

आयकर अपीलीय अधिकरण, 'डी' न्यायपीठ, चेन्नई।
**IN THE INCOME TAX APPELLATE TRIBUNAL
'D' BENCH: CHENNAI**

श्रीमनुकुमारगिरि, न्यायिकसदस्य एवं
श्रीएस. आर. रघुनाथा, लेखासदस्यकेसमक्ष

**BEFORE SHRI MANU KUMAR GIRI, JUDICIAL MEMBER AND
SHRI S.R.RAGHUNATHA, ACCOUNTANT MEMBER**

आयकरअपीलसं./ITA Nos. 3063, 3064, 3061 and 3065/Chny/2025
निर्धारणवर्ष/Ays:2013-14, 2013-14, 2014-15 and 2014-15

PRAKASHCHAND 9, MARKET STREET PERAMBUR CHENNAI-600011, TAMIL NADU	v.	The ITO, TDS Ward-1, Chennai.
[PAN: AAAPP7796G]		
(अपीलार्थी/ Appellant)		(प्रत्यर्थी/ Respondent)
अपीलार्थी की ओर से/ Appellant by	:	Mr. Hitesh, Advocate
प्रत्यर्थी की ओर से /Respondent by	:	Mr. ARV Sreenivasan, CIT
सुनवाईकीतारीख/Date of Hearing	:	17.12.2025
घोषणाकीतारीख /Date of Pronouncement	:	18.12.2025

आदेश / O R D E R

PER MANU KUMAR GIRI, JM:

These four appeals by the assessee are filed against the orders of the Commissioner of Income Tax, Appeal, National Faceless Appeal Centre (NFAC), Delhi, for the assessment years 2013-14 and 2014-15, vide orders dated 19.08.2025. Since, facts are identical



and issues are common, for the sake of convenience, these appeals filed by the assessee are being heard together and disposed of by this consolidated order.

2. The assessee has raised similar grounds of appeal for all the captioned assessment years. We will take up ITA No. 3063/Chny/2025 for the assessment year 2013-14 as lead case. Grounds of appeal filed in ITA No. 3063/Chny/2025 for the assessment year 2013-14 are reproduced as under:-

1. *The order of the Learned CIT(A) is contrary to law, facts, and circumstances of the case and is liable to be set aside.*

2. *The order of the Learned CIT(A) suffers from legal infirmity as the Learned CIT(A) failed to appreciate that the rectification order passed u/s 154 of the Act is without jurisdiction, since a rectification u/s 154 of the Act cannot exist independently of an original assessment order.*

3. *The Learned CIT(A) erred in upholding the action u/s 154 of the Act. without appreciating that the said provision empowers only correction of a mistake apparent from record in an existing order and cannot be invoked independently to create or modify an assessment denovo.*

4. *The Learned CIT(A) has erred in upholding the levy of late filing fee under section 234E of the Income Tax Act, 1961, without appreciating that for the period prior to 01.06.2015, there was no enabling provision under section 200A(1)(c) to compute or levy such fee while processing TDS statements.*

5. *The Learned CIT(A) failed to appreciate that the amendment to section 200A(1)(c) introduced by the Finance Act, 2015, is prospective in operation and therefore cannot be*



applied to TDS statements pertaining to any period before 01.06.2015

6. The Learned CIT(A) erred in holding that section 234E by itself creates a charge and liability to pay fee, overlooking that prior to 01.06.2015 there was no statutory machinery to compute or recover such fee, rendering the levy invalid and without jurisdiction.

7. *The Learned CIT(A) has erred in confirming the order of the AO despite the existence of divergent judicial views on the issue without considering the principle laid down by the Hon'ble Supreme Court in CIT v. Vegetable Products Ltd. (88 ITR 192), when two views are possible, the one favourable to the assessee must be followed.*

8. *The Learned CIT(A) further failed to appreciate that where conflicting judicial views exist, the later view in point of time is to be preferred, which supports the Assessee's contention that levy of fee under section 234E prior to 01.06.2015 is not legally tenable.*

9. *The Learned CIT(A) erred in not appreciating that levy of fee under section 234E for a period prior to 01.06.2015 amounts to retrospective application of law, which is impermissible in the interpretation of fiscal matters unless expressly stated by the legislature.*

10. *The Learned CIT(A) erred in sustaining the levy of interest under section 220(2), which being consequential to an invalid demand under section 234E, is equally unsustainable.*

The Appellant craves leave to alter, amend, modify or raise additional grounds at the time of hearing before this Hon'ble Tribunal,.

