

आयकर अपीलीय अधिकरण, कोलकाता पीठ, कोलकाता

IN THE INCOME TAX APPELLATE TRIBUNAL "D" BENCH KOLKATA

**Before Shri Rajesh Kumar, Accountant Member and
Shri Pradip Kumar Choubey, Judicial Member**

**ITA No.749/Kol/2025
Assessment Year: 2022-23**

DCIT, Circle-7(1), KolkataAppellant

vs.

Sarat Chatterjee & Co. VSP Pvt. Ltd.....Respondent

Vasundhara, 9th Floor, Sarat Bose Road,

L R Sarani, Kol-20..

[PAN: AADCS6139A]

Appearances by:

Shri Pradip Kumar Biswas, Addl. CIT-Sr. DR, appeared on behalf of the appellant.

Shri Rishav Jain, AR, appeared on behalf of the Respondent.

Date of concluding the hearing : December 12, 2025

Date of pronouncing the order : January 28, 2026

ORDER

Per Pradip Kumar Choubey, Judicial Member:

This appeal filed by the revenue is directed against the order dated 29.10.2024 of the National Faceless Appeal Centre [‘CIT(A)'] passed under Section 250 of the Income-tax Act, 1961 (hereinafter referred to as “the Act”) for the assessment year 2014–15.

2. The appeal has been filed by the revenue with a delay of 159 days and the revenue has filed a petition for condonation of the delay. After going over the said petition, we find sufficient reasons behind the delay and consequently, the delay in filing the appeal is hereby condoned and we proceed to dispose of the appeal on merits.

3. Brief facts of the case are that the assessee is a private limited company. For the year under consideration, the assessee had filed a return of income electronically declaring a total income of Rs. 12,12,41,950/- after claiming deduction u/s 80-IA(4). The assessee has

claimed deduction of Rs. 23,23,75,920/- under section 80IA(4) of the Act. Thereafter, the CPC has passed an intimation order dated 26.07.2023 u/s 143(1) of the Act. On perusal of Annexure – A of the intimation order, it is clear that CPC has accepted the said deduction of Rs. 23,23,75,920/-. However, by mistake the total deduction is computed as Nil instead of Rs. 23,23,75,920/-. As a result, the CPC has not allowed the said deduction while computing the total income and raised a huge demand.

4. Aggrieved by the said order, the assessee filed an appeal before the CIT(A) wherein the appeal of the assessee has been allowed by deleting the addition of Rs.23,23,75,920/- and the ld. CIT(A) directed the Assessing Officer to allow deduction u/s 80IA as claimed by the assessee.

5. Being dissatisfied, the revenue is in appeal before us challenging the impugned order by raising the following grounds of appeal:

1. That on the facts and circumstances of the case Ld. CIT(A) has erred in law by allowing appeal of the assessee company in respect of disallowance u/s. 80-IA(4) of the Act amounting to Rs. 23,23,75,920/- without calling for remand report on the complex issue involving not only legal aspect but legal ramifications also.
2. That the appellant craves leave to add and/ or alter, amend, modify or rescind the grounds hereinabove before or at the time of hearing of this appeal.

6. Contrary to that, the ld. AR supports the impugned order thereby submitting that there is no infirmity in the impugned order of the CIT(A). He submits that the assessee is a private limited company and the assessee filed return of income after claiming deduction u/s 80IA(4)

of the Act and in order substantiate the said deduction, the assessee had duly submitted audited balance sheet, copy of Form CCB, copy of agreement etc. His submission is that it was due to error in system, the amount of deduction was accepted but there is a mistake in total and the deduction was incorrectly computed as 'Nil' resulting in huge demand.

7. Upon hearing the submissions of the counsels of the respective parties and on perusal of the impugned order, it appears that the assessee is engaged in the business of developing, operating and maintaining the 'Kakinada Fertilizer Handling Terminal' situated at Kakinada Deep Water Port, Kakinada, Andhra Pradesh and this undertaking is eligible for deduction u/s 80IA(4) of the Act. We find that for the year under consideration, the assessee has claimed a deduction of Rs.23,23,75,920/- u/s 80IA(4) of the Act in its return of income and in support of the claim of deduction, the assessee submitted audited balance sheet, copy of Form CCB, copy of agreement etc. We note that the return of the assessee was processed by CPC u/s 143(1) of the Act and an intimation order was passed. On perusal of the intimation order, we find that at Sl. No.(a), the CPC has accepted the said deduction of Rs.23,23,75,920/-, however, by mistake the total deduction mentioned in Sl. No. (f) is computed as Nil instead of Rs.23,23,75,920/- resulting the CPC was not allowed the said deduction u/s 80IA, which is due to system error. We also note that the assessee claimed the said deduction of Rs. 23,23,75,920/- u/s 80IA(4) of the Act but it was due to technical glitch in the portal, the deduction restricted to Rs. 18,46,79,134/- since the net amount shown under the head Profits and Gain from Business or Profession was Rs. 18,46,79,134/-. We have gone through the order of the Id. CIT(A) and the Id. CIT(A) has discussed each and every aspect before concluding as under:

“5.9 Thus the appellant is legally eligible to claim deduction u/s 80IA and this is correctly claimed in the ITR, form 3CD and FORM NO. 10CCB and all are filed within the due date electronically. The CPC in the working has shown as under:

ANNEXURE - Deduction u/s 80-IA

Sl.No.	Deductions	Undertaking	Amount of deduction ₹	
			As provided by Taxpayer	As Computed u/s 143(1)
a	Deduction in respect of profits of an enterprise referred to in section 80-IA(4)(i) (Infrastructure facility)	a1 Undertaking No. 1	23,23,75,920	23,23,75,920
d	Deduction in respect of profits of an undertaking referred to in section 80-IA(4)(iv) [Power]	d1 Undertaking No. 1	0	0
e	Deduction in respect of profits of an undertaking referred to in section 80-IA(4)(v) [Revival of power generating plant] and deduction in respect of profits of an undertaking referred to in section 80-IA(4)(vi) [Cross-country natural gas distribution network]	e1 Undertaking No. 1	0	0
f	Total deductions under section 80-IA (a+ b+ c+ d+ e)		23,23,75,920	0

5.10 The CPC has calculated that the appellant is eligible for deduction in ANNEXURE - Deduction u/s 80-IA sl. no.a but in in ANNEXURE - Deduction u/s 80-IA sl. no. f Total deductions under section 80-IA (a+ b+ c+ d+ e) the CPC system has not totalled this. Thus the CPC has accepted that the appellant is eligible for deduction u/s 80-IA and disallowing this in the final totalling must be a software error only. The claim of the appellant is legally and factually correct. Ground 2 is allowed and the addition/disallowance of deduction of Rs 23,23,75,920/- is deleted. The AO is directed to allow deduction u/s 80 IA as claimed by the appellant.”

7.1 Keeping in view the above discussion, we do not find any infirmity in the impugned order and the same is upheld.

8. In the result, the appeal of the revenue is dismissed.

Kolkata, the 28th January, 2026.

Sd/-
[Rajesh Kumar]
Accountant Member

Sd/-
[Pradip Kumar Choubey]
Judicial Member

Dated: 28.1.2026.

RS

Copy of the order forwarded to:

1. Appellant -
2. Respondent -
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches