

**INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "E": NEW DELHI
BEFORE SHRI VIMAL KUMAR, JUDICIAL MEMBER
AND
MS RENU JAUHRI, ACCOUNTANT MEMBER**

**ITA No. 5156/Del/2025
(Assessment Year: 2021-22)**

Ashok Kumar Chaturvedi, 305, 3 rd Floor, Pamposh Enclave, Greater Kailash- 1, New Delhi	Vs.	DCIT, Central Circle-2, Noida
(Appellant)		(Respondent)
PAN: AACPC1661P		

Assessee by :	Shri Vir Sain Agarwal, Adv Shri Rohit Kapoor, Adv
Revenue by:	Ms. Ankush Kalra, Sr. DR
Date of Hearing	16/12/2025
Date of pronouncement	23/12/2025

ORDER

PER RENU JAUHRI, AM:

1. This appeal is filed by the assessee against the order of the Id. Commissioner of Income Tax (Appeals)-3, Noida [hereinafter referred to as "CIT(A)"] dated 04.08.2025 passed u/s. 250(6) of the Income-tax Act, 1961 [hereinafter referred to as "Act"] for Assessment Year [A.Y.] 2021-22.

2. The assessee has raised the following grounds of appeal:-

"1. That the Lower authorities erred on facts and in law in charging the excess interest u/s 234A of the Income Tax Act, 1961 ('Act') for delay in filing return of income while processing the return

of income u/s 143(1) of the Act and raising the demand of Rs. 3,39,730/-.

2. That the Lower authorities erred on facts and in law in charging the interest u/s 234A of the Act on the amount of self-assessment tax paid on 29.01.2022 before the extended due date of filing the return of income i.e. 15th March 2022 contrary to guidelines issued by CBDT vide Circular no. 2/2015 dated 10th February, 2015 read with judgment of Hon'ble Supreme court in the Case of CIT Vs. Prannoy Roy, 309 ITR 231 (2009).

3. That the Lower authorities are wrong on fact and bad in law in charging the interest u/s 234A of the Act which is compensatory in nature and not a penalty for delay in filing return of income u/s 139(1) of the Act.

4. The appellant craves leave to add, alter, amend or withdraw any of the grounds of appeal at the time of hearing."

3. Brief facts of the case are that the assessee filed its return on 04.03.2022, declaring total income of Rs. 28,69,13,990/-. The return was processed u/s 143(1) by CPC, Bengaluru on 21.11.2022, accepting the returned income. However, demand was raised on account of interest charged u/s 234A amounting to Rs. 3,39,730/-. Aggrieved, the assessee filed an appeal before the Ld. CIT(A), challenging the charging of interest on the ground that the return had been filed before the extended due date for A.Y. 2021-22 which was 15.03.2022 as per CBDT Circular No. 01/2022 dated 11.01.2022.

4. Ld. CIT(A) vide order dated 04.08.2025, dismissed the assessee's appeal with the following observations:

" The contentions of the appellant have been perused and the circular referred to by the appellant has also been taken into consideration. The due date for filing of the return of

income in the cases where the due date for filing of the return of income originally was 31.10.2021 was extended till 15.03.2022 vide CBDT Circulars Nos. Circular No. 09/2021 dated 20.05.2021 and Circular No.17/2021 dated 09.09.2021 respectively. The said Circular also provided a clarification with regard to the levy of interest u/s 234A and the same is reproduced as under:

"Clarification 1: It is clarified that this extension shall not apply to Explanation 1 to section 234A of the Act, in cases where the amount of tax on the total income as reduced by the amount as specified in clauses (i) to (vi) of sub-section (1) of that section exceeds one lakh rupees."

Therefore, as per the above clarification, it is clear that the circular is not applicable on the interest calculated u/s 234A, if the amount of tax on total income after giving benefit of the taxes under clauses (i) to (vi) of section 234A(1) is more than Rs. 1 Lakh and in the present case, such amount of tax is Rs. 3,39,730/- i.e. more than Rs.1 Lakh. Hence, the interest u/s 234A is applicable to the case under consideration. In view of the above, the CPC has rightly calculated the interest u/s 234A and hence, the appeal of the appellant is dismissed and these grounds of appeal are dismissed.

6. In the result, the appeal is dismissed. "

5. Aggrieved further, the assessee preferred an appeal before the Tribunal.
6. Before us, the Ld. AR has submitted that in the light of judgement of the Hon'ble Apex Court, in the case of **CIT vs PRANNOY ROY [2009] 309 ITR 231 (SC)**, interest u/s 234A, being compensatory in nature, has to be charged only till the date of payment of self-assessment tax and not up to the date of filing of return.

On the other hand, Ld. DR relied on the orders of the lower authorities and pointed out that the in the Circular No. 01/2022 dated 11.01.2022 while extending the time-limit for filing income tax returns and other reports for A.Y. 2021-22, the following exceptions have been carved out:

"It is clarified that this extension shall not apply to Explanation 1 to section 234A of the Act, in cases where the amount of tax on the total income as reduced by the amount as specified in clauses (i) to (vi) of sub-section (1) of that section exceeds one lakh rupees."

Since the self-assessment tax in the case of the assessee exceeds Rs. 1 lakh, interest is liable to be charged u/s 234A, as clarified vide the above CBDT Circular and hence Ld. DR argued that the interest u/s 234A has rightly been charged in this case.

7. We have heard the rival submissions and perused the material placed on record. Admittedly, the assessee had filed its return on 04.03.2022 as against the extended due date of 15.03.2022. Self-assessment tax of Rs. 2,45,25,337/- was paid on 29.01.2022 which included tax, **interest of Rs. 6,05,753/- u/s 234A** and interest u/s 234B and 234C of the Act. Thus, interest u/s 234A has been *suo moto* paid by the assessee till 29.10.2022. Therefore, the only dispute is with regard to the amount of interest chargeable u/s 234A due to delay in filing of return of income even when the self-assessment tax was deposited before the extended due date of filing of return. Here the assessee on his own paid the self-assessment tax including interest

u/s 234A , computed from 01.11.2021 till the date of payment of self-assessment tax on 29.01.2022. However, while processing the return, interest u/s 234A has been charged from 01.11.2021 to 04.03.2022, i.e., till the date of filing of return by the assessee.

8. We hold that the assessee had rightly computed and paid interest u/s 234A r.w CBDT Circular (*supra*). The demand of Rs. 3,39,730/- raised by the CPC by charging interest u/s 234A up to 04.03.2022 i.e., the date of filing of return is not in accordance with the relevant provisions of the Act as well as the decision of the Hon'ble Apex Court in the case of **Prannoy Roy** (*supra*). We, accordingly, delete the additional interest of Rs. 3,39,730/- charged by the CPC u/s 234A of the Act.

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

Order pronounced in the open court on 23/12/2025.

Sd/-
(VIMAL KUMAR)
JUDICIAL MEMBER

Sd/-
(RENU JAUHRI)
ACCOUNTANT MEMBER

Dated: 23/12/2025
Pooja Mittal

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1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi