

IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH "C", MUMBAI
BEFORE SHRI GAGAN GOYAL, ACCOUNTANT MEMBER AND
SHRI SUNIL KUMAR SINGH, JUDICIAL MEMBER
ITA No. 567/Mum/2024 (A.Y.2020-21)

Oriental Electrical Components Pvt. Ltd.,
75AB, Government Industrial Estate,
Ganesh Nagar, Charkop, Kandivali West
Mumbai-400 067
PAN: AAACO7101M

..... Appellant

Vs.

DCIT-13(1) (2)
Aayakar Bhavan,
Mumbai-400020

..... Respondent

Appellant by : Shri Umang Shah, Ld. AR
Respondent by : Shri H. M. Bhatt, Ld. DR
Date of hearing : 04/06/2024
Date of pronouncement : 01/08/2024

ORDER

PER GAGAN GOYAL, A.M.:

This appeal by assessee is directed against the order of National Faceless Appeal Centre (for short "NFAC") dated 29.07.2023 passed u/s. 250 of the Income Tax Act, 1961 (in short 'the Act') for A.Y. 2020-21. The assessee has raised the following grounds of appeal:-

1. Ld. Commissioner of Income-Tax (Appeals) erred in law and on facts in not granting sufficient opportunity of being heard to the Appellant before adjudicating the appeal against the Appellant without application of mind.

Appellant submits that in view of the facts and circumstances of the case as well as in law the said order of Ld. CIT (A) is bad in law and deserves to be quashed,

2. Ld. Commissioner of Income-Tax (Appeals) erred in confirming the order of Learned Assessing Officer charging excessive interest u/s. 234A of the Act.

Appellant submits that in view of the facts and circumstances of the case as well as in law the said order of Ld. CIT (A) confirming the excessive interest charged u/s. 234A of the Act is bad in law and deserves to be quashed.

Appellant prays for appropriate relief.

Each of the above ground is without prejudice to one another.

Appellant craves leave, to add, alter, amend or withdraw any of the above Grounds of Appeal.

2. The Brief Facts of the Case are that Assessee is a Company filed its return of income on 15.02.2021 declaring total income at Rupees 14, 65, 76,650/-. The return of the Assessee processed under section 143(1)(a) of the Act on 23.12.2021, wherein a sum of Rs. 54,97,424/- was disallowed under section 36(1)(va) r.w.s. 224 of the Act resulting in a demand of Rs 2,18,50,080/- including interest under section 234A and 234B of the Act. The Assessee being aggrieved filed an application under section 154 of the Act raising various issues before the Centralized Processing Centre (CPC), Bengaluru. The CPC Bengaluru passed a rectification order under section 154 of the Act vide dated 15.07.2022. The CPC

Bengaluru resolved the grievances of the Assessee except charging of interest under section 234A.

3. The Assessee being further aggrieved preferred an appeal before the Ld. CIT (Appeal), National Faceless Appeal Centre-Delhi (NFAC). The Ld. CIT (Appeal) vide his order dated 29.07.2023 confirmed the levy of interest under section 234A of the Act. The Assessee being aggrieved with this order preferred the present appeal before us. We have gone through the order passed under section 154 of the Act, order of the Ld. CIT Appeal and submissions of the Assessee alongwith grounds taken before us. It is observed that Assessee had discharged the whole tax liability while filed its return of income originally under section 139(1) of the Act vide dated 15.02.2021. The only issue before us is whether the amount of interest charged by CPC Bengaluru under section 234A is correctly worked out or not. We observed that there is no gap between the claims of the Assessee about payment of taxes vis-à-vis accepted by the CPC- Bengaluru. The only gap is that the CPC-Bengaluru did not consider the amount of taxes paid till 31.10.2020 and time also. We have observed the computation sheet furnished by the Assessee vide Pg. 9 of the Paperbook and found the same to be correct. But this calculation of the Assessee has not been considered by neither CPC Bengaluru or by the Ld. CIT Appeal.

4. In these circumstances and facts on record we restore the matter back to the file of Ld. CIT Appeal with the direction that a fresh hearing or being heard to be given to the Assessee on the issue of charging of Interest keeping in view the ratio laid down by the Hon'ble Gujarat High Court in the case of **Bharatbhai B.**

Shah versus Income-Tax Officer: (2013) 355 ITR 373 and the Hon'ble Delhi High Court in the case of Dr. Prannoy Roy (2002) 254 ITR 755 (Del.)

5. In the result, appeal of the assessee is allowed for statistical purposes.

Order pronounced in the open court on 1st day of August, 2024.

Sd/-

(SUNIL KUMAR SINGH)

JUDICIAL MEMBER

Mumbai, दिनांक/Dated: 01/08/2024

Sr. PS (Dhananjay)

Sd/-

(GAGAN GOYAL)

ACCOUNTANT MEMBER

Copy of the Order forwarded to:

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. आयकर आयुक्त CIT
4. विभागीय प्रतिनिधि, आय.अपी.अधि., मुंबई/DR, ITAT, Mumbai
5. गार्ड फाइल/Guard file.

//True Copy//

BY ORDER,

(Asstt. Registrar)
ITAT, Mumbai