

Maa Harsiddhi Infra Developers Private Limited v. The Assistant Commissioner of Income Tax, Circle-1(1), Bilaspur (C.G.)

TAXC No. 152 of 2025

2026:CGHC:17458-DB | TAXC No. 152 of 2025 (Chg HC, decided 16.04.2026) | 2026-04-16

Prima facie disallowance of Rs. 32,77,451 under section 143(1)(a) on 27.02.2020 for delayed deposit of employees' PF/ESI contributions under section 36(1)(va) set aside because prior to Checkmate Services (12.10.2022) the issue was highly debatable and outside the summary adjustment scope of section 143(1)(a).

Income-tax Act, 1961: sections 2(24)(x), 36(1)(va), 43B, 139(1), 143(1)(a), 143(3) and 260A

High Court of Chhattisgarh | 2-judge bench (Division Bench) | Sanjay K. Agrawal, J. | Sachin Singh Rajput, J.

Assessment years: 2019-20

Liberty reserved to Revenue to proceed in accordance with law

In paragraph 18 on page 15, while setting aside the summary intimation under section 143(1)(a), the Court reserved liberty in favour of the Revenue to proceed in accordance with law (such as under section 143(3)/147 if within limitation).

01 FACTS OF THE CASE

For AY 2019-20, Maa Harsiddhi Infra Developers Pvt. Ltd. filed its return declaring income of Rs. 2,57,41,230. By intimation dated 27.02.2020 under section 143(1)(a), CPC Bengaluru disallowed Rs. 32,77,451 under section 36(1)(va) read with section 2(24)(x) in respect of employees' share of EPF/ESI contributions deposited after the welfare-statute due dates but before the section 139(1) return-filing due date (which the tax auditor had merely listed in Column 20(b) of Form 3CB without treating as a disallowance). Following the Supreme Court's decision on 12.10.2022 in Checkmate Services Pvt. Ltd. v. CIT-1, (2023) 6 SCC 451, the CIT(A) dismissed the assessee's appeal on 28.11.2022 and the ITAT Raipur Bench dismissed ITA No. 306/RPR/2024 on 19.12.2024.

Source: [Pages 1-6 and 12-13 of 15 \(Paragraphs 1-4 and 13\) \(20260415 CGHC010269802025.pdf\)](#)

02 DISCUSSION BY THE HON'BLE COURT

Applying the Supreme Court decisions in *Kvaverner John Brown Engg. (India) Pvt. Ltd. v. ACIT*, (2008) 305 ITR 103 (SC), *ACIT v. Rajesh Jhaveri Stock Brokers Pvt. Ltd.*, (2008) 14 SCC 208, and *Vodafone Idea Ltd. v. ACIT*, (2020) 19 SCC 12, the Division Bench held that summary processing under section 143(1)(a) cannot be invoked to adjudicate a highly debatable legal issue. On 27.02.2020 — when the section 143(1)(a) intimation was issued — High Courts across the country were sharply divided on whether section 43B protected employees' contributions paid before the section 139(1) due date, and the conflict was settled only on 12.10.2022 in *Checkmate Services*. While *Checkmate Services* operates retrospectively on the substantive interpretation of section 36(1)(va), it does not validate a jurisdictionally impermissible summary adjustment made under section 143(1)(a) on 27.02.2020 when the issue was debatable (especially when the Revenue itself had withdrawn TAXC Nos. 149/2024 and 158/2024 on the identical issue).

Source: [Pages 7-15 of 15 \(Paragraphs 7-17\) \(20260415_CGHC010269802025.pdf\)](#)

03 JUDICIAL DECISION

Answering the substantial question of law in favour of the assessee, the Chhattisgarh High Court set aside the section 143(1)(a) disallowance dated 27.02.2020, the CIT(A) order dated 28.11.2022, and the ITAT order dated 19.12.2024, while reserving liberty to the Revenue to proceed in accordance with law.

Source: [Page 15 of 15 \(Paragraphs 18-20\) \(20260415_CGHC010269802025.pdf\)](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee (*Maa Harsiddhi Infra Developers Pvt. Ltd.*); section 143(1)(a) disallowance of Rs. 32,77,451 and appellate orders set aside.

Source: [Page 15 of 15 \(Paragraphs 18-20\) \(20260415_CGHC010269802025.pdf\)](#)

05 AKHB REVIEW POINT

AKHB analysis: The Chhattisgarh High Court distinguishes between the retrospective substantive rule in Checkmate Services ((2023) 6 SCC 451) and the jurisdictional threshold of section 143(1)(a): where an intimation under section 143(1)(a) was issued prior to 12.10.2022 (and Form 3CB Column 20(b) merely reported payment dates without computing a disallowance), CPC lacked jurisdiction to make a prima facie adjustment on a then-debatable issue.

Source: [Full judgment PDF \(15 pp.\)](#)

SOURCE & VERIFICATION

[Original judgment PDF \(20260415_CGHC010269802025.pdf\)](#)

Reviewed from the complete 15-page official High Court judgment PDF (20260415_CGHC010269802025.pdf, SHA-256: 091739902f47a2aa43focda1d863c5137642d486ddd9c8d52b3ec5e425459356).

Supplied source-reviewed note retained; original bytes and identity validation checked in this release. Substantive re-review is not claimed for this record.

Open cited source rendition

Primary source verified page-by-page (15 physical pages, 218,223 bytes, SHA-256: 091739902f47a2aa43focda1d863c5137642d486ddd9c8d52b3ec5e425459356). Cloud Google Drive File ID: 1nVbN73T_JY-66Yl68pM-iPDckuBTi2x3 (https://drive.google.com/file/d/1nVbN73T_JY-66Yl68pM-iPDckuBTi2x3/view).

STATUTORY SCOPE

Refers to the Income-tax Act, 1961 and allied statutory rules/circulars as applicable to the relevant assessment years.

LATER TREATMENT

Source checked 2026-10-18. No subsequent Supreme Court reversal or stay is recorded in the source judgment text.

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