

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'G', NEW DELHI**

**BEFORE SHRI KUL BHARAT, JUDICIAL MEMBER
&
SHRI PRADIP KUMAR KEDIA, ACCOUNTANT MEMBER**

ITA No.363/Del/2023
(Assessment Year : 2014-15)

Sahil Gupta (L/H of Satinder Paul Gupta) H. No. 11, Road No.63, West Punjabi Bagh, New Delhi	Vs.	DCIT Circle – 6(2) New Delhi
PAN No. AAPPG 2434 D		
(APPELLANT)		(RESPONDENT)

Assessee by	Shri Parnav Yadav, Adv.
Revenue by	Shri Anuj Garg, Sr. D.R.

Date of hearing:	15.01.2024
Date of Pronouncement:	15.01.2024

ORDER

PER PRADIP KUMAR KEDIA, AM :

The captioned appeal has been filed by the assessee against the first appellate order of the Ld. Commissioner of Income Tax (Appeals) – National Faceless Appeal Centre (NFAC), Delhi dated 25.01.2023 arising from the assessment order dated 25.11.2016 passed by the Assessing Officer (AO) under Section 143(3) of the Income Tax Act, 1961 (the Act) concerning Assessment Year 2014-15.

2. As per the grounds of appeal, the assessee has challenged levy of interest under section 234B of the Act quantified at Rs.95,325/- on tax demand component of Rs.1,92,190/- already paid by the assessee.

3. Briefly stated, the assessee filed return of income which was assessed under section 143(3) of the Act at returned income of Rs.2,06,11,038/-. A demand of Rs.2,70,880/- was raised in pursuance of such assessment framed under section 143(3) of the Act. A demand of Rs.1,92,190/- was also earlier raised while drawing intimation under section 143(1) of the Act. The assessee paid aforesaid tax demand on 24.08.2016. In this backdrop, the assessee moved an application under section 154 of the Act before the AO seeking inclusion of the aforesaid amount of Rs.1,92,190/- for the purpose of determining the correct tax demand and consequential interest liability thereon. The Assessing Officer passed an order under section 154 of the Act wherein the payment of Rs.1,92,190/- in pursuance of intimation under section 143(1) of the Act was duly recognized for the purpose of determination of tax liability. However, consequential reduction in the interest liability under section 234B of the Act was not given effect to.

4. The CIT(A) also did not provide relief despite giving credit for tax component. The assessee is aggrieved and hence, this appeal.

5. The short point in issue hinges around determination of correct liability on account of interest liability under section 234B of the Act where tax demand of Rs.1,92,190/- has been undisputedly paid in August, 2016. Once, the tax payment has been made and credited the consequential interest liability under section 234B of the Act would cease to be operative immediately after the month in which the payment has been made. Consequently, the interest liability under section 234B of the Act on

tax payment of Rs.1,92,190/- cannot be charged post August, 2016. The Assessing Officer is accordingly directed to reduce the interest chargeable under section 234B of the Act in respect of tax payment of Rs.1,92,190/- in accordance with law from September, 2016 onwards till the time such interest liability has been charged.

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

Order was pronounced in the open court on 15.01.2024

Sd/-

**(KUL BHARAT)
JUDICIAL MEMBER**

Sd/-

**(PRADIP KUMAR KEDIA)
ACCOUNTANT MEMBER**

Date:- 15.01.2024

*Priti Yadav, Sr. PS**

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT NEW DELHI