

आयकर अपीलिय अधिकरण
मुंबई पीठ "सी "
श्री विकास अवस्थी, न्यायिक सदस्य एवं
श्री अमरजीत सिंह, लेखा सदस्य के समक्ष
IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH " C", MUMBAI
BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER &
SHRI AMARJIT SINGH , ACCOUNTANT MEMBER
आअसं.2386/मुं/2021 (नि.व. 2018-19)
ITA NO.2386/MUM/2021(A.Y.2018-19)

M/s. Chemtron Science Laboratories Private Limited,
EL-47, Electronic Zone, MIDC,
Mahape, Navi Mumbai 400 710.
PAN: AACCC-3596-J

..... अपीलार्थी /Appellant

बनाम Vs.

The Commissioner of Income Tax (A)-(NAFC)
Delhi.

..... प्रतिवादी/Respondent

अपीलार्थी द्वारा/ Appellant by : Shri Shashank Mehta

प्रतिवादी द्वारा/Respondent by : Ms. Vranda U. Matkari

सुनवाई की तिथि/ Date of hearing : 24/05/2022

घोषणा की तिथि/ Date of pronouncement : 24/05/2022

आदेश/ ORDER

PER VIKAS AWASTHY, JM:

This appeal by the assessee is directed against the order of Commissioner of Income Tax(Appeals), National Faceless Appeal Centre, Delhi [in short 'the CIT(A) '] dated 06/10/2021, for the assessment year 2018-19.

2. Shri Shashank Mehta appearing on behalf of the assessee submitted that the solitary issue in the present appeal is disallowance of Employees contribution to Provident Fund, ESIC and Maharashtra Labour & Welfare Fund (MLWF) paid after due date as specified under the relevant Acts, but paid before due date for

furnishing return of income under section 139(1) of the Income Tax Act, 1961[in short 'the Act']. The Id.Authorized Representative for the assessee submitted that the Central Processing Centre (CPC), Bengaluru vide intimation u/s. 143(1) of the Act dated 16/10/2019 disallowed the aforesaid contributions u/s. 43B of the Act. The assessee filed appeal before the CIT(A) assailing the disallowance. The CIT(A) following the decision in the case of Gujarat State Transport Corporation, 41 taxmann.com 100/ 366 ITR 170 and judgments by other non-Jurisdictional High Courts and referring to the amendment to section 36(1)(va) and section 43B of the Act by the Finance Act, 2021 disallowed assessee's claim u/s. 36(1)(va) of the Act. The Id.Authorized Representative for the assessee vehemently submitted that the CIT(A) failed to follow the decision of Hon'ble Jurisdictional High Court in the case of Hindustan Organic Chemical Ltd., 366 ITR1(Bom) and CIT vs. Ghatge Patil Transport Ltd., 368 ITR 749(Bom). The Id.Authorized Representative of the assessee further submitted that the Tribunal in the case of Crescent Roadways Pvt. Ltd. [2021] TS 510-ITAT-2021 (Hyd) has held the amendment to section 36(1)(va) and section 43B of the Act is prospective effective from 01/04/2021.

3. Per contra, Ms. Vranda U. Matkari representing the Department vehemently defended the impugned order. The Id. Departmental Representative submitted that provisions of section 36(1)(va) of the Act has been amended by the Finance Act,2021. In the amendment the phrase " shall be deemed never to have been applied" has been inserted to section 36(1)(va) and section 43B of the Act. This clearly shows that the amendment is retrospective. To support her contention Id. Departmental Representative placed reliance on the decision in the case of CIT vs. Gold Coin Food Processing Pvt. 172 Taxman 386(SC).

4. Both sides heard, orders of authorities below examined and the decisions on which rival sides have place reliance considered. The solitary issue in the

present appeal is whether employees contribution towards Provident Fund, ESIC and MLWF by the assessee after due date as specified under the relevant Acts but before due date of filing return under section 139(1) of the Act would enable the assessee to claim deduction on such contributions under section 36(1)(va) of the Act.

