

## ITAT: Sec.200A on late fee levy u/s234E for delayed TDS quarterly statement filing, applies prospectively

Oct 18, 2024

Dream Design and Display India Pvt. Ltd [TS-776-ITAT-2024(DEL)]

### Conclusion

Delhi ITAT in its ex-parte order, quashes the demand raised by Revenue by levying late fee for Assessee's default in filing quarterly statement under Section 243E r.w. Section 200A and holds that the demand raised with reference to section 234E cannot be countenanced in terms of the pre-amended provision of Section 200A; Observes that prior to Jun 1, 2015, Section 200A did not contain any reference to adjustment of fee to be computed in accordance with provisions of Section 234E and the amendment seeking to levy fee under Section 234E was introduced by Finance Act, 2015 which is effective from Jun 1, 2015; Holds that the alleged defaults relates to period prior to Jun 1, 2015 and therefore the action of the Revenue to impose late filing fee under Section 234E while processing statement under Section 200A is without sanction of law; ITAT points out that the pre-amended section 200A did not permit processing of TDS statement for default in payment of late fee under section 234E, thus late fee charged for belated filing of TDS quarterly return prior to the Jun 1, 2015, could not be recovered by way of processing under Section 200A; Relies on Bangalore ITAT ruling in [Karnataka Grameen Bank](#) wherein it was held that amendment under Section 200A providing imposition of fee if under Section 234E had only prospective effect and therefore, levy of late fee under Section 234E would be illegal for statement of TDS in respect of period prior to Jun 1, 2015; ITAT quips that, "late fee for TDS quarterly statement under challenge in captioned appeals cannot be recovered by way of processing under section 200A" and also quashes the consequential interest charges on fee levied; Thus concurs with Assessee's argument that Section 234E being a charging provision creating a charge for levying fee for certain defaults in filing statements and fee prescribed under Section 234E cannot be levied without a regulatory provision found in Section 200A for computation of fee prior to Jun 1, 2015 and allows Assessee's appeals.:ITAT DEL

### Decision Summary

The ruling was delivered by the Division Bench of Delhi ITAT comprising Shri Pradip Kumar Kedia, Accountant Member and Shri Yogesh Kumar US, Judicial Member.

The Revenue was represented by Mr. Narpat Singh, Sr. D.R.

### Case Law Information

#### Taxpayer Name

- Dream Design and Display India Pvt. Ltd

#### Judicial Level & Location

- Income tax Appellate Tribunal Delhi

#### Appeal Number

- ITA No.634 /Del/2024

#### Date of Ruling

- 2024-10-11

#### Ruling in favour of

- Assessee

### **Section Reference Number**

- [200A](#)
- [234E](#)

### **Nature of Issue**

- Tax deduction at source

### **Judges**

- Pradip Kumar Kedia, Accountant Member
- Yogesh Kumar U.S, Judicial Member

### **Counsel for Department**

- Narpal Singh