

Assessee entitled to Deduction of Employees' Contribution of PF, ESI as contribution made was prior to due date of Final Return: ITAT

Fact of the Case

1. In the present case M/s. Infobells Interactive Solutions is the assessee
2. The assessee, preferred an appeal before the First Appellate Authority. It was contended that the assessee has paid the employees' contribution prior to the due date of final return under section 139(1) of the Act. Therefore, it was submitted assessee is entitled to the deduction of the employees' contribution of PF and ESI having regard to the provision to section 43B of the Act.
3. In the relevant Assessment Year, return of income was filed on 02.11.2018 declaring income of Rs.2,36,35,483/-. The Central Processing Centre (CPC) issued an intimation under section 143(1) of the Income Tax Act, 1961 (hereinafter called 'the Act') by assessing a sum of Rs.2,36,35,483/-. The reason for the difference between returned income and the assessed income under section 143(1) of the Act was on account of a disallowance of a sum of Rs.5,47,631/- being late remittance of employees' contribution of PF and ESI under the respective Acts.

Decision of the Case

The CORAM of Accountant Member Chandra Poojari and Judicial Member George George K. held that the assessee was entitled to the deduction of employees' contribution of PF, and ESI as the contribution made was prior to the due date of final return.