5. The contention of Revenue is that by virtue of amendment to section 36(1)(va) and section 43B of the Act by Finance Act, 2021 the deduction is not allowable as the amendment is retrospective in application. We find that Chennai Bench of the Tribunal in the case of *Adayar Ananda Bhavan Sweets India Pvt. Ltd. vs. ACIT 134 taxmann.com 56* has considered the issue of retrospective applicability of amendment to the provisions of section 36(1)(va) of the Act and also the amendment to section 43B of the Act by the Finance Act, 2021. The Coordinate Bench of Tribunal after considering various decisions held that the amendment to section 36(1)(va) of the Act and section 43B is prospective and would be effectively applicable from assessment year 2021-22. Similar view has been expressed by various Benches of the Tribunal. Some of the decisions holding aforesaid amendment prospective effect from assessment year 2021-22 are as under:

- (i) *Yogi Ji Technoequip (P.) Ltd. v. Dy. CIT*, 129 taxmann.com 313 (Delhi - Trib.)
- (ii) *Mohangarh Engineers and Construction Company v. Deputy Commissioner of Income-tax*, 133 taxmann.com 172 (Jodh. -Trib.)
- (iii) *Salzgitter Hydraulics (P.) Ltd. v. Income-Tax Officer*, 128 taxmann.com 192 (Hyd.- Trib.)
- (iv) *Bizviz Technologies Ltd. v. Deputy Commissioner of Income-tax*, 134 taxmann.com 350 (Bang. - Trib.)
- (v) *Flying Fabrication v. Deputy Commissioner of Income-tax*[2021] 133 taxmann.com 84 (Delhi - Trib.)
- (vi) *Eskay Heat Transfers (P.) Ltd. v. Assistant Director of Income –tax(2022)* 134 taxmann.com 289 (Bang.Trib)

(vii) *Bromide Chemical Industries v. Deputy Commissioner of Income-tax*, 135 taxmann.com 79 (Jabalpur- Trib.)

(viii) *Vidhi Clothing Company v. Deputy Commissioner of Income-tax*, 135 taxmann.com 327 (Bang- Trib.)

(ix) *Megneil Tech (P.) Ltd. v. Commissioner of Income-tax*, 135 taxmann.com 75 (Bang. - Trib.)

(x) *Raj Kumar v. ITD, CPC, Bengaluru*, 136 taxmann.com 244 [Del-Trib]

6. Since, the amendment to section 36(1)(va) and section 43B of the Act by the Finance Act, 2021 has been held to be prospective, effective from assessment year 2021-22, ergo, the decision rendered by Hon'ble Bombay High Court in the case of CIT vs. Ghatge Patil Transport Ltd.(supra) would apply in the assessment year under appeal. Consequently, the contribution made by assessee towards ESI and Provident Fund beyond the due date as specified in the relevant Act but before due date for filing return of income u/s 139(1) of the Act would be allowable as deduction u/s. 36(1)(va) of the Act.

7. In the result, appeal by the assessee is allowed.

Order pronounced in the open court on Tuesday the 24th day of May, 2022.

Sd/-

(AMARJIT SINGH)

लेखा सदस्य/ACCOUNTANT MEMBER

मुंबई/ Mumbai, दिनांक/Dated 24/05/2022

Vm, Sr. PS(O/S)

Sd/-

(VIKAS AWASTHY)

न्यायिक सदस्य/JUDICIAL MEMBER

प्रतिलिपि अग्रेषितCopy of the Order forwarded to :

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. आयकर आयुक्त(अ)/ The CIT(A)-
4. आयकर आयुक्त CIT
5. विभागीय प्रतिनिधि, आय.अपी.अधि., मुंबई/DR, ITAT,
Mumbai
6. गार्ड फाइल/Guard file.

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BY ORDER,

(Dy./Asstt. Registrar)
ITAT, Mumbai