

IN THE INCOME TAX APPELLATE TRIBUNAL  
RANCHI BENCH (SMC), RANCHI

[Before Hon'ble Shri J. Sudhakar Reddy]

I.T.A. No. 304/Ran/2016  
Assessment Year : 2012-13

*M/s. Cement Supply Agencies, .....Appellant*  
*2<sup>nd</sup> Floor, Adarsh Market,*  
*J.J. Road, Upper Bazar,*  
*Ranchi – 834 001.*  
*[Pan : AACFC 6329 C]*

*DCIT CIR 1.....Respondent*  
*Ranchi*

Appearances by:

*Shri Devesh Poddar, Advocate appearing on behalf of the Assessee.*

*Shri P.K. Mondal, Jr. DR appearing on behalf of the Revenue.*

Date of concluding the hearing : February 27, 2018

Date of pronouncing the order : February 28, 2018

**ORDER**

**Per J. Sudhakar Reddy, AM**

This is an appeal filed by the assessee directed against the order of CIT (Appeals) Ranchi, Jharkhand dated 17.08.2016 for the assessment year 2012-13.

2. Ground No. 1 and 2 are directed against adhoc disallowance of 10% of the general expenditure amounting to Rs. 83,520/-. I do not find any merit in the submissions of the assessee, I refuse to interfere in these factual findings of the revenue authorities. In the result, ground no 1 and 2 is dismissed.

3. Ground no 3 is on the levy of interest under section 234A and 234B).

4. The issue is whether interest u/s 234A and 234B is to be levied only on the total income disclosed by the assessee in the return of income or on the total income determined by the A.O. in the assessment order i.e. assessed income. The Hon'ble Jharkhand High Court in T.A. No. 38 of 2010 order dated 25<sup>th</sup> July, 2012 in the case of Ajay Prakash Verma vs. ITO, Dhanbad reported in 2013(1) TMI 140 has held that interest u/s 234A and 234B can be levied only on the income declared by the assessee in the return of income. The Hon'ble Jharkhand High Court in I.A. No. 5725 of 2014 in Civil Review No. 66 of 2013 judgment dated 1<sup>st</sup> September, 2015 dismissed the civil review application filed by the department on this issue in this very case of Ajay Prakash Verma. Respectfully following the propositions of law laid down by the jurisdictional High Court, I direct the A.O. to levy interest u/s 234A and 234B only on the income returned by the assessee and not on the income assessed by the A.O.

**5. In the result, the appeal of the assessee is allowed in part.**

Order Pronounced in the Open Court on 28<sup>th</sup> February, 2018.

Sd/-  
(J. Sudhakar Reddy)  
ACCOUNTANT MEMBER

**Dated: 28/02/2018**

Biswajit, Sr. PS

Copy of order forwarded to:

1. M/s. Cement Supply Agencies, 2<sup>nd</sup> Floor, Adarsh Market, J.J. Road, Upper Bazar, Ranchi – 834 001.
2. DCIT CIR 1, Ranchi.
3. The CIT(A)

4. The CIT

5. DR

True Copy,

By order,

Sr. P.S. / H.O.O.  
ITAT, Ranchi