

IN THE INCOME TAX APPELLATE TRIBUNAL "A" BENCH, KOLKATA
BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER
AND
SHRI SANJAY AWASTHI, ACCOUNTANT MEMBER

ITA No.1736/KOL/2025

(निर्धारण वर्ष /Assessment Year : 2018-2019)

Chhaya Prakashani Limited, 1, Bidhan Sarani, College Street, Kolkata-700073	Vs	DCIT, Circle-11 (1), Kolkata
PAN No. : AACCC 9925 B TAN No.: CALC 05853 B		
(अपीलार्थी /Appellant)	..	(प्रत्यर्थी / Respondent)
निर्धारिती की ओर से /Assessee by	:	Shri S.K. Kamaluddin, FCA
राजस्व की ओर से /Revenue by	:	Shri Sandeep Lakra, Sr. DR
सुनवाई की तारीख / Date of Hearing	:	24/11/2025
घोषणा की तारीख/ Date of Pronouncement	:	24/11/2025

आदेश / ORDER

Per Bench:

This is an appeal filed by the assessee against the order passed by the Id. CIT(A), National Faceless Appeal Centre (NFAC), Delhi, dated 26.06.2025 for the assessment year 2018-2019.

2. It was submitted by the Id. AR that the issue is against the addition made by the AO and confirmed by the Id.CIT(A) invoking the provisions of Section 40(a)(ia) of the Act on account of short deduction of TDS. It was the submission that in the course of survey, it was noticed that the assessee had deducted TDS @ 2% of the payment, whereas the Assessing Officer was of the view that the TDS @ 10% is liable to be deducted in view provision of section 194J of the Act. It was the submission that the assessee has deducted TDS @ 2% by applying the provisions of section 194C of the Act. Ld AR of the assessee drew our attention to the decision of the Co-ordinate Bench of this Tribunal in the case of the assessee in ITA No. 579

to 583/Kol/2025 order dated 4.11.2025 in respect of an order u/s. 201 of the Act and has held that the TDS is liable to be deducted u/s.194C and not u/s.194J of the Act The Co-ordinate Bench has held in para 6 as follows:

“06. After hearing the rival contentions and perusing the materials available on record, we find that the assessee is engaged in the business of publishing of books mainly education books and sale thereof. For the purpose of composing and DTP work of the assessee company, it had entered into a contract with Publishing Services Pvt. Ltd. for typing and DTP jobs on behalf of the assessee, for which manuscripts were provided by the assessee company. The assessee company has entered into an agreement with the said publisher dated 16.09.2011. We have perused the agreement entered into with the publisher/ recipient and also Provisions of Section 194J of the Act and 194C of the Act and found that the printing services are not technical services within the definition as provided in the explanation to Section 194J of the Act. Therefore, the assessee has correctly deducted the tax at source at the rate of 2% from the contractual payments made to Publishing Services Pvt. Ltd. Consequently, we set aside the order of the Id. CIT (A) and direct the Id. AO to delete the demand raised on account of short deduction of tax at source as the assessee is covered under Section 194C of the Act so far as the deduction of TDS is concerned and not u/s 194J. Accordingly, the appeal of the assessee is allowed. “

3. It was the submission as the order u/s.201 of the Act itself has been held to be quashed and the assessee is liable to be deducted u/s.194C of the Act, the addition, the addition as made by the Assessing Officer under the provisions of section 40 (a)(ia) of the Act does not survive. It was the prayer that the addition as made by the AO and as confirmed by the Id.CIT(A) is liable to be deleted.

4. In reply, Id Sr DR supported the order of the Assessing Officer and Id CIT(A).

5. We have considered the rival submissions. As it is noticed that the issue of TDS u/s.201 of the Act in the case of the assessee has already been decided by the Co-ordinate Bench in favour of the assessee, wherein, it has been held that the TDS is liable to deducted @ 2% under section

194C of the Act and as it is noticed that in this case the assessee has already deducted TDS 2% under the provisions of section 194C of the Act, the addition as made by the Assessing Officer by applying the provisions of section 40(as)(ia) of the Act does not survive. Hence, the addition as made by the AO and confirmed by the Id CIT(A) is hereby deleted.

6. In the result, appeal of the assessee stands allowed.

Order dictated and pronounced in the open court on 24/11/2025.

Sd/-
(SANJAY AWASTHI)

लेखा सदस्य/ ACCOUNTANT MEMBER

Sd/-
(GEORGE MATHAN)

न्यायिक सदस्य / JUDICIAL MEMBER

कोलकाता Kolkata; दिनांक Dated 24/11/2025

Prakash Kumar Mishra, Sr.P.S.

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant-
2. प्रत्यर्थी / The Respondent-
3. आयकर आयुक्त(अपील) / The CIT(A),
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, **कोलकाता** / DR,
ITAT, Kolkata
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

(Assistant Registrar)
Income Tax Appellate Tribunal, Kolkata