

**IN THE INCOME TAX APPELLATE TRIBUNAL "C" BENCH, KOLKATA**

**BEFORE SHRI RAJESH KUMAR, AM  
AND  
SHRI PRADIP KUMAR CHOUBEY, JM**

**ITA No.1616 to 1619/KOL/2024  
(Assessment Years: 2011-12 to 2014-15)**

**ACIT, Circle 13(1), Kolkata  
ABP, DT & RTI Building, 7<sup>th</sup>  
Floor, 110, Shantiapally,  
Kolkata-700107, West Bengal**

**Vs.**

**M/s West Bengal Housing  
Infrastructure Development  
Corporation Limited  
Nidco Bhawan 35-1111, Major  
Arterial Road, New Town  
Kolkata-700156, West Bengal**

**(Appellant)**

**(Respondent)**

**PAN No. AAACW4115F**

**Assessee by** : S/Shri Akshay Ringasia, AR &  
Taraknath Jaiswal, ARs  
**Revenue by** : Shri Praveen Kishore, DR

**Date of hearing:** 21.07.2025  
**Date of pronouncement :** 30.07.2025

**ORDER**

**Per Rajesh Kumar, AM:**

These are appeals preferred by the Revenue against the orders of the National Faceless Appeal Centre, Delhi (hereinafter referred to as the "Ld. CIT(A)") even dated 16.04.2024, for the AYs 2011-12 to 2014-15

02. At the outset, we note that there is a delay of 48 days in filing these appeals before ITAT, for which the Revenue has filed condonation petitions.
03. After perusing the condonation petition and hearing the rival parties, we find that the delay is for genuine, bonafide and reasonable cause

and therefore, the delay in all four appeals is condoned and appeals are admitted for adjudication.

04. The common issue in both the appeals by the Revenue is against the deletion of addition made by the Id. CIT (A) as made by the Id. AO in respect of interest on FDR in the order passed u/s 143/254/143(3) of the Income-tax Act, 1961 (the Act) by the Id. Assessing Officer. As the facts are similar in all the appeals, we take ITA No. 1616/KOL/20124 for A.Y. 2011-12 as the lead case and adjudicate the same.
05. The facts in brief are that the respondent assessee is a government of West Bengal undertaking, fully owned by the State Government and is engaged in development of land and infrastructure and housing projects. The Id. AO in the assessment proceedings brought to tax the interest income on FDR during the year on the ground that the same has not been offered to tax. We note that this is second round of litigation before us. In the first round the tribunal vide ITA No. 246/KOL/2017, dated 20.09.2019 restored the issue of interest on fixed deposits to the file of the Id. AO. The Id. AO made the addition again in the assessment framed u/s 143/254/143(3) dated 27.09.2021.
06. In the appellate proceedings, the Id. CIT (A) allowed the appeal of the assessee by observing and holding as under: -

*"DECISION Grounds 1 to 3 are general in nature. Grounds 4 to 7 relate to Interest earned on Fixed Deposits to the extent of Rs.68,52,58,292. WBHIDCO had received deposits from prospective purchasers of developed land or flats while the work of construction was in progress. In the assessment order under consideration, the AO was of the opinion that this Interest quantum had not passed through the P and L account, and was hence liable to be brought to tax.*

*Before me, the appellant has referred to the order of the jurisdictional ITAT in its own case for the AY 2017-18.*

*It submits as:*

*In the appeal filed by our client one of the grounds relates to addition on account of interest on FDR amounting to Rs.68,52,58,292. After filing the said submissions, the ITAT, Kolkata, A-Bench has decided a similar case vide its order dated 5 April 2023 where our client's appeal has been allowed. A copy of the said order dated 5 April 2023 is attached\* for your kind ready reference. In this connection we draw your kind attention to Para 10 of the said order, which is reproduced below.*

*"10. In the above profit and loss account interest income on FDR is not appearing since it has been deduced from the project cost 'work-in-progress'. As stated by Id. Counsel for the assessee the alleged sum has been shown as income in the computation of income filed in the income tax return and the same is placed at page 120 of the paper book which is reproduced as under. "*

*We also draw your kind attention to Para 13 of the said order, where it has been clearly mentioned that interest on FDRs for that year already stands offered to tax by the assessee.*

*"13. The above referred facts remained uncontroverted by Id. D /R and even in the impugned order Id. Pr.CIT failed to take note of all these facts which in itself are sufficient enough to show that the interest on FDR of Rs. 91,27,56,541/- already stands offered to tax by the assessee and Id. AO has carried out necessary enquiry on this issue and has taken a plausible view in accordance with law. Therefore, the assessment order u/s 143(3) of the Act dated 29.11.2019 is neither erroneous nor prejudicial to the interests of the Revenue and deserves to be restored. Accordingly, the impugned proceedings u/s 263 of the Act are quashed. Therefore, all the grounds of appeal raised by the assessee are allowed."*

*The jurisdictional ITAT judgement makes it aptly clear that the interest on FDR of Rs.68,52,58,292/- already stands offered to tax by the appellant.*

*Respectfully following the judgement, I have no hesitation in directing the AO to delete the addition."*

07. After hearing the rival contentions and perusing the materials available on record, we find that in this case the addition made by the Id. AO as resulted into double addition and taxation of the same income i.e. interest on FDR earned during the year. We note that the assessee is following system of accounting, wherein the interest on FDR is reduced from work-in-progress and a copy of annual accounts is available at page no.45, 52 and 66 of the Paper Book. Perusal of the audited annual accounts revealed that the work-in-progress has been

reduced by the amount of interest on FDR and consequently, this is not been shown on the revenue side of the Profit and Loss account. Therefore, the order passed by the Id. CIT (A) is a very reasoned and speaking order taking a very cogent and correct view of the matter. Accordingly, we are inclined to uphold the same by dismissing the appeal of the Revenue.

08. The issue raised in ITA Nos. 1617 to 1619/KOL/2024 for A.Y. 2012-13 to 2014-15, is similar to one as decided by us in ITA No. 1616/KOL/2024 for A.Y. 2011-12. Accordingly, our decision would, mutatis mutandis, apply to these appeals of assessee in ITA Nos.1617 to 1619/KOL/2024. Hence, the appeals of Revenue in ITA Nos. 1617 to 1619/KOL/2024 are also dismissed.

09. In the result, the all the appeals of the Revenue are dismissed.

Order pronounced in the open court on 30.07.2025.

Sd/-  
(PRADIP KUMAR CHOUBEY)  
(JUDICIAL MEMBER)

Sd/-  
(RAJESH KUMAR)  
(ACCOUNTANT MEMBER)

Kolkata, Dated: 30.07.2025

*Sudip Sarkar, Sr.PS*

Copy of the Order forwarded to:

1. The Appellant
2. The Respondent
3. CIT
4. DR, ITAT,
5. Guard file.

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar  
Income Tax Appellate Tribunal, Kolkata