IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 16-02-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 12897 of 2024
and
WMP No. 14059 of 2024

Lloyd Insulations (India) Limited,
Rep. by General Manager,
No.5A, Haddows Lane,
Haddows Road, Nungambakkam,
Chennai 600 006.
TAN:CHEL00058C.

..Petitioner

Vs

1. The Commissioner of Income Tax (TDS),
Income Tax Department,
BSNL Tower, No. 16, Greams Road,
Chennai 600 006.

2. The Joint Commissioner of Income Tax,
TDS Range - 2, Chennai
Income Tax Department,
BSNL Tower, No.16, Greams Road,
Chennai 600 006.

3. The Assistant Commissioner of Income Tax,
TDS Range 2, Chennai,
Income Tax Department,
BSNL Tower, No.16, Greams Road,
Chennai 600 006.

..Respondents

Writ Petition filed under Article 226 of the Constitution of India, praying to issue a Writ of Certiorari, to call for the records of the Writ Petitioner on the file of the 1st Respondent to quash the impugned order passed rejecting the plea for waiver of interest under Section 220(2) of the Act dated 30.01.2024 for the financial years 2013-14 to 2022-23 in C.No- 36/Waiver/ CIT (TDS)/ 2023-24.

For Petitioner : Mr.A.S.Sriraman

For Respondents: Dr.B.Ramasamy,
Senior Standing Counsel

Order

In this writ petition, the petitioner is before this Court against the impugned order dated 30.01.2024 passed by the first respondent under Section 220(2A) of the Income Tax Act, 1961. By the said impugned order, the request filed by the petitioner for waiver of interest on interest for the Assessment Years 2013-2014 to 2022-2023 has been rejected, by the following observations:-

> *" 5. The petition filed and the submissions made by the petitioner as well as the reports of the Assessing Officer & the Range Head are duly perused and the petition is disposed off as under:.*
>
> *5.1 As per the provisions of the I.T. Act, the amount of interest paid or payable by tiie taxpayer under section 220(2) could be reduced or waived upon satisfaction of the following conditions:*

(i) Payment of such interest has caused or would cause genuine hardship to the taxpayer.

(ii) Default in the payment of the amount on which interest has been paid or was payable, was due to circumstances beyond the control of the taxpayer.

(iii) The taxpayer has co-operated in any inquiry relating to the assessment or any proceeding for the recovery of any amount due from him.

5.2. The interest u/s. 220(2) of the Act of Rs. 29,37,313/- has arisen due to various defaults of TDS. The assessee had requested for waiver of the interest u/s. 220(2) of the I T Act citing severe cash crunch and losses incurred in the previous years and further added that pa3mient of interest u/s. 220(2) will have huge hardship to their financial outflow and beyond their ability due to present financial conditions.

5.3 However, the assessee failed to furnish any documentary evidence to substantiate with regard to applicability of the conditions mentioned in para 5.1 above. On perusal of the financials, the assessee has not demonstrated how the payment of interest u/s. 220(2) would cause genuine hardship to the taxpayer whereas the assessee was able to clear all the demands except the 220(2) interest in spite of the financial crunch. Further, the assessee has also not furnished sufficient evidences to establish that there were circumstances beyond the control of the taxpayer such as natural calamity and any other similar factor. Also, it may be noted from Table in Para 4 that the assessee is a habitual defaulter as the default spreads over various financial years and the assessee has not at all paid dues on regular-basis. Thus, the assessee has not satisfied any of the stipulated conditions for waiver of interest u/s. 220(2). It is further observed that as on date of passing this order that the assessee has outstanding interest arisen on account of delayed TDS remittances.

6. In view of the above and as submitted by the Assessing Officer ^d duly endorsed by the Range Head, I am satisfied that *the assessee has not satisfied the conditions prescribed in the Act for waiver of interest u/s.220(2) of I. T. Act, 1961.*

7. In view of the above, the waiver petitions of the assessee dated 18/01/2023 seeking waiver of outstanding demand raised on account of interest u/s 220(2) of the I T Act of Rs.29.37,313/- is hereby rejected. Thus, the liability to pay tlie outstanding demand remains and is also payable by the assessee. Further, the petitioner is free to file appeal before jurisdictional Competent Authority i.e. Commissioner of Income Tax (Appeals) to get relief, if any, available on the above issue of levy of interest u/s. 220(2) of the Income Tax Act.

8. This waiver petition is disposed of accordingly."

2. The application for waiver was submitted by the petitioner on 18.01.2023, in response to the email dated 04.11.2022. A further application for waiver was also submitted on 07.02.2023. Subsequently, the petitioner was issued notices dated 10.08.2023, 08.12.2023 and 09.01.2024.

3. The petitioner submitted replies to the above notices. However, they were found to be inadequate for granting waiver under Section 220(2A) of the Income Tax Act, 1961. A waiver application must clearly establish the criteria with supporting documents. Mere production of documents is not sufficient. A reading of the application dated 07.02.2023 and the subsequent application makes it clear that it has not clearly made out a case for waiver under Section 220(2A).

4. In my view, the respondent has correctly concluded that the documentary evidence produced by the petitioner does not indicate satisfaction of the required criteria for waiver.

5. Considering the fact that the reply to the representation / application submitted by the petitioner was not clear, which resulted in the passing of the Impugned Order, the case is remitted back to the respondents to pass a fresh order on merits, subject to the petitioner filing a supplementary application providing proper particulars to satisfy the required criteria for waiver within a period of 30 days from the date of receipt of a copy of this order. If such a representation submitted by the petitioner, duly supported by appropriate documents to establish that the petitioner is entitled to waiver under Section 220(2A) of the Income Tax Act, 1961, the respondent shall pass a fresh order.

6. In case the petitioner fails to file such an application, the writ petition shall stand dismissed by this order. In case the petitioner files such an application, the respondents shall consider the same and pass a fresh order on merits and in accordance with law as expeditiously as possible, preferably, within a period of nine (9) months from the date of receipt of a copy of this order.

7. This Writ Petition stands disposed of with the above observations. No costs. Connected Writ Miscellaneous Petition is closed.

16-02-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

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C.SARAVANAN J.

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