3. Brief facts of the case are that the assessee is an individual and a tax deductor, deriving income from textile business. It incurs expenditure in its day-to-day business activities. The assessee deducts TDS on the expenditure thus incurred, wherever applicable



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and pays it to the credit of the central government. It also files its quarterly TDS statement as mandated by the statute. The assessee was liable to deduct TDS for payments made by it. Vide order u/s.154 of the Act dated 28.03.2025, Traces(TDS-CPC) levied late filing fee of Rs.23,800/- u/s.200A of the Act r.w.s.234E of the Act for the third quarter of financial year 2013-14 for belated filing of quarterly TDS returns. The assessee has challenged late fee levied before first appellate authority. The Id.CIT(A) has after elaborate discussion of case laws and provisions of the Act dismissed the appeal of the assessee.

4. Aggrieved by the learned CIT(A) order, the assessee is in appeal before us.

5. We have heard Id. AR for the assessee and Id.DR. We have perused orders of the authorities below. We find that the issue involved in the present appeals filed by the assessee is on levy of late fee u/s.234E of the Act, for belated filing of quarterly TDS returns beyond prescribed date and this issue is squarely covered by the decision of Hon'ble Jurisdictional Madras High Court in the case of *M/s.Sri Rujula International vs. PCIT (WP Nos. 4307 of 2024, WMP Nos.4619 & 4621 of 2024) dated 12.09.2024* by



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following the earlier decisions of the Hon'ble High Court in the case of *2023(10) TMI 1141 [M/s.True Blue Voice India Private Limited vs. Chief CIT, TDS [2024] 158 taxmann.com 67 (Madras)* held as under:-

4. In the present case, the respondent had imposed the late fee only under Section 234E of the Act for the assessment years 2012-2013, 2013-2014. However, Section 200A of the Act was not introduced during the said assessment years and it was introduced only with effect from 01.06.2015. Therefore, in the absence of any provisions under Section 200A of the Act, the respondents ought not to have imposed late fee under Section 234E while processing the applications for TDS under Section 200A. Hence, in such view of the matter, this Court is of the opinion that the impugned Demand Intimation Letters are liable to be set aside.

5. Accordingly, the impugned demand Intimation Letters dated 28.03.2019 are set aside and the Writ Petition stands disposed of. No costs.

6. Further, we note that the issue is already covered by the decision of the coordinate bench of the tribunal in the case of *Gopuram Enterprises Private Limited vs. ACIT, ITA No.1002-1007/Chny/2024 dated 26.06.2024* by holding as under:-

*4. We have heard Id. Counsel for the assessee and Id.DR. We have perused orders of the authorities below. We find that the issue involved in the present appeals filed by the assessee is on levy of late fee under section 234E of the Act, for belated filing of quarterly TDS returns beyond prescribed date and this issue is squarely covered by the decision of Hon'ble Jurisdictional Madras High Court in the case of *M/s.True Blue Voice India Private Limited vs. CCIT & Ors (WP Nos. 2700 & 2703 of 2022) dated 09.10.2023* and held as under:-*

"10. There is no dispute on the aspect of validity of the Section 234E of the Act. The only issue that has to be decided in the present case is as to whether the late fee can be imposed under Section 234E of the Act, while processing the statement of TDS



under Section 200A of the Act for the subject assessment years?

11. On considering the submissions of both the learned counsel and while reading Section 234E of the Act, it appears that the Department/respondents can impose the late fee for the circumstances mentioned under Section 234E of the Act with effect from 01.07.2012, but not when they process the TDS under Section 200A of the Act. In the Finance Bill, 2015, Section 200A(1)(c) of the Act was introduced, which reads as follows:

“200A. Processing of statements of tax deducted at source.—

(1)

(a).....

(b).....

(c) the fee, if any, shall be computed in accordance with the provisions of section 234E;”

12. Further, the objects and reasons for introduction of Section 200A(1)(c) of the Act are as follows:

“Rationalisation of provisions relating to Tax Deduction at Source (TDS) and Tax Collection at Source (TCS)

Under Chapter XVII-B of the Act, a person is required to deduct tax on certain specified payment at the specified rate if the payment exceeds the specified threshold. The person deducting tax (‘the deductor’) is required to file a quarterly Tax Deduction at Source (TDS) statement containing the details of deduction of tax made during the quarter by the prescribed due date. Similarly, under Chapter XVII-BB of the Act, a person is required to collect tax on certain specified receipts at the specified rates. The person collecting tax (‘the collector’) also is required to file a quarterly Tax Collection at Source (TCS) statement containing the details of collection of tax made during the quarter by the prescribed due date. In order to provide effective deterrence against delay in furnishing of TDS/TCS statement, the Finance Act, 2012 inserted section 234E in the Act to provide for levy of fee for late furnishing of TDS/TCS statement. The levy of fee under section 234E of the Act has proved to be an effective tool in improving the compliance in respect of timely submission of TDS/TCS statement by the deductor or collector.



Finance (No.2) Act, 2009 inserted section 200A in the Act which provides for processing of TDS statements for determining the amount payable or refundable to the deductor. However, as section 243E was inserted after the insertion of section 200A in the Act, the existing provisions of section 200A of the Act does not provide for determination of fee payable under section 234E of the Act at the time of processing of TDS statements. It is, therefore, proposed to amend the provisions of section 200A of the Act so as to enable computation of fee payable under section 234E of the Act at the time of processing of TDS statement under section 200A of the Act.

Currently, the provisions of sub-section (3) of section 200 of the Act enable the deductor to furnish TDS correction statement and consequently, section 200A of the Act allows processing of the TDS correction statement. However, currently, there does not exist any provision for allowing a collector to file correction statement in respect of TCS statement which has been furnished. It is, therefore, proposed to amend the provisions of section 206C of the Act so as to allow the collector to furnish TCS correction statement.

Currently, there does not exist any provision in the Act to enable processing of the TCS statement filed by the collector as available for processing of TDS statement. As the mechanism of TCS statement is similar to TDS statement, it is proposed to insert a provision in the Act for processing of TCS statements on the line of existing provisions for processing of TDS statement contained in section 200A of the Act. The proposed provision shall also incorporate the mechanism for computation of fee payable under section 234E of the Act.”

13. A reading of the above makes it clear that since no mechanism was available for determination of late fee payable under Section 234E of the Act at the time of processing TDS statements. Thus it was proposed to amend the provisions of Section 200A of the Act, so as to enable the computation of fee payable under Section 234E of the Act at the time of processing of TDS statement under Section 200A of the Act. Thus, the said sub-Section 200A(1)(c) of the Act was came to be inserted with effect from 01.06.2015.



14. Now the dispute is with regard to the assessment years 2012- 13, 2013-14, 2014-15 and the applicability of Section 200A(1)(c) of the Act for relevant assessment years. There is no dispute on the aspect that the TDS statement was filed under Section 200A of the Act and the respondent had also issued the intimation under Section 200A of the Act, which means the respondents have processed the returns under Section 200A of the Act. When the respondent had started to process the returns of the petitioner under Section 200A of the Act, obviously they have to follow the requirements under Section 200A of the Act. Section 200A(1)(c) of the Act was introduced with effect from 01.06.2015. A reading of the objects and reasons of the same makes it clear that since no mechanism was available, Section 200A(1)(c) of the Act was introduced for imposing late fee for the delay in filing statement of TDS. Therefore, from the introduction of the said Sub-Section it is clear that prior to the same, though Section 234E of the Act was introduced with effect from 01.07.2012, the Authorities were not empowered to impose the late fee while processing the statement of TDS under Section 200A of the Act.

15. The learned counsel for the respondent advanced his arguments on the aspect of the imposition of late fee by applying Section 200A(1)(c) of the Act retrospectively. This Court is not in agreement with the said submissions of the respondent. Since, there was no provision for imposing the late fee under Section 234E of the Act while filing and processing the TDS returns under Section 200A of the Act, clause (c) to Sub-Section (1) to Section 200A was introduced with effect from 01.07.2012. Therefore, the aforesaid submission made by the learned counsel for the respondent is rejected by this Court.

16. Further it was stated by the respondent that they have no power to waive the late fee and only the Commissioner of Income Tax is empowered to pass the revised order by proper application of provision of Section 264C of the Act.

17. In view of the above, it is made clear that the respondent had had imposed the late fee only under Section 234E of the Act for the assessment years 2012-2013, 2013-2014, 2015-2015. However, Section 200A(1)(c) of the Act was not introduced during the said assessment years. In the absence of any provisions under Section 200A of the Act, when they have processed the application for TDS under Section 200A, no late fee can be imposed under Section 234E. Hence, in such view of



the matter, this Court feels that the impugned orders are liable to be set aside”

The Co-ordinate Bench of the Tribunal also in the case of M/s.M.F.TextilesPvt.Ltd. Vs. ACIT in ITA Nos. 578 & 579/Chny/2021 dated 24.02.2022 had considered an identical issue in light of provisions of section 234E of the Act and also amendment to section 200A by Finance Act, 2015 w.e.f. 01.06.2015 and held that in absence of enabling provision under section 200A of the Act, the Assessing Officer cannot levy late fee under section 234E of the Act for belated filing of quarterly TDS return for period prior to 01.06.2015.

6. In the present appeals, on perusal of the facts, we find that the assessment years involved are prior to 01.06.2015. Therefore, we are of the considered view that the late fee charged by the Assessing Officer under section 234E of the Act, while processing quarterly TDS return under section 200A of the Act, is without any authority and invalid. Hence, by respectfully following the decisions of the Hon'ble Jurisdictional Madras High Court in the case of M/s. True Blue Voice India Private Limited (supra) and Co-ordinate Bench in the case of M/s.M.F.TextilesPvt.Ltd (supra), we are of the considered view that the Assessing Officer cannot levy late fee while processing of TDS return under section 200A of the Act upto the financial year 2014-15. Since, late fee charged in the present case pertaining to the financial years 2012-2013 and 2013-14, we direct the Assessing Officer to delete the late fee charged under section 234E of the Act in the intimation issued under section 200A of the Act for the processing of quarterly TDS return filed by the assessee.

7. In the result, all six these appeals filed by the assessee are allowed.

7. In the present appeals, on perusal of the facts, we find that the assessment years involved are prior to 01.06.2015. Therefore, we are of the considered view that the late fee charged by the Assessing Officer u/s.234E of the Act, while processing quarterly TDS return under section 200A of the Act, is without any authority and invalid. Hence, by respectfully following the decisions of the Hon'ble Jurisdictional Madras High Court in the case of M/s.Sri



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Rujula International (supra) and Co-ordinate Bench in the case of M/s.Gopuram Enterprises Private Limited (supra), we are of the considered view that the Assessing Officer cannot levy late fee while processing of TDS return u/s.200A of the Act upto the financial year 2014-15. Since, late fee charged in the present case pertaining to the financial years 2013-14 and 2014-15, we direct the Assessing Officer to delete the late fee charged u/s.234E of the Act in the intimation issued u/s.200A of the Act for the processing of quarterly TDS return filed by the assessee.

8. In the result, all the appeals filed by the assessee are allowed.

Order pronounced in the open court on 18th day of December, 2025 at Chennai.

Sd/-
(एस. आर. रघुनाथा)
(S.R.RAGHUNATHA)

लेखासदस्य/**ACCOUNTANT MEMBER**

चेन्नई/Chennai,

दिनांक/Dated: 18 December, 2025.

SNDP, Sr. PS

आदेशकीप्रतिलिपिअग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकरआयुक्त/CIT, Chennai / Madurai / Salem / Coimbatore.
4. विभागीयप्रतिनिधि/DR
5. गार्डफाईल/GF

Sd/-
(मनुकुमारगिरि)
(MANU KUMAR GIRI)

न्यायिकसदस्य/**JUDICIAL MEMBER**



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