

IN THE INCOME TAX APPELLATE TRIBUNAL  
PUNE BENCH, 'B' PUNE

BEFORE SHRI R.S. SYAL, VICE PRESIDENT AND  
SHRI S.S. VISWANETHRA RAVI, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.417/PUN/2021

निर्धारण वर्ष / Assessment Year : 2018-19

|   |     |                         |
|---|-----|-------------------------|
| Vikas Vilasrao Kurade (HUF),<br>Office No.28, 4 <sup>th</sup> Floor,<br>Highway Tower,<br>Mumbai Pune Road, Pune<br>Maharashtra 411 019<br>PAN : AAHHV3934R | Vs. | ADIT, CPC,<br>Bengaluru |
| Appellant   |     | Respondent              |

Assessee by Shri Naveen Rander  
Revenue by Shri M.G. Jasnani

Date of hearing 22-06-2022  
Date of pronouncement 22-06-2022

आदेश / ORDER

PER R.S. SYAL, VP :

This appeal by the assessee is directed against the order dated 30-07-2021 passed by the National Faceless Appeal Centre (NFAC), Delhi u/s.250 of the Income-tax Act, 1961 (hereinafter also called 'the Act') in relation to the assessment year 2018-19.

2. The only issue raised in this appeal is against the confirmation of disallowance of Rs.47,16,956/- made by the Assessing Officer (AO) u/s.36(1)(va) of the Act on account of late deposit of the Employees' share of EPF and ESI etc.

3. Briefly stated, the facts of the case are that the AO made disallowance of Rs.47,16,956/- in the intimation u/s.143(1) of the Act on the ground that the assessee late deposited the employees' share of EPF and ESI etc. The assessee filed rectification application u/s 154 on this score, which met with the fate of failure. The ld. CIT(A) affirmed the disallowance.

4. We have heard both the sides and gone through the relevant material on record. It is an admitted position that the assessee did deduct employees' share of EPF and ESI and paid the same after the due date under the respective legislations but before the time stipulated for filing return u/s 139(1) of the Act for the year under consideration. In our opinion, this issue is no more *res integra* in view of several judgments allowing deduction u/s 36(1)(va) of employees' share of contribution deposited after due date under the respective Acts but before the date prescribed u/s 139 of the Act. The Hon'ble Himachal Pradesh High Court in *CIT vs. Nipso Polyfabriks Ltd. (2013) 350 ITR 327 (HP)* has held that there exists no difference between employees or employer's contribution and both are to be allowed as deduction if deposited before the due date.

5. At this juncture, it is relevant to mention that the Finance Act, 2021 has inserted Explanation 2 below section 36(1)(va) providing that the provisions of section 43B shall not apply for the purpose of determining the due date under this clause w.e.f. 01.04.2021. The effect of this amendment is that if the amount of employees' contribution towards EPF, ESI, etc is delayed by an employer beyond the due date under the respective Acts, the disallowance will be called for notwithstanding the fact that it was deposited before the due date u/s 139 of the Act. The Memorandum explaining the provisions of the Finance Bill, 2021, provides that this amendment will take effect from 1<sup>st</sup> April, 2021 and will, accordingly apply in relation to assessment year 2021-2022 and subsequent assessment years. Since the assessment year under consideration is 2018-19, which is anterior to the amendment carried out with effect from A.Y. 2021-22, we hold that the position of law as set out by various Hon'ble High Courts including the one in *CIT vs. Nipso Polyfabriks Ltd. (supra)* squarely applies to the facts and circumstances of the instant case, thereby not warranting any disallowance since the amount in

question was admittedly deposited before due date u/s 139(1) of the Act. The addition is therefore, directed to be deleted.

6. In the result, the appeal is allowed.

Order pronounced in the Open Court on 22<sup>nd</sup> June, 2022.

Sd/-  
(S.S. VISWANETHRA RAVI)  
JUDICIAL MEMBER

Sd/-  
(R.S.SYAL)  
VICE PRESIDENT

पुणे Pune; दिनांक Dated : 22<sup>nd</sup> June, 2022  
सतीश

**आदेश की प्रतिलिपि □ ग्रेषित/Copy of the Order is forwarded to:**

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent
3. NFAC, Delhi
4. The CIT concerned
5. DR, ITAT, 'B' Bench, Pune
6. गार्ड फाईल / Guard file.

**आदेशानुसार/ BY ORDER,**

**// True Copy //**

Senior Private Secretary  
आयकर अपीलीय अधिकरण ,पुणे / ITAT, Pune

|     |  | Date       |       |
|-----|--|------------|-------|
| 1.  | Draft dictated on                                | 22-06-2022 | Sr.PS |
| 2.  | Draft placed before author                       | 22-06-2022 | Sr.PS |
| 3.  | Draft proposed & placed before the second member |            | JM    |
| 4.  | Draft discussed/approved by Second Member.       |            | JM    |
| 5.  | Approved Draft comes to the Sr.PS/PS             |            | Sr.PS |
| 6.  | Kept for pronouncement on                        |            | Sr.PS |
| 7.  | Date of uploading order                          |            | Sr.PS |
| 8.  | File sent to the Bench Clerk                     |            | Sr.PS |
| 9.  | Date on which file goes to the Head Clerk        |            |       |
| 10. | Date on which file goes to the A.R.              |            |       |
| 11. | Date of dispatch of Order.                       |            |       |

\*