



IN THE INCOME TAX APPELLATE TRIBUNAL
PUNE BENCHES "B", PUNE

BEFORE DR.MANISH BORAD, ACCOUNTANT MEMBER
AND SHRI VINAY BHAMORE, JUDICIAL MEMBER

आयकर अपील सं. / ITA No.1141/PUN/2023

Assessment Year : 2020-21

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| Springer Nature Technology and Publishing Solutions Private Limited, Upper Ground Tower 8, Magarpatta City, Pune City Pune 411 013, Maharashtra PAN : AACCC8853E | Vs. | The Assessment Unit, Income Tax Department & The Deputy Commissioner of Income-tax, Circle-5, Pune |
| Appellant | | Respondent |

आयकर अपील सं. / ITA No.2800/PUN/2024

Assessment Year : 2020-21

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| Springer Nature Technology and Publishing Solutions Private Limited, Upper Ground Tower 8, Magarpatta City, Pune City Pune 411 013, Maharashtra PAN : AACCC8853E | Vs. | The Deputy Commissioner of Income-tax, Circle-5, Pune |
| Appellant | | Respondent |

| | | |
|-----------------------|---|--|
| Appellant by | : | Shri Vishal Kalra (through virtual) |
| Respondent by | : | Shri Ajay Kumar Keshari |
| Date of hearing | : | 28.04.2025 |
| Date of pronouncement | : | 14.05.2025 |

आदेश / ORDER

PER DR. MANISH BORAD, ACCOUNTANT MEMBER :

The captioned appeals at the instance of assessee are directed against the separate orders dated 06.09.2023 and 21.10.2024 framed by National Faceless Appeal Centre, Delhi/Addl/JCIT(A), Jodhpur u/s.250 of the Income-tax Act, 1961 (in short 'the Act') arising out of Assessment order dated



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22.09.2022/Intimation order dated 11.10.21. For the sake of convenience these appeals were heard together and are being disposed of by this common order.

2. In ITA No.1411/PUN/2023, assessee has raised following grounds of appeal :

“The Appellant objects to the order dated September 22, 2022 passed under section 143(3) read with section 144B of the Income-tax Act, 1961 ('Act') by the Assessment Unit, Income Tax Department ('learned AO') for the aforesaid assessment year on the following amongst other grounds:

1. The order passed by the learned AO is ultra vires, illegal, bad in law and contrary to the provisions of the Act.

Disallowance of claim of deduction under section 10AA of the Act on interest income earned

2. The learned AO erred in disallowing claim of deduction under section 10AA on the interest income on short term deposits of INR 17,49,170.

3. The learned AO erred in not appreciating the submissions made by the Appellant in its proper perspective.

Incorrect amount of disallowance of 10AA of the Act in respect of interest income earned

4. Without prejudice to the above, the learned AO has erroneously denied the deduction under section 10AA of the Act to the tune of INR 17,49,170 instead of INR 8,74,585 (50% of INR 17,49,170) which has been claimed by the Appellant.

5. The learned AO erred in not appreciating the submissions made by the Appellant in its proper perspective.

Disallowance of delayed contribution of employees contribution to ESIC under section 36(1) (va) of the Act

6. The learned AO has erred in confirming the disallowance on account of delayed contribution of employees contribution to ESIC under section 36(1)(va) of INR 29,602 made under the intimation order under section 143(1), without assigning any reasons whatsoever.



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7. The learned AO has failed to appreciate the fact that the said amount has been reported as paid within the due date specified under the respective ESIC Act under Clause 20(b) of the Tax Audit Report filed by the Appellant and hence, do not warrant disallowance.

Disallowance of unpaid amounts of Tax and duties, Employers Contribution to Provident Fund, Employers Contribution to ESIC and Bonus

8. The learned AO has erred in confirming the disallowance on account of Tax and duties namely Profession Tax of INR 2,68,200, Employers Contribution to Provident Fund of INR 43,55,286, Employers Contribution to ESIC of INR 1,35,555 and Bonus of INR 5,07,95,670 made under the intimation order under section 143(1), without assigning any reason whatsoever,

9. The learned AO has failed to appreciate the fact that the said amount has been reported as paid on or before the due date of filing return under in Clause 26(1)(B)(a) of the Tax Audit Report filed by the Appellant and hence, do not warrant disallowance.

Incorrect computation of Book Profit under section 115JB

10. The learned AO erred in computing the book profit of the Appellant as INR 44,18,82,070 as against INR 34,13,91,024 computed in the return of Income and processed in the intimation order under section 143(1) of the Act, without assigning any reason whatsoever.

Incorrect amount of MAT credit utilization

11. The learned AO erred in granting credit of MAT credit utilization under section 115JAA of the Act to the tune of INR 21,85,591 as against INR 30,47,876 claimed in the return of income and processed in the intimation order under section 143(1) of the Act, without assigning any reason whatsoever.

Levy of Interest under section 234A and 234B of the Act

12. The learned AO has erred in levying interest under section 234A of the Act of INR 2,13,902, without assigning any reason whatsoever.

13. The learned AO has erred in levying interest under section 234B of INR 66,02,052, without assigning any reason whatsoever.

Excess levy of interest under section 234C of the Act



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14. *The learned AO erred in levying interest under section 234C of the Act amounting to INR 39,34,599 as against Interest of INR 6,02,585 as per return of income, thereby levying excess interest of INR 33,32,014 under section 234C of the Act, without assigning any reasons whatsoever.*

Initiation of penalty proceedings

15. *The learned AO has erred in initiating penalty proceedings under section 270A of the Act.*

16. *Each one of the above grounds of appeal is without prejudice to the other.*

17. *The Appellant craves leave to add, to amend, to alter, to substitute, and to withdraw any or all of the above grounds of appeal.”*

3. In ITA No.2800/PUN/2024, assessee has raised following grounds of appeal :

“The Appellant objects to the Intimation order dated October 11, 2021 passed under section 143(1) of the Income-tax Act, 1961 (‘the Act’) by the learned Assistant Director of Income Tax, Centralized Processing Centre (‘learned ADIT-CPC’) for the aforesaid assessment year on the following grounds:

1. *The order passed by the learned ADIT-CPC is ultra vires, illegal, bad in law and contrary to the provisