

Bajaj Steel Industries Ltd. v. Assistant Commissioner of Income Tax (TDS), Circle-1, Nagpur & Ors.

Writ Petition No. 6800 of 2024 with WP Nos. 6333-6339, 6344, 6345, 6799, 6801 & 6802 of 2024
2025:BHC-NAG:7496-DB | Writ Petition No. 6800 of 2024 & Connected Petitions | 2025-08-01

System-generated TDS demand under section 156/200A (Form 27Q) applying 20% rate under section 206AA for non-PAN foreign deductees instead of 10% DTAA rate: batch of 13 writ petitions disposed of directing ACIT (TDS), Nagpur to decide pending section 154 rectification applications by December 2025 after hearing on 18.08.2025.

Income-tax Act, 1961: sections 90(2), 154, 156, 195, 200A and 206AA

High Court of Judicature at Bombay (Nagpur Bench) | 2-judge bench (Division Bench) | Anil L. Pansare, J. | M. M. Nerlikar, J.

Assessment years: Multiple quarters (Form 27Q representations dated 13.03.2014 & 31.07.2015)

Common judgment across 13 connected writ petitions (WP Nos. 6800, 6333-6339, 6344, 6345, 6799, 6801 & 6802 of 2024)

Directs time-bound section 154 rectification by the Jurisdictional TDS Officer rather than quashing the CPC-TDS Form 27Q demands outright.

01 FACTS OF THE CASE

Bajaj Steel Industries Ltd. deducted TDS at 10% under applicable DTAA's on payments for services rendered by non-resident treaty-country deductees having no PAN or business presence in India (Form 27Q). Because the automated TDS system did not recognize the 10% DTAA cap in the absence of PAN and raised system-generated demands at 20% under section 156, the petitioner filed rectification communications starting 13.03.2014 and 31.07.2015, which remained undecided for nearly a decade.

Source: [Paragraphs 1-3; PDF pp. 1-2](#)

02 DISCUSSION BY THE HON'BLE COURT

Rejecting the Revenue's plea of delay and laches because the petitioner had continuously pursued its representations before the authorities who failed to decide them on merits, the Division Bench treated the prayer for reversal of outstanding Form 27Q demand as a rectification request under section 154 and directed the Jurisdictional Officer (ACIT, Circle-1, TDS, Nagpur) to decide the representations after granting a personal hearing.

Source: [Paragraphs 4-7; PDF pp. 2-3](#)

03 JUDICIAL DECISION

Disposed of all 13 writ petitions by directing the petitioner to appear before the ACIT, Circle-1, TDS, Nagpur on 18.08.2025 at 11:00 am and directing the officer to conclude the rectification proceedings in accordance with law preferably by December 2025.

Source: [Paragraphs 6-8; PDF pp. 2-3](#)

04 OUTCOME / IN WHOSE FAVOUR

Assessee - Objection of delay/laches rejected; Jurisdictional TDS Officer directed to hear petitioner on 18.08.2025 and decide section 154 rectification requests against 20% non-PAN system demands preferably by December 2025.

Source: [Paragraphs 6-8; PDF pp. 2-3](#)

05 AKHB REVIEW POINT

AKHB analysis: where TRACES/CPC-TDS raises automated 20% short-deduction demands on Form 27Q under section 206AA ignoring the beneficial 10% DTAA rate (settled in Danisco India and Nagarjuna Fertilizers), press a formal section 154 application before the jurisdictional TDS AO.

Source: [Paragraphs 4-7; PDF pp. 2-3](#)

SOURCE & VERIFICATION

[High Court of Judicature at Bombay \(Nagpur Bench\) official judgment PDF - AKHB Cloud Repository \(20250801_HCBMo40281392024.pdf\)](#)

3-page official High Court of Judicature at Bombay (Nagpur Bench) judgment PDF (20250801_HCBMo40281392024.pdf).

Supplied source-reviewed note retained; original bytes and identity validation checked in this release. Substantive re-review is not claimed for this record.

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STATUTORY SCOPE

Applies sections 90(2), 154, 156, 195 and 206AA of the Income-tax Act, 1961. Income-tax Act, 2025 equivalence is not verified.

LATER TREATMENT

Source checked 2026-10-18. Full primary judgment PDF read page-by-page and verified against the AKHB Google Drive repository. Comprehensive subsequent judicial treatment has not been independently verified.

AI DISCLOSURE

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