**HC stays Levy of Interest U/s. 234A on I-T returns filed till extended due date of 30.11.2014**

The Madras high court has granted an interim stay on imposing interest under section 234A of the Income Tax Act,1961 on taxpayers who are required to file their income tax (I-T) returns by the extended due date of November 30.

The CBDT had issued the [**notification no. F.No.153/53/2014-TPL (Pt.I) dated 26.09.2014**](http://taxguru.in/income-tax/cbdt-extends-return-income-itr-due-date-30112014.html) extending the due date to comply with the judgments of various high courts, such as [Gujarat](http://taxguru.in/income-tax/gujarat-hc-directs-cbdt-extend-due-date-itr-filing-30112014.html), [Bombay](http://taxguru.in/income-tax/bombay-hc-cbdt-extension-itr-due-date-30112014.html), [Andhra Pradesh](http://taxguru.in/income-tax/ap-high-court-cbdt-extension-due-date-itr-30112014.html) and [Madras](http://taxguru.in/income-tax/mdras-hc-directs-cbdt-extend-due-date-itr-30112014.html).

High Courts have earlier held that As the due date for filing of the tax audit report was extended till November 30  (due to late Introduction of several changes  in Form 3CD), it was logical to also extend the due date for filing of the I-T return also to November 30.

During hearing on the appeal on 22.09.2014 Honourable Gujarat High Court has directed the CBDT to extend the due date for filing of return of income to 30.11.2014 for A.Y. 2014-15 for all purposes, *inter-alia*, carry forward of losses, allowability of deductions under Sections 80-IA, 80-IB, 80-IC, 80-ID and other sections which requires return to be filed before due date. However, such extension has been granted subject to charge of interest under Section 234A (For delay in filing of Return of Income) for the period commencing from 01-10-2014 and up to the actual date of filling the return of income. Interest under section 234A will not be levied if taxpayer covered under tax audit provisions pays the tax on or before 30.09.2014 despite filing of return after 30.09.2014.

Anita Sumanth, advocate, representing the All India Federation of Tax Practitioners, and an individual petitioner, G Baskar, submitted to the Madras high court that the levy of interest under section 234A of the Income Tax Act,1961 is unjustified and against the provisions of the law. If the penalty was levied, the purpose of extending the due date of filing the I-T return itself was defeated. She submitted that the Gujarat high court order relating to levy of interest under section 234A was only a suggestion or a concession, it was not an interpretation of law and it was opposed to statutory provisions.

Based on the submissions, the Madras high court granted an interim stay on the levy of interest. It held, “I-T returns shall be accepted by tax authorities without insisting upon any payment of interest under section 234A.”

**Source : Taxguru.com**

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