19.01.2026
Sl. 02
Ct. 551
(Samar)

WPA 8510 of 2025
With
CAN 1 of 2025

West Bengal Building & Other Construction Workers Welfare Board
Vs.
The Central Board of Direct Taxes & Ors.

Mr. Avra Mazumder,
Mr. Gaurav Gupta,
Ms., Alisha Das,
.... for the petitioner.
Mr. Aryak Dutt,
Mr. Amit Sharma,
....for the Income Tax Authorities.

1. Mr. Dutt, learned Senior Standing Counsel appearing for the Revenue Authorities assisted by Mr. Sharma, learned Advocate appearing for the Revenue Authorities has filed a report in the form of an affidavit on behalf of the respondent no. 7 in terms of the order dated December 1, 2025. The same is taken on record.
2. Attention of the Court is invited to a notification bearing no. S.O. 194 dated January 14, 2026 issued by the Central Government [Ministry of Finance, Department of Revenue (Central Board of Direct Taxes)] annexed to the said Report by the learned Counsel appearing for the parties and it is submitted the same has put the controversy in the present writ petition to rest.
3. Relevant portion of the said notification which has been issued by the Central Government in exercise of the

powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 is extracted hereinbelow:-

> *"S.O. 194(E).- In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, "West Bengal Building and Other Construction Workers Welfare Board" (PAN AAAL W0061D), a Board constituted by the Government of West Bengal, in respect of the following specified income arising to the said Board, Namely:-*
>
> *(a) Cess collected under the Building and Other Construction Workers Welfare Cess Act, 1996 (28 of 1996) and the rules thereunder;*
>
> *(b) Registration fees and yearly subscription collected from construction workers registered with the Board as beneficiaries;*
>
> *(c) Amount received in the form of grants-in-aid and loan from Government;*
>
> *(d) Interest income received from investment*
>
> *2. This notification shall be effective subject to the conditions that West Bengal Building & Other Construction Worker Welfare Board-*
>
> *(a) shall not engage in any commercial activity;*
>
> *(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and*
>
> *(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.*
>
> *Failure to comply with these conditions may result in the initiation of penal actions under the provisions of the Income-tax Act, 1961 and withdrawal of the exemption granted u/s 10(46) of the Act.*
>
> *3. This notification shall be deemed to have been applied for assessment years 2022-23, 2023-24, 2024-25, 2025-26, relevant to financial years 2021-22, 2022-23, 2023-24, 2024-25, and shall be applicable for assessment years 2026-27 relevant to financial years 2025-26."*

4. It is evident from the said notification which notifies the petitioner for the purposes of Section 10(46) that the same is applicable for assessment years 2022-23 to 2026-27 relevant to the Financial Years 2021-22 to 2025-26. The petitioner's principal prayer in the writ petition is for issuance of a writ of Mandamus commanding the respondents *"to cause notification to the petitioner and grant the petitioner exemption under*

Section 10(46) of the said Act of 1996 for the period from financial years 2021-22 to 2025-26". Thus by dint of the said notification dated January 14, 2026 the petitioner's case stands answered in the affirmative.

5. Needless to mention that since the petitioner is entitled to exemption in terms of the said notification dated January 14, 2026 therefore, the demand notice dated February 26, 2025 for the assessment year 2023-24 (impugned in the present writ petition) and the subsequent order of penalty under Section 270A of the Said Act of 1961 for the assessment year 2023-24 which has also been assailed by filing CAN 1 of 2025 in the present writ petition shall now become inconsequential and cannot be given effect to.
6. With the aforesaid observations, WPA 8510 of 2025 along with CAN 1 of 2025 stands disposed of. There shall be no order as to costs.
7. Urgent certified photocopy of this order, if applied for, be supplied as expeditiously as possible.

(Om Narayan Rai, J.)