the Act due to a technical issue at the bank/income tax department, whereby the challan was generated with the date of 16 December 2023 despite the funds being debited from the Appellant's bank account on 15 December 2023.*

*1.3. On the facts and circumstances of the case and in law, Hon'ble CIT(A)/CPC erred in levying interest under section 234C of the Act due to procedural or system-related delays beyond the control of the Appellant.*

*2. Ground No. 2 - No adequate opportunity of being heard - violating the principles of natural justice*

*2.1. On the facts and circumstances of the case, Hon'ble CIT(A) erred in allowing only three working days to the Appellant to respond to the notice issued under section 250 of the Act dated 27 February 2025 (at 2 pm) wherein Appellant was asked to furnish the ground wise submission by 04 March 2025 (by 2 pm) thereby violating the principles of natural justice.*

*2.2. On the facts and circumstances of the case, Hon'ble CIT(A) erred in passing the final order dated 07 March 2025 without considering the request for adjournment filed by the Appellant vide letter dated 03 March 2025 thereby violating the principles of natural justice.*

*The Appellant craves leave to add, alter, vary, omit, substitute, or amend the above grounds of appeal, at any time before or at the time of hearing of the appeal, so as to enable your goodself to decide this appeal according to law."*

**3.** Brief facts of the case are that the assessee is a private limited company incorporated under the Companies Act, 2013 engaged in the operation of a fantasy gaming platform. In respect of the A.Y. 2024-25 the assessee filed return of income declaring total income at Rs.1782,63,75,730/- claiming a refund of Rs.48,24,43,990/-. The return was processed u/s 143(1) of the Act by the CPC and vide intimation dated 28.01.2025, interest u/s 234C of the Act amounting to Rs.1,23,80,937/- on account of delay in payment of advance tax for the third quarter of the A.Y. 2024-25 was levied.

4. Aggrieved, the assessee filed an appeal before the Ld. CIT(A) challenging the intimation order dated 28.01.2025 passed u/s 143(1) of the Act. The Ld. CIT(A) upheld the interest levied by the CPC on the ground that the assessee has paid the third installment of advance tax after the prescribed due date, thereby justifying the levy of interest u/s 234C of the Act.

5. Aggrieved, the assessee is in appeal before us, challenging the levy of interest amounting to Rs.1,23,80,937/- u/s 234C of the Act along with the grounds of violation of principles of natural justice.

6. The Authorized Representative (“Ld. AR” for short) for the assessee contended that *prima-facie* there was no delay in the payment of advance tax as the assessee has paid the advance tax through electronic mode via net banking on 15.12.2023 being the last date for payment of advance tax but the challan was generated on 16<sup>th</sup> December 2023. The Ld. AR further contended that the payment made towards the advance tax was duly debited from the assessee’s bank account on 15.12.2023 itself and the same was reflected in the bank account statement of the assessee. The Ld. AR brought our attention to the relevant bank statement and the screenshot of the challan having same reference number as that in the bank statement and the challan receipt. The Ld. AR stated that the assessee has complied with rule 125 of the Income Tax Rules, 1962 (“the Rules” for short) and there was no delay in payment of advance tax as the same was paid within the statutory due date prescribed under law. The Ld. AR relied on a catena of decisions in support of his contention wherein it has been held that the date of payment should be the date on which

the assessee has deposited the cheque for payment of tax and not the date when was encashed. The Ld. AR concluded the arguments by stating that the assessee was placed in a better footing where the mode of payment was through net banking in which case the amount was debited from the assessee's account on 15.12.2023 which was the last due date for making payment of advance tax.

7. The Learned Departmental Representative ("Ld. DR" for short), on the other hand, controverted the said fact and stated that the challan tender date was on 16.12.2023 which was after the prescribed due date and stated that the CPC has rightly levied interest u/s 234C of the Act. The Ld. DR supported the order of the Ld. CIT(A) stating that there is no error in the finding of the first appellate authority.

