

processing the TDS return u/s 200A of the Act, prior to 01.06.2015, and that as per the provisions of Section 200A of the Act, which existed on the date when the above return was processed, no adjustment on account of fees u/s 234E could be made while processing the said return u/s 200A of the Act. The ld. counsel for the assessee pointed out that the mandate to make such adjustment was provided by the Statute only w.e.f. 01.06.2015 by way of an amendment made to Section 200A by the Finance Act, 2015. The ld. counsel for the assessee, therefore, stated that the adjustment made in the present case of levying fees u/s 234E while processing the TDS return u/s 200A of the Act was bad in law. The ld. counsel for the assessee pointed out that the ITAT in a number of cases had deleted fees levied in identical circumstances holding that prior to 01.06.2015, fees u/s 234E could not be charged by way of making adjustment while processing TDS return u/s 200A of the Act. Our attention was drawn to the following case laws in support of the above proposition:

1. *M/s Khanna Watches Ltd. V DCIT CPC(TDS) ITA 731 to 735/CHD/2015 dated 29.10.2015*
2. *Sibia Healthcare Pvt. Ltd. Vs DCIT (2015) 121 ITR 81 (Amritsar)*
3. *M/s Sonaiac Paints & Coatings Ltd. Vs. DCIT – ITA No. 1158/Chd/2017 order dated 1.2.2018*

4. The Ld. DR fairly admitted that the issue is squarely covered by the aforesaid decisions of the Tribunal.

5. In view of above, the addition made by the Assessing officer

on account of fee u/s 234E of the Act while processing the return u/s 200A is being without authority of law and the same is directed to be deleted.

In the result, the appeal of the assessee is hereby allowed.

Sd/-

Sd/-

(B.R.R.KUMAR)
ACCOUNTANT MEMBER
Dated : 09.05.2018
Rkk

(SANJAY GARG)
JUDICIAL MEMBER

Copy to:

- *The Appellant*
- *The Respondent*
- *The CIT*
- *The CIT(A)*
- *The DR*