

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

**BEFORE SHRI GEORGE MATHAN, JUDICIAL MEMBER  
AND SHRI RAJESH KUMAR, ACCOUNTANT MEMBER**

**ITA No.2711/Kol/2025  
Assessment Year: 2023-24**

<b>GTPL KCBPL Broad Band Private Limited</b>		<b>DCIT, Circle-11(1), Kolkata</b>
86 Golaghata Road, Sreebhumi S.O Lake Town, North 24 Parganas, Kol- 700084. (PAN: AAFCG7758K)	Vs	
<b>(Appellant)</b>		<b>(Respondent)</b>

Assessee by : Shri Ramesh Patodia & Sonal Agarwal, Advocate  
Revenue by : Shri Dipu Koley, Sr. DR

Date of Hearing : 05.03.2026  
Date of Pronouncement : 05.03.2026

**ORDER**

**PER GEORGE MATHAN:**

This is an appeal filed by the assessee against the order of the Commissioner of Income Tax (Appeals), NFAC, Delhi [hereinafter referred to as the 'CIT(A)'] in appeal no.NFAC/2022-23/10447982 dated 24.09.2025 for the assessment year 2023-24.

2. Shri Ramesh Patodia & Sonal Agarwal, Advocate represented on behalf of the assessee and Shri Dipu Koley, Sr. DR represented on behalf of the revenue.

3. It was submitted by the ld. AR that the only issue in the assessee's appeal is against the action of the ld. CIT(A) in confirming the disallowance made by the Assessing Officer by invoking the provisions of section 40(a)(ia) of the Act on account of non-deduction of TDS in respect of salary paid to four employees of the assessee. The ld. AR drew our attention to page no.15 & 16 of the assessment order wherein the Assessing Officer has specified the total salary paid of Rs.16,61,552/- to the four employees. It was the submission that admittedly the salary paid to each of the employees exceeds Rs.2,50,000/- but was below Rs.5,00,000/-. It was the submission that the CBDT has issued a Circular No.24/2022 on 07.12.2022 providing guidelines to employers to consider the rebate u/s 87A and also provided sample calculations in Annexure 1 of the said Circular wherein upto a salary of Rs.6,00,000/-, the tax payable is Nil. The said Annexure 1 of the said Circular reads as follows:

**ANNEXURE-1**

**SOME ILLUSTRATIONS#**

**Example 1**

For Assessment Year 2023-24

(A) Calculation of Income tax in the case of an employee (Male or Female) below the age of sixty years and having gross salary income of:

- i) Rs.2,50,000/- ,
- ii) Rs.6,00,000/- ,
- iii) Rs.10,50,000/-
- iv) Rs.55,50,000/- and
- v) Rs. 1,10,50,000/-

(B) What will be the amount of TDS in case of above employees, if PAN<sup>@</sup> is not submitted by them to their DDOs/Offices:

Particulars	Rupees (i)	Rupees (ii)	Rupees (iii)	Rupees (iv)	Rupees (v)
Gross Salary Income (including allowances)	2,50,000	6,00,000	10,50,000	55,50,000	1,10,50,000
Contribution of G.P.F.	45,000	50,000	1,00,000	1,00,000	1,00,000

**Computation of Total Income and tax payable thereon**

Particulars	Rupees (i)	Rupees (ii)	Rupees (iii)	Rupees (iv)	Rupees (v)
Gross Salary	2,50,000	6,00,000	10,50,000	55,50,000	1,10,50,000
Less: Standard deduction u/s 16(ia)	50000	50000	50000	50000	50000
Less: Deduction U/s 80C	45,000	50,000	1,00,000	1,00,000	1,00,000
Taxable Income	1,55,000	5,00,000	9,00,000	54,00,000	1,09,00,000
<b>(A) Tax thereon</b>	Nil	Nil*	<b>92,500</b>	<b>14,32,500</b>	<b>30,82,500</b>
Surcharge				1,43,250	4,62,375
Add: Health & Education Cess @ 4%.	Nil	Nil	3700	63,030	1,41,795
<b>Total tax payable</b>	Nil	Nil	<b>96,200</b>	<b>16,38,780</b>	<b>36,86,670</b>

@ or Aadhaar number, as the case may be,

\* After rebate of Rs 12500 u/s 87A

# It may be noted that tax liability may not be the same in case the taxpayer opts for concessional tax regime under section 115BAC of the Act.

3.1 It was the submission that as the salary of the four employees were below the threshold figures shown by the CBDT in its Circular No.24/2022 dated 07.12.2022, no tax liability arose on account of the salary paid to the said four employees. It was the submission that consequently, the assessee has admittedly not deducted TDS. It was the submission that there is no tax due in view of the said circular issued by CBDT, no TDS is required to be done. It was the prayer of the assessee that the disallowance made by the Assessing Officer and confirmed by the Id. CIT(A) is liable to be deleted.

4. In reply, the Id. Sr. DR submitted that the assessee-employer does not have the liberty to compute the rebate u/s 87A of the Act. It was the submission that if the salary to any of the employees exceeds the prescribed amount of Rs.2,50,000/-, it is compulsory for the employers to deduct TDS. It was the submission that on account of non-deduction of TDS, the Assessing Officer has rightly invoked the provisions of section 40(a)(ia) of the Act. It was prayed that the order of the Id. CIT(A) is liable to be upheld.

5. We have considered the rival submissions. A perusal of the facts in the present case clearly shows that the CBDT's Circular No.24/2022 dated 07.12.2022 relates to assessment year 2023-24 and the said example shown in Annexure 1 of the said Circular shows that upto Rs.6,00,000/-, there is no liability for tax. This is admittedly a beneficial Circular and once a beneficial circular has been issued by the CBDT, obviously the same could be given full effect. We notice that as per said Circular No.24/2022, an employee who receives salary upto Rs.6,00,000/- is not liable to pay any income tax on such gross salary

and the salary paid to four employees do not touch the threshold limit of Rs.6,00,000/- much less Rs.5,00,000/-. We are of the view that no TDS was liable to be deducted in the case of salary paid to four employees. Consequently, the provisions of section 40(a)(ia) of the Act do not apply. Therefore, the Assessing Officer is directed to delete the addition made by the invoking of provisions of section 40(a)(ia) of the Act.

6. In the result, the appeal of the assessee is allowed.

***Kolkata, the 2<sup>nd</sup> March, 2026.***

Sd/-

**[Rajesh Kumar]**

लेखा सदस्य/Accountant Member

Sd/-

**[George Mathan]**

न्यायिक सदस्य/Judicial Member

Dated: 02.03.2026.

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