

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

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

**ITA Nos. 2645 & 2646/KOL/2025  
(Assessment Years: 2018-19 & 2019-20)**

**Western Conglomerate Ltd.**  
3A, Hare Street, Ashoka House,  
Room No.302, Dalhousie,  
Kolkata-700001, West Bengal

**Vs.**

**Income Tax Officer,**  
Ward 4(4), P-7, Chowringhee  
Square, Aaykar Bhawan,  
Kolkata-700069,  
West Bengal

**(Appellant)**

**(Respondent)**

**PAN No. AA ACT9496Q**

**Assessee by** : Shri Anil Kochar, AR  
**Revenue by** : Shri S.B. Chakraborty, DR

**Date of hearing:** 21.01.2026  
**Date of pronouncement:** 26.02.2026

**ORDER**

**Per Rajesh Kumar, AM:**

These are appeals preferred by the assessee against the orders of the Commissioner of Income-tax (Appeals), Vadodara (hereinafter referred to as the "Ld. CIT(A)") dated 20.09.2024 for the AYs 2018-19 & 2019-20.

2. At the outset, we note that the appeals of the assessee are barred by limitation by 349 days. At the time of hearing the counsel of the assessee explained the reasons for delay in filing the appeal. The Ld. D.R did raise any objection to the condonation of delay as the reasons cited were not sufficient. After hearing the rival contentions and perusing the materials available on record, we find that the delay is

for bonafide and genuine reasons and , hence, we condone the delay and adjudicate the appeal in the ensuing paras.

3. The only issue involved in both the appeals is against the confirmation of disallowance by the Id. CIT (A) as made by the Id. AO u/s 36(1)(va) of the Income-tax Act, 1961.
4. The Id. Counsel for the assessee submitted that the assessee is engaged in the business of growing and manufacturing of tea and during the year the filed the return of income on 31.10.2018, declaring total income of ₹31,30,392/-. The Id. counsel submitted that while processing the return of income u/s 143(1) of the Income-tax Act, 1961 ,the Id. AO made disallowance u/s 36(1)(va) of the Act which was admittedly not paid before the due date. The counsel submitted that the assessee is a tea manufacturing company and the income has to be assessed by following the Rules 8 of income tax rules pursuant to which the 60% of the income should be treated as agricultural income and 40% should be taxed . The Id. counsel therefore submitted that therefore, the disallowance has to be restricted to 40% which is attributable to the taxable part of the income and not to that part which is related to exempt income. The Id. Counsel for the assessee in defense of his arguments relied on the decisions of Commissioner of Income-tax, Dibrugarh vs. Doom Dooma India Ltd. [2009] 310 ITR 392 (SC), CIT Vs. Tata Tea Ltd. (2011) 338 ITR 285 (Cal) and Goodricke Group Ltd vs. Commissioner of Income-tax [ [1993] 201 ITR 261 (Calcutta)[14-08-1990] . The Counsel for the assessee prayed that these appeals may be restored to the file of the Id. AO with a direction to make the disallowances accordingly after following the mandate of rule 8 and assess the income in accordance with Rule 8 of

the IT rules. The Id. DR on the other hand did not oppose the contention of the Id. AR.

4.1. After hearing the rival contentions and perusing the materials available on record, we find that undisputedly the company is a tea growing and manufacturing company and therefore, the income has to be assessed as per Rule 8 of the IT Rules, which provides that 60% of the income has to be treated as agricultural income which is exempt and only taxable income would be only to the extent of 40% of the total income under the Act. Thus, we find merit in the contention of the assessee that disallowance is to be made in the similar ratio and the income has to be computed as per Rule 8 as held in the above decisions. Consequently, we set aside the order passed by the Id. CIT (A) and restore the issue to the file of the Id. JAO to assessee the income in terms of Rule 8 of the IT Rules. Needless to state that only 40% of the amount of delayed PF would be added to the taxable part of income. The appeals of the assessee are allowed for statistical purposes.

5. In the result, the appeals of the assessee are allowed for statistical purposes.

Order pronounced in the open court on 26.02.2026.

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

Sd/-  
(RAJESH KUMAR)  
(ACCOUNTANT MEMBER)

Kolkata, Dated: 26.02.2026

*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