

आयकर अपीलिय अधिकरण, 'डी' न्यायपीठ, चेन्नई। IN THE INCOME TAX APPELLATE TRIBUNAL 'D' BENCH: CHENNAI		
श्री एबी टी. वर्की, न्यायिक सदस्य एवं श्री अमिताभ शुक्ला, लेखा सदस्य के समक्ष BEFORE SHRI ABY T. VARKEY, JUDICIAL MEMBER AND SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER		
आयकर अपील सं./ITA No.2229/Chny/2024 निर्धारण वर्ष/Assessment Year: 2020-21		
Naidu Hall Family Store 6, Raja Bather Street, T.Nagar, Chennai-600 017. [PAN: AAEFN-1407-G]	v.	The DCIT, Non Corporate Circle-7(1) Chennai.
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)
अपीलार्थी की ओर से/ Appellant by	:	Mr.G.Tarun, Advocate
प्रत्यर्थी की ओर से /Respondent by	:	Mr.Chinthapalli Meher Chand, JCIT
सुनवाईकीतारीख/Date of Hearing	:	21.10.2024
घोषणाकीतारीख /Date of Pronouncement	:	23.10.2024

आदेश / ORDER

PER ABY T. VARKEY, JM:

This is an appeal preferred by the assessee against order of the Ld. Addl/ Joint Commissioner of Income Tax (Appeals)-1, Varodara dated 12.08.2024 for assessment year 2020-21 (hereinafter in short "AY"). Even though, assessee has raised eight grounds of appeal, the Ld.AR for assessee presses the only ground that employees contribution to PF/ESI disallowed by the CPC to the tune of Rs.8,80,635/- may be restricted to Rs.1,18,260/- [i.e.,Rs.8,80,152 (-) Rs.7,61,892 = Rs.1,18,260].



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2. Brief facts relating to this issue are that the assessee filed return of income on 15.02.2021 declaring total income of Rs.3,79,87,790/-. The return of income was processed by CPC and it noted that assessee didn't credit the employees contribution under PF/ESI on or before due date as prescribed by PF/ESI Act to the tune of Rs.8,80,635/- and therefore, disallowed it. Aggrieved, assessee preferred appeal before the CIT(A), who confirmed it.

3. The main grievance of the assessee is that for the month of March, 2020, due date for payment was 15.03.2020 and assessee received from its employees Rs.7,61,892/- which was remitted on 16.03.2020. According to the Ld.AR, this amount due to be paid on 15.03.2020 was on Sunday and immediately, thereafter on 16.03.2020 (Monday), the assessee deposited the amount. Referring to The General Clauses Act, 1897 and especially to sub-section 10 of The General Clauses Act, he submitted that since due date of payment as per PF Act was 15.03.2020 being a holiday, sub-section 10 of General Clauses Act allows assessee to deposit the same on the next working day i.e., on 16.03.2020. For convenience , we reproduce sub-section 10 of The General Clauses Act, 1897 which reads as under:-

10. Computation of time.-(1) *Where, by any '[Central Act] or Regulation made after the commencement of this Act, any act or proceeding is directed or allowed to be done or taken in any Court or office on a certain day or within a prescribed period, then, if the Court or office is closed on that day or the last day of the prescribed period, the act or proceeding shall be considered*



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as done or taken in due time if it is done or taken on the next day afterwards on which the Court or office is open:

4. A bare reading of aforesaid section 10, it is clear that where any Central Act directs any action to be done on a certain day or within the prescribed period, then if last day of the prescribed period is a holiday, then action or proceeding shall be considered as done, if it is done on the next day after the holiday. We find force in the submissions of the Ld.AR and note that if the due-date of payment of employee's contribution to PF was on 15.03.2020 to the tune of Rs.7,61,892/- and it happens to be a holiday being Sunday, and in such event, if the assessee has remitted the amount (Rs.7,61,892/-) on next day i.e., 16.03.2020, then as per The General Clauses Act, the assessee should get benefit and should be treated as if remittance has been done within the due date. This fact may be verified by the Ld CIT(A) through verification unit and if the contention is correct, then there is no disallowance required and in such event, disallowance should be restricted to Rs.1,18,260/-.

5. In the result, appeal is partly allowed for statistical purposes.

Sd/-
(अमिताभ शुक्ला)
(AMITABH SHUKLA)
लेखा सदस्य/**ACCOUNTANT MEMBER**

Sd/-
(एबी टी. वर्की)
(ABY T. VARKEY)
न्यायिक सदस्य/**JUDICIAL MEMBER**



ITA No.2229/Chny/2024 (AY 2020-21)
Naidu Hall Family Store

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चेन्नई/Chennai,

दिनांक/Dated: 23rd October, 2024.

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आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त/CIT, Chennai
4. विभागीय प्रतिनिधि/DR
5. गार्डफाईल/GF