8. We have heard the rival submissions and perused the materials available on record. The substantial issue that ought to be adjudicated in the present appeal is what would be the date of payment of the advance tax in case where the amount was debited on 15.12.2023 whereas the challan tender date was on 16.12.2023 which is beyond the prescribed statutory period for payment of advance tax and whether the lower authorities were justified in levying interest u/s 234C of the Act. The undisputed facts are that the assessee has made payment of the third installment of advance tax which was due on or before 15.12.2023 for the relevant assessment year under consideration and the same is duly reflected in the assessee's bank account maintained with the Axis Bank where an amount of Rs.1,96,00,00,000/- was debited on 15.12.2023 mentioned as CBDT tax payment with bank reference No.718382948. It is further observed that challan receipt with the same

bank reference number dated 16.12.2023 with a challan number of 00008 for the said amount was generated. Therefore, we fairly come to a conclusion that the assessee has initiated the payment on 15.12.2023 and the same was debited from the assessee's account on the same date but the challan receipt for the same was generated only on 16.12.2023. Hence, there is no iota of doubt that the assessee has made payment within the prescribed statutory due date for making payment towards the advance tax. We draw support from the decisions cited by the Ld. AR where the Hon'ble Jurisdictional High Court in the case of *Income Tax Commissioner-LTU Vs. Asian Paints Ltd. (2011) 12 taxmann.com 484 (Bombay)* has held that for making payment of tax the date of presenting of the cheque should be the date of payment and not the date on which the amount of tax was credited to the account of the Central Government which was subsequent to the presentment of the cheque for payment. The Hon'ble Jurisdictional High Court had in this decision distinguished the decision of Hon'ble Rajasthan High Court in the case of *Rajasthan Sate Electricity Board Vs. CIT (2006) 281 ITR 274* and the decision of the Hon'ble Delhi High Court in the case of *CIT Vs. Sulej Industries Ltd. (2010) 325 ITR 331/190 Taxman 136* which was relied upon by the Revenue. Further, we also draw support from the decision of the Hon'ble High Court of Madras in the case of *CIT Vs. REPCO Home Finance Ltd. (2015) 53 taxmann.com 47 (Madras)* where on identical issue of levy of interest u/s 234C of the Act it was held that only the date of presentation of cheque has to be considered as date of payment and not the date of clearing of the cheque. In the said decision his Lordships had extensively relied on the proposition laid down by the Hon'ble Apex Court in the case of *CIT Vs. Ogale Glass Works Ltd. (1954) 25 ITR 529* where there has been a

discussion as to when payment by negotiable instrument takes effect, where the Hon'ble Apex Court took note of BYLES on bills 20<sup>th</sup> Edition, Page 23 in which the position is summarized as 'A cheque, unless dishonoured, is payment'. It was reiterated that when a cheque which was not dishonoured, the payment would relate back to the date of receipt of the cheque and not when the same was credited to the account of the department. This proposition has been followed by the co-ordinate Benches in several of its decisions subsequently.

9. In the present case in hand, we are conscious of the fact that this is not a case where payment was made through negotiable instrument where the date of presentment of the cheque and the date of clearance would be on subsequent dates but it is clearly a case where the assessee has initiated the payment through electronic mode via net banking and the payment was made on the very same day which is duly reflected as being debited from the assessee's bank account reflecting in the bank statement. Whether the same has been credited to the department is beyond the control of the assessee, where the process is done only by the banks which nevertheless is prone to technical glitches which causes delay in crediting the said amount to the recipient's bank account. The presumption in this case is that the assessee is said to have made the payment within the statutory due date prescribed in the provisions unless the contrary is proved by the Revenue. The only defence taken by the Revenue was in harping on the date of challan receipt which was on the next date falling beyond the prescribed limitation period, which in our opinion is not attributable to the assessee in whatsoever manner may be.

10. On the foregoing observation, we find no justification in levying interest u/s 234C of the Act when the assessee is said to have made the payment well within the statutory due date for payment of advance tax.
11. Accordingly, we allow ground No.1 raised by the assessee.
12. Ground No.2 requires no adjudication as there was no arguments enhanced by both the sides on the said ground. Hence, ground No.2 is hereby dismissed.
13. In the result, the appeal filed by the assessee is hereby allowed.

*Order pronounced in the open court on 22.01.2026*

**Sd/-**  
**(OMKARESHWAR CHIDARA)**  
**ACCOUNTANT MEMBER**

**Sd/-**  
**(KAVITHA RAJAGOPAL)**  
**JUDICIAL MEMBER**

Mumbai; Dated: 22.01.2026

\* Kishore, Sr. P.S.

**Copy of the Order forwarded to:**

1. The Appellant
2. The Respondent
3. CIT- concerned
4. DR, ITAT, Mumbai
5. Guard File

BY ORDER,

(Dy./Asstt.Registrar)  
ITAT, Mumbai