

**आयकर अपीलीय अधिकरण, कोलकाता पीठ "डी", कोलकाता**

**IN THE INCOME TAX APPELLATE TRIBUNAL "D" BENCH: KOLKATA**

श्री राजेश कुमार, लेखा सटस्य एवं श्री प्रदीप कुमार चौबे, न्यायिक सदस्य के समक्ष  
[Before Shri Rajesh Kumar, Accountant Member & Shri Pradip Kumar Choubey, Judicial Member]

**I.T.A. No. 518/Kol/2025**  
**Assessment Year: 2017-18**

Wilson Engineering Industries Pvt. Ltd.  (PAN: AAACW 2689 J)	Vs.	ACIT, Circle-1(2), Kolkata
Appellant / (अपीलार्थी)		Respondent / प्रत्यर्थी

Date of Hearing / सुनवाई की तिथि	20.05.2025
Date of Pronouncement/ आदेश उद्घोषणा की तिथि	02.07.2025
For the assessee / निर्धारिती की ओर से	Shri C. M. Roy, AR
For the revenue / राजस्व की ओर से	Shri S. B. Charkraborty, Sr. DR

**ORDER / आदेश**

**Per Pradip Kumar Choubey, JM:**

This is the appeal preferred by the assessee against the order of Commissioner of Income Tax (Appeals), - Addl/JCIT(A)-Madurai (hereinafter referred to as the Ld. CIT(A)] dated 15.01.2025 for AY 2017-18.

2. Brief facts of the case of the assessee is that the assessee filed its return of income for AY 2017-18 declaring total income of Rs. 50,55,090/-. The case of the assessee was

selected for complete scrutiny, statutory notice u/s 143(2) was issued in response to the notice u/s 142(1) the assessee submitted response with computation of taxable income, copy of return, copy of balance sheet, details of export sales etc. The AO has made disallowance u/s 14A by holding that during AY 2017-18 the assessee has earned exempt income. The AO has also made disallowance of PF & ESI made disallowance u/s 37(1) and u/s 43B and assessed total income of the assessee at Rs. 61,96,315/-.

3. Aggrieved by the said order, the assessee preferred an appeal before the Ld. CIT(A) wherein the appeal of the assessee has been dismissed only on this ground that the assessee has not filed any supporting evidence and not placed on record.

Being aggrieved and dissatisfied the assessee preferred an appeal before us.

4. The Ld. A.R in course of submission made, the AO has made wrong by disallowing u/s 14A ignoring the decision passed by Mumbai Bench where in it has been held that the disallowance can be restricted to the extent of exempt income earned by the assessee. His prayer is that the said rationale should be followed and disallowance should be restricted to the tune of exempt income of amount of Rs. 12,753/-. **The Ld. A.R did not challenge the late payment of PF & ESI. The Ld. A.R has further not challenged the addition made on account of disallowance of expenditure of Rs. 3918.50/-.** His further submission is that the addition on account of bonus deposit by showing that the amount of Rs. 2,57,336/- has already been paid before the due date of filing of return. Therefore, the said disallowance should be restricted to Rs. 1,09,762/- only. The submission of AR is that matter should be remitted back to the file of AO to pass an afresh order considering the submission made by the assessee.

5. Contrary to that the Ld. D.R supports the impugned order but did not raise any objection in remitting back the file of the AO to consider the above facts.

6. We have gone through the order passed by the Ld. CIT(A) and also gone through the submission made by the assessee. The submission made by the assessee is essential to reproduce herein below:

“1. The first ground of addition is regarding disallowance u/s 14A wherein the solitary issue contested in the ground of appeal directed against the action of AO in considering disallowance u/s 14A exceeding the exempt income earned. It is pertinent to mention that the Hon’ble Mumbai Tribunal has in its decision in the case of Anant Raj Ltd. (ITA Nos. 625 & 626/Mum/2023) has held that disallowance can be restricted to the extent of exempt income earned by the assessee. It is humbly prayed that the said rationale may be followed and the disallowance may be restricted to the tune of exempt income of an amount of Rs. 12,753/- only.

2. The second ground of addition is regarding disallowance of Late payment of PF & ESI. We would like to surrender to the ratio of the binding judgment of Apex Court laid down in Checkmate Services Pvt. Ltd. and the said disallowance of Rs. 2,17,102/- **is not being challenged.**

3. The third ground of addition is regarding disallowance of Late Payment of Rs. 22,830/- as Service Tax expenses. However, the same actually represents Swachh Bharat Case, the benefit of which cannot be taken as an input tax credit and it is a genuine expenditure. Therefore, the said disallowance may be deleted.

4. The fourth ground of addition is regarding disallowance of an expenditure of Rs. 3918.50 against Interest on other taxes and considering the quantum amount the said disallowance of Rs. 3918.50 **is not being challenged.**

5. The fifth ground of addition is the bonus debited in the profit and loss account amounting to Rs. 8,67,598/- u/s 43B. However, an amount of Rs. 7,57,836/- has been paid before the due date of filing of return and therefore the said disallowance may be restricted to Rs. 1,09,762/- only.

On view of the above averments the appellant prays for appropriate relief.”

7. Going over the submission made by the assessee as discussed above, we are inclined to restore the appeal back to the file of AO for fresh consideration in the light of the submission made by the assessee. Accordingly, the appeal of the assessee is allowed for statistical purposes only on the limited grounds

In the result, the appeal filed by the assessee is partly allowed for statistical purposes.

Order is pronounced in the open court on 2<sup>nd</sup> July, 2025

Sd/-

Sd/-

(Rajesh Kumar/राजेश कुमार)  
 Accountant Member/लेखा सदस्य

(Pradip Kumar Choubey /प्रदीप कुमार चौबे)  
 Judicial Member/न्यायिक सदस्य

Dated: 2<sup>nd</sup> July, 2025

SM, Sr. PS

Copy of the order forwarded to:

1. Appellant- Wilson Engineering Industries Pvt. Ltd., Block 7B, 7<sup>th</sup> Floor, Anuj Chambers, 24, Park Street, Kolkata-700016.
2. Respondent – ACIT, Circle-1(2), Kolkata
3. Ld. CIT(A)- Addl/JCIT(A)Madurai
4. Ld. PCIT- , Kolkata
5. DR, Kolkata Benches, Kolkata (sent through e-mail)

True Copy

By Order

Assistant Registrar  
ITAT, Kolkata Benches, Kolkata