

IN THE INCOME TAX APPELLATE TRIBUNAL "B"
BENCH KOLKATA

Before Shri Sanjay Garg, Judicial Member and Shri Girish Agrawal, Accountant Member

I.T.A. No.617/Kol/2021
Assessment Year: 2018-19

M/s P. D. Agarwal.....Appellant
4B, Sopan Apartment,
63B Bright Street,
Ballygunge, Kolkata-700019.
[PAN:AADFP6464E]

vs.

ADIT, NAFA, Delhi.....Respondent

Appearances by:

Shri Punit Agarwal, Advocate, appeared on behalf of the appellant.
Smt. Ranu Biswas, Sr. DR, appeared on behalf of the Respondent.

Date of concluding the hearing : March 08, 2022

Date of pronouncing the order : March 08, 2022

ORDER

Per Sanjay Garg, Judicial Member:

The present appeal has been preferred by the assessee against the order dated 17.11.2021 of the National Faceless Appeal Centre [hereinafter referred to as 'CIT(A)'] passed u/s 250 of the Income Tax Act (hereinafter referred to as the 'Act').

2. Both the ld. representatives of the parties have stated at Bar that the only issue involved in the present case is relating to levy of interest u/s 234C of the Act. At the outset, the ld. counsel for the assessee has submitted that the assessee had received an Arbitration Award in the last week of March 2018. The assessee accordingly offered income relatable to award in his return of income, however, the Assessing Officer held that the assessee was supposed to deposit advance tax in that respect as the assessee might be sure of receipt of award even prior to the passing of the award in his favour. The ld. counsel has submitted that since the award was received in the last month of

March 2018 and the assessment year was ending on 31.03.2012 itself, there was no question of deposit of advance tax. The amount of award was duly taken into consideration for computation of taxable income of the assessee and due taxes were paid accordingly.

3. The ld. DR has also fairly admitted to the above facts of the case that the arbitration was received in the month of March 2018, however, she has relied upon the findings of the Assessing Officer that the assessee could have foreseen that he would likely to receive the verdict of arbitrator in his favour. We are not inclined to accept the aforesaid argument of the ld. DR being devoid of merits.

4. The case is settled when a decision is passed is by Tribunal/court arbitrator as the case may be. The Arbitration Award was received in the last week of March 2018 and the assessee accordingly offered the same for taxation. We do not find any fault in the aforesaid action of the assessee, therefore, the levy of interest u/s 234C of the Act is not justified in this case. In view of the above discussion, the impugned addition made by the Assessing Officer on account of levy of interest is ordered to be deleted. The appeal of the assessee is hereby allowed.

5. In the result, the appeal of the assessee is allowed.

Kolkata, the 8th March, 2022.

Sd/-
[Girish Agrawal]
Accountant Member

Sd/-
[Sanjay Garg]
Judicial Member

Dated: 08.03.2022.

RS

Copy of the order forwarded to:

1. M/s P. D. Agarwal
2. ADIT, NAFA, Delhi
3. CIT(A)-

4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches