

**IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD BENCHES "B": HYDERABAD  
(THROUGH VIRTUAL CONFERENCE)**

**BEFORE SHRI CHANDRA MOHAN GARG, JUDICIAL MEMBER  
AND  
SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER**

ITA No. 660/H/2020 A.Y.: 2018-19		
Steelwedge Technologies Pvt. Ltd., Hyderabad.  PAN - AACCV 4015B  (Appellant)	Vs.	Dy. Commissioner of Income-tax, Circle - 3(2), Hyderabad.  (Respondent)
Assessee by:		Shri S. Phanindra for Shri AV Raghuram
Revenue by:		Shri Rohit Mujumdar
Date of hearing:		11/10/2021
Date of pronouncement:		29/11/2021

**ORDER**

**PER BENCH:**

This appeal filed by the assessee is directed against CIT(A) - 3, Hyderabad's order dated 15/09/2020 for AY 2018-19 involving proceedings u/s 154 of the Income Tax Act, 1961.

2. In this appeal, the assessee has raised a substantial ground that the revenue authorities erred in making disallowance of deduction claimed of Rs. 8,58,072/- towards employees provident fund.

3. Briefly the facts of the case are that the assessee being a private ltd. company, engaged in the business of software development and services, filed its return of income for the impugned AY 2018-19 on 23/11/2018 admitting a total income of Rs. 7,41,20,200/-. The AO completed the assessment determining the total income of the assessee at Rs. 7,49,78,280/- by making an addition of Rs. 8,58,072/- towards delayed payment of employees contribution.

4. Against the order of AO, the assessee preferred an appeal before the CIT(A) and filed written submissions before the CIT(A), which were extracted by the CIT(A) in his order at pages 3 to 9. After considering the submissions of the assessee, the CIT(A) confirmed the order of AO.

5. Aggrieved by the order of CIT(A), the assessee is in appeal before the ITAT and submitted that though it paid the employee's contribution of PF belatedly, the entire amount was paid before the due date of filing the return of income u/s 139(1) of the Act and accordingly, contended that the revenue authorities were not justified in assessing the employee's contribution to PF as income by ignoring the decisions of various Courts on this issue.

6. On the other hand, the ld. DR relied on the orders of revenue authorities.

7. We have considered the rival submissions and perused the material on record as well as gone through the orders of revenue authorities. The law is settled on this issue if the assessee has paid the PF and ESI payments before the due date of filing of return income u/s 139(1) of the Act, no disallowance is warranted as held by the coordinate bench of this Tribunal in the case of Vijaya Electricals Ltd., Hyderabad in ITA Nos. 1533 & 1534/Hyd/2017 for AYs 2013-14 & 2014-15 vide order dated 27/05/2021. Respectfully, following the above decision of the coordinate bench, we set aside the order of the CIT(A) and direct the AO to delete the disallowance of 1,68,212/- made towards employee's contribution to PF. Accordingly, the grounds raised by the assessee on this issue are allowed.

8. In the result, appeal of the assessee is allowed in above terms.

Pronounced under Rule 34(4) of the ITAT Rules, 1963  
on 29/11/2021

**Sd/-**  
**(CHANDRA MOHAN GARG)**  
**JUDICIAL MEMBER**

**Sd/-**  
**(L. P. SAHU)**  
**ACCOUNTANT MEMBER**

Hyderabad, Dated: 29<sup>th</sup> November, 2021.

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Copy to :

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2	<i>DCIT, Circle – 3(2), Signature Towers, Opp. Botanical Gardens, Hyderabad.</i>
3	<i>CIT(A) - 3, Hyderabad</i>
4	<i>Pr. CIT - 3, Hyderabad.</i>
5	<i>ITAT, DR, Hyderabad.</i>
6	<i>Guard File.</i>