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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 4155/2025 CM APPL. 19309/2025

UMESH KUMAR GUPTA .....Petitioner
Through: Mr. Lakshya Gupta, Advocate.

versus

PRINCIPAL COMMISSIONER OF INCOME TAX, DELHI 10 .....Respondent
Through: Mr. Abhishek Maratha, Mr. Apoorv Maratha, Mr. Parth Samwal, Ms. Nupur Sharma, Mr. Gaurav Singh, Mr. Bhanukaran Singh Jodha, Ms. Muskaan Goel, Mr. Himanshu Gaur, Advocates.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MR. JUSTICE TEJAS KARIA

O R D E R

% **02.04.2025**

1. The Petitioner has filed the present petition impugning an order dated 24.12.2024, whereby the Petitioner's application under Section 119(2)(b) of the Income Tax Act, 1961 [**the Act**] seeking to file a revised return for assessment year [**AY**] 2017-18, was not accepted. The Petitioner had received interest on enhanced compensation paid against compulsory acquisition of his agricultural land in village Harsaru, Gurgaon during the financial year 2016-17. It is the Petitioner's case that he had filed the income

tax return assuming that he was liable to pay tax on 50% of the interest received by availing the benefit of Section 57(iv) of the Act. The Petitioner claims that sometime in the month of October, 2023, he became aware that the interest received was required to be treated as a part of compensation and was thus not taxable. Thereafter, sometime in November 2023, the Petitioner obtained a certificate from the Land & Acquisition Collector (LAC) and other authorities to establish that the land acquired was agricultural land. Thereafter, on 19.01.2024, the Petitioner filed an application under Section 119(2)(b) of the Act for seeking condonation of delay in filing the revised return and claiming a refund of ₹41,99,381/-. The said application was rejected on the ground that the Petitioner's claim for refund is prima facie untenable.

2. Paragraph 5 of the said order is set out below:-

> "As per above provisions of the Income Tax Act, 50% of interest received by the assessee on compensation or enhanced compensation is taxable income and 50% is exempt income u/s 57(iv) of the Act. The assessee has already claimed 50% of interest income as exempt income in his ITR. Therefore, the claim of the assessee for filing a revised ITR for claiming the full amount of enhanced compensation and interest thereon as exempt income under 10(37) of the Act is not accepted. The contention of the assessee is found not justified and not tenable accordingly, this case is a not a fit case for condonation of delay for filing ITR u/s 119(2)(b) of the Income Tax Act, 1961. The case falls within the monetary limits delegated to Pr. CIT."

3. The concerned officer concluded that the petitioner's case was not one

of genuine hardship, as claimed by the Petitioner.

4. Plainly, this is not a case where the delay has been caused on account of any hardship faced by the Petitioner. This is a case where the Petitioner is of the view that he has not claimed the exemption in respect of interest, which according to the Petitioner, he is entitled to. He had instead claimed deduction of 50% of interest under Section 57(iv) of the Act. The Petitioner seeks to rely on the decision of the Supreme Court in ***CIT v. Ghanshyam (HUF),*** **(2009) 315 ITR 1**, in support of his contention that he is entitled to claim the entire interest received on the compensation for compulsory acquisition of property as exempt from levy of tax. However, the Division Bench of this Court found that the said decision would not be of any assistance in view of the subsequent amendment to Section 56(2) of the Act. The question whether an assessee can claim exemption on entire interest received on compensation for compulsory acquisition of land after the amendment of Section 56(2) stands concluded in favour of the Revenue by the decision of this Court in ***Principal Commissioner of Income Tax v. Inderjit Singh Sodhi (HUF)*****: Neutral Citation No.: 2024:DHC:2820-DB**.

5. In view of the above, this is a case where the Petitioner seeks to file a revised return to adopt an aggressive stand after having filed a return, which is in conformity with the view taken by this Court. According to the Petitioner, the aforesaid decision rendered by the Division Bench of this Court in ***Principal Commissioner of Income Tax v. Inderjit Singh Sodhi (HUF)*** (supra), is erroneous.

6. We are unable to accept that the facts, as obtaining in the present case, present a case of genuine hardship which had prevented the Petitioner from filing the revised return within the stipulated time.

7. In view of the same, the present petition is dismissed. The pending application also stands disposed of.

VIBHU BAKHRU, J

TEJAS KARIA, J

APRIL 02, 2025
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Click here to check corrigendum, if any