

**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**“G” BENCH, MUMBAI**  
**BEFORE SMT. BEENA PILLAI (JUDICIAL MEMBER)**  
**AND**  
**SHRI GIRISH AGRAWAL (ACCOUNTANT MEMBER)**

**I.T.A. No. 2082/Mum/2025**  
**Assessment Year: 2023-24**

<b>Sula Vineyards Limited</b> 901, Solaris One, N.S. Phadke Marg, Andheri East Maharashtra-400069 <b>PAN:AABCN7126Q</b>	Vs.	<b>DCIT Central Circle</b> <b>5(3), Mumbai</b> R.M.H 426 4 <sup>th</sup> Floor, Kautilya Bhavan, Bandra Kurla Complex, Bandra East Mumbai-400051
<b>(Appellant)</b>		<b>(Respondent)</b>

<b>Appellant by</b>	Shri Ajay R. Singh, Akshay Pawar
<b>Respondent by</b>	Shri Arun Kanti Datta CIT D.R.

<b>Date of Hearing</b>	07.07.2025
<b>Date of Pronouncement</b>	16.07.2025

**ORDER**

**Per: Smt. Beena Pillai, J.M.:**

The present appeal filed by the assessee arises out of order dated 31/01/2025 passed by Ld.CIT(A) 53 - Mumbai for assessment year 2023-24 on following grounds of appeal :

“ *The learned CIT(A) has erred in assessing the income at Rs 1,14,77,30,850/- instead of returned income of Rs 1,14,57,79,530/-.*

*The learned CIT(A) has erred in disallowing the Employee's Contribution to Employee State Insurance (ESIC) and Provident Fund (PF) u/s 36(1)(va). This disallowance was imposed despite the extenuating circumstance that the delay in the payment of ESIC and PF was caused by a technical error on the part of the bank, which was beyond the appellant's control.*

*The learned CIT(A) has wrongly adjusted the tax liability including the interest in total amounting to Rs 5,01,700/- against the refund of Assessment Year 2023-24.*

*Your appellant craves to leave, add, alter, amend, modify, or delete any of the above grounds of appeal.”*

**Brief facts of the case are as under:**

**2.** The assessee filed its original return of income on 27/10/2023 for A.Y. 2023-24 declaring total income of Rs.1,14,57,79,534/-. The return was processed u/s. 143(1) of the Income Tax Act, 1961 on 08/01/2024.

**2.1** The Centralized Processing system (CPC) assessed the income at Rs. 114,77,30,850/- instead of the returned income of Rs 1,14,57,79,530/-.

**2.2** The Centralized Processing system (CPC) disallowed the Employees Contribution to Employee State Insurance (ESIC) and Provident Fund (PF) u/s 36(1)(va).

**2.3** The assessee submits that the delay of 1 day in remitting the ESIC and PF contributions was caused due to technical error on the part of the bank and was beyond the control of the assessee. It was submitted that, the assessee had every intention to make timely payments, but the issue was purely of a technical. It was submitted that, the delay of 1 day therefore should not be attributed to the assessee.

**2.4** It is submitted that, as soon as the assessee came to know that the payment failed, the said statutory dues were subsequently discharged through another bank i.e. HDFC. The assessee also placed copy of the letter from State Bank of India confirming that the payment failed due to technical error is before the Ld.CIT(A).

**2.5** However the Ld.CIT(A) dismissed the plea of assessee by observing as under :

*“5.1 The submissions of the appellant have been duly considered. The assessee has not disputed that the employee contribution to PF and ESI of Rs. 19,51,320/- was deposited beyond the due date for payment as per the PF/ESIC provisions. The assessee has stated that it was trying to make the payment on 13th May 2022 through State Bank of India but due to the technical issues at the banks end, the payment could not be processed and therefore, the said statutory dues were subsequently discharged through another bank i.e. HDFC. The assessee has also submitted a copy of the letter from State Bank of India.”*

Aggrieved by the order of the Ld.CIT(A) the assessee is in appeal before this *Tribunal*.

**3.** It is noted that, the assessee made all efforts to make payment within the due dates as per the PF and ESIC Act, but due to the technical glitch the payment could not be processed and the amount could not be deposited on time. It is noted that, there was no *malafied* intention on behalf of the assessee in depositing the payment belatedly by 1 day. Therefore in our view there is no reason to sustain the addition in the eyes of law. Admittedly the assessee deposited all the moneys in to the respective account immediately on the next day. Considering totality of the facts and that the revenue could not establish any *malafied* intention on behalf of the assessee the delay of one day

due to any technical glitch in depositing the amount to the account of ESIC and PF A/c deserves to be considered liberally. The assessee cannot be penalised under such circumstances. We accordingly direct the Ld.AO to grant the exemption to the assessee.

**Accordingly the grounds raised by the assessee stands allowed.**

**In the result the appeal filed by the assessee stands allowed.**

**Order pronounced in the open court on 16/07/2025**

**Sd/-**

**(GIRISH AGRAWAL)  
Accountant Member**

**Sd/-**

**(BEENA PILLAI)  
Judicial Member**

Mumbai:

Dated: 16/07/2025

Poonam Mirashi,  
Stenographer

Copy of the order forwarded to:

- (1)The Appellant
- (2) The Respondent
- (3) The CIT
- (4) The CIT (Appeals)
- (5) The DR, I.T.A.T.

True Copy

By order

(Asstt. Registrar)  
**ITAT, Mumbai**