

Checkmate Services P. Ltd. v. Commissioner of Income Tax-1

Civil Appeal No. 2833 of 2016 and connected appeals

[2022] 10 S.C.R. 1065 | 2022-10-12

Whether employees' welfare-fund contributions deposited after the governing welfare-law due date become deductible because payment was made before the income-tax return due date.

2(24)(x) | 36(1)(va) | 43B

Three-judge bench | Uday Umesh Lalit, CJI | S. Ravindra Bhat, J. | Sudhanshu Dhulia, J.

Assessment years: See the source-scope notes; no year inferred.

01 FACTS OF THE CASE

In a batch of employer-assessee's appeals, the Assessing Officers disallowed employees' EPF/ESI contributions paid after the deadlines under the governing welfare laws. The lead assessee failed before the Tribunal and Gujarat High Court. The assessee relied on section 43B and the deletion of its second proviso, arguing that payment by the income-tax return deadline should suffice. Conflicting High Court views led to the Supreme Court's consideration.

Source: [paragraphs 1-3 / PDF pages 2, 3](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court distinguished the employer's own contribution under section 36(1)(iv) from money received or deducted from employees under sections 2(24)(x) and 36(1)(va). The latter amount retains the character of employees' money held by the employer; its deduction depends on credit to the relevant fund within the due date specified by the applicable welfare law. Section 43B imposes an actual-payment condition on deductions otherwise allowable. Its non-obstante clause does not erase the separate eligibility condition in section 36(1)(va). The Court explained that Alom Extrusions had not considered this statutory distinction and could not support applying the return-filing deadline to employees' contributions.

Source: [paragraphs 30-34 / PDF pages 17, 18, 19, 20](#); [paragraphs 44-45, 51-54 / PDF pages 26, 27, 31, 32, 33, 34](#)

03 JUDICIAL DECISION

Employees' contributions paid after the governing welfare-law due date did not qualify for deduction through section 43B merely because payment preceded the income-tax return deadline. The contrary High Court views did not state the correct law on this issue. The appeals were dismissed.

Source: [paragraphs 54-55 / PDF pages 33, 34](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue

Assessees' appeals dismissed

Common deduction issue decided

The judgment concerns employees' contributions under the 1961 Act. It does not determine the deduction deadline under subsequently amended section 29(1)(e) of the Income-tax Act, 2025.

Source: [paragraphs 55 / PDF pages 34](#)

05 AKHB REVIEW POINT

For a legacy-year computation, separate employees' deductions from the employer's contribution and reconcile each fund's applicable due date against actual credit/payment evidence. A return-deadline comparison alone does not answer the 1961 Act issue decided here. Do not carry this deadline mechanically into the 2025 Act: Finance Act 2026 section 39 substituted section 29(1)(e), effective 1 April 2026, with a return-filing due-date condition tied to section 263(1). Determine the governing tax year and the repeal-and-savings provisions before applying either rule; the newer text is not, by itself, retrospective relief for old years.

Source: [paragraphs 53-55 / PDF pages 32, 33, 34](#); [Finance Act 2026 section 39 / PDF pages 41](#); [Finance Act 2026 section 1\(2\)\(a\) / PDF pages 1](#); [Income-tax Act 2025 section 536 / PDF pages 584, 585, 589](#)

SOURCE & VERIFICATION

[Original Hon'ble Supreme Court PDF](#)

Complete identified source PDF: 34 pages. Original bytes preserved.

[Open cited source rendition](#)

The original cover says CA 2833/2016; footnote 2 prints CA 2383/2016. The cover and SCR first-page number are retained, and the discrepancy is not silently corrected.

Historical welfare-law timelines quoted in the judgment are not presented as current PF/ESI compliance advice.

SCR citation and lead case number verified from the reported rendition's first page. The original signed PDF does not print a reported citation.

The common judgment does not identify a single assessment year for the lead appeal; no year inferred from connected or cited cases.

STATUTORY SCOPE

Official Department consolidation as amended by Finance Act 2026, with Gazette section 39 and commencement checked. No comprehensive post-Finance Act 2026 legislative or citator audit is represented.

Identified correspondence (no automatic precedent carryover):

2(24)(x) → 2(49)(o)

36(1)(va) → 29(1)(e). Deadline materially substituted by Finance Act 2026 section 39; assess governing year separately

36(1)(iv) → 29(1)(a)

43B → 37, 66, 2. Whole-section structural correspondence; clause-level applicability must be reviewed

LATER TREATMENT

Source checked 2026-10-04. Subsequent appeals, review proceedings, stays, reversals and later judicial treatment have not been comprehensively checked. This note is not a citator status certificate.

IDENTIFIED SOURCE LINKS

[official signed judgment - PDF pages: 34](#)

SHA-256: adf443b06d71ad681376b1811da680ed4ca154e35fa34453aeb005ff6825eec1

[reported alternate rendition - PDF p. 1 / SCR p. 1065](#)

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.