

HC raps AO for rejecting Vodafone's application for 'Nil' TDS certificate without assigning any reasons thereof

Summary – The High Court of Karnataka in a recent case of Vodafone Cellular Ltd., (the Assessee) held that where assessee made an application under section 197 for grant of no deduction of tax certification and Assessing Officer rejected application without assigning any reasons, Assessing Officer was directed to reconsider application in light of various materials placed by assessee.

Facts

- The assessee made an application under section 197 for the assessment year 2014-15 for grant of no deduction of tax certificate. It submitted that it was successively under a loss from the assessment year 2010-11 to the assessment year 2013-14.
- The Assessing Officer by order/communication dated 8-8-2013 rejected the application of the assessee.
- On writ:

Held

- The communication dated 8-8-2013 is a very cryptic one rejecting the application made by the assessee under section 197 without giving details as to the outstanding demand against the assessee and as to whether the assessee's case falls within the scope of section 197 and the rules made thereunder or not. There are no reasons assigned as to why the application of the assessee has been rejected. In that view of the matter, the order of the Assessing Officer was liable to be quashed. Further he was to be directed to reconsider the application in the light of the various materials which have been placed by the assessee.