

IN THE INCOME TAX APPELLATE TRIBUNAL  
PUNE BENCH, 'A' PUNE

BEFORE SHRI R.S. SYAL, VICE PRESIDENT AND  
SHRI S.S.VISWANETHRA RAVI, JUDICIAL MEMBER

आयकर अपील सं. / ITA Nos.695 & 1356/PUN/2017  
निर्धारण वर्ष / Assessment Years : 2012-13 & 2013-14

DCIT, Circle-6, Pune	Vs.	Sakal Papers Ltd., 595, Budhwar Peth, Pune 411 002 PAN : AACCS7605Q
Appellant		Respondent

Assessee by Shri Ashok N. Kothary  
Revenue by Shri Deepak Garg  
Date of hearing 20-10-2021  
Date of pronouncement 21-10-2021

आदेश / ORDER

PER R.S.SYAL, VP :

These two appeals by the Revenue arise out of the separate orders dated 28-10-2016 & 10-01-2017 passed by the CIT(A)-4, Pune in relation to the assessment years 2012-13 and 2013-14 respectively. Since the issues raised in these appeals are common, we are, therefore, proceeding to dispose them off by this consolidated order for the sake of convenience.

A.Y.2012-13 :

2. The first issue raised by the Revenue in this appeal is against the deletion of disallowance of deduction u/s.80IA of the Income-tax Act, 1961 (hereinafter also called 'the Act').

3. Briefly stated, the facts of the case are that the assessee claimed deduction u/s.80IA(4) amounting to Rs.52,97,053/-. The Assessing Officer (AO) observed that the assessee suffered losses in the eligible wind mill unit in earlier years. Since the amount of such aggregate losses was more than the claim of deduction u/s.80IA(4) for the year at Rs.52.97 lakh, the AO disallowed the deduction. The ld. CIT(A) reversed the assessment order on this point, against which the Revenue has come up in appeal before the Tribunal.

4. We have heard the rival submissions and scanned through the material placed before us. It is seen that the losses pertaining to the earlier years, referred to by the AO for setting off against the current year's qualifying income from the eligible unit, relate to the years prior to the initial year. Obviously, such losses cannot be set off against the income from the wind mill on or after the initial year. Similar issue came up for consideration before the Tribunal in the case of the assessee for earlier years. Vide order dated 25-06-2019, the Tribunal in ITA No. 1364/PUN/2011 etc. for the assessment years 2007-08, 2009-10, 2010-11 & 2011-12, has accepted the assessee's claim. The ld. DR fairly accepted the position. In view of the foregoing discussion and respectfully following the precedent, we uphold the impugned order on this score.

5. The only other ground raised in this appeal is against the deletion of the addition made by the AO relating to liability on account of revised wages.

6. The facts apropos this issue are that the assessee claimed Rs.6,26,21,766/- as deduction on account of Wage Board Revision by filing a revised return. The AO did not dispute the filing of the revised return. On being called upon to explain the reasons for claiming such deduction, the assessee submitted that consequent upon notification of the Central Government in terms of section 12 of Wage Act dated 11-11-2011, the assessee revised its claim pertaining to the year under consideration. The AO observed that no corresponding payment was made during the F.Y. 2011-12. Though such payment was claimed to have been made in the period relevant to the A.Y. 2014-15, the AO disallowed the same. The ld. first appellate authority overturned the impugned order on this ground.

7. Having heard both the sides and gone through the relevant material on record, it is seen that Central Govt. set up Wage Board for the working Journalists and other Newspaper employees. The Board submitted its report on 31-12-2010. The Central Govt. issued consequential notification on 11-11-2011 accepting the

recommendations, which was challenged in the Courts of law and eventually got nod in a later year. In terms of the notification of the Central Govt., the assessee recomputed the amount of wages pertaining to the year under consideration and claimed deduction for the same by means of the revised return. The assessee is admittedly following the mercantile system of accounting. Since the amount of additional wages pursuant to the Central Govt. notifying the recommendations of the Wags Board pertaining to the year under consideration amounted to Rs.6.26 crore, in our considered opinion, the same has to be allowed under the mercantile system of account followed by the assessee. The fact that the payment was made in subsequent years cannot mar the deductibility of the amount which pertains to and became payable during the year. We, therefore, uphold the impugned order deleting the liability on account of revised wages for the year under consideration .

A.Y. 2013-14 :

8. Both the sides are in agreement that the facts and circumstances of the appeal under consideration are *mutatis mutandis* similar to those for the assessment year 2012-13.

9. The first ground is against the disallowance of claim of Rs.40,14,201/- u/s.80IA of the Act. Following the view taken

hereinabove for the immediately preceding assessment year, we uphold the impugned order.

10. The second ground is against the deletion of addition of Rs.8,52,95,539/- on account of liability for payment of wages under the recommendations of the Wage Board. Here again, we follow our view taken hereinabove and uphold the impugned order in deleting the disallowance towards additional liability for payment of wages pertaining to the year in question.

11. In the result, both the appeals are dismissed.

Order pronounced in the Open Court on 21<sup>st</sup> October, 2021.

Sd/-  
**(S.S. VISWANETHRA RAVI)**  
**JUDICIAL MEMBER**

Sd/-  
**(R.S.SYAL)**  
**VICE PRESIDENT**

पुणे Pune; दिनांक Dated : 21<sup>st</sup> October, 2021  
सतीश

**आदेश की प्रतिलिपि □ प्रेषित/Copy of the Order is forwarded to:**

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent;
3. The CIT(A)-4, Pune
4. The PCIT-3, Pune
5. DR, ITAT, 'A' Bench, Pune
6. गार्ड फाईल / Guard file.

**आदेशानुसार/ BY ORDER,**

**// True Copy //**

Senior Private Secretary  
आयकर अपीलीय अधिकरण ,पुणे / ITAT, Pune

		Date	
1.	Draft dictated on	20-10-2021	Sr.PS
2.	Draft placed before author	21-10-2021	Sr.PS
3.	Draft proposed & placed before the second member		JM
4.	Draft discussed/approved by Second Member.		JM
5.	Approved Draft comes to the Sr.PS/PS		Sr.PS
6.	Kept for pronouncement on		Sr.PS
7.	Date of uploading order		Sr.PS
8.	File sent to the Bench Clerk		Sr.PS
9.	Date on which file goes to the Head Clerk		
10.	Date on which file goes to the A.R.		
11.	Date of dispatch of Order.		

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