

## **AO rightly levied Sec. 234A/B/C interest when assessee failed to establish his entitlement for interest waiver**

**Summary – The High Court of Bombay in a recent case of Humayun Suleman Merchant., (the Assessee) held that Assessing Officer rightly levied interest under sections 234A, 234B and 234C for return being filed after due date and assessee not having paid advance tax as assessee had not been able to establish that he was entitled to benefit of order dated 23rd May, 1996 for waiver of interest**

### **Facts**

- The assessee filed return of income declaring total income of Rs. 44.85 lakhs. In its return the assessee had claimed exemption from capital gains under section 54F in respect of sale of land for consideration of Rs. 85.33 lakhs. Despite agreeing to purchase a flat for a consideration of Rs. 69.60 lakhs, part payments of only Rs. 35 lakhs were made till the date of filing return. The balance ought to have been deposited by the assessee in a specified account, however, he failed to do so.
- Upon return being filed after the due date and the assessee not having paid advance tax the Assessing Officer levied interest under sections 234A, 234B and 234C.

### **Held**

- The assessee's have not been able to establish that non payment of the tax and/or non investment in the specified bank account in terms of section 54F was on account of unavoidable circumstances or circumstances beyond control of the assessee. Thus, there is no fault with the impugned order. The assessee has not been able to establish that he is entitled to benefit of the order dated 23rd May, 1996 for waiver of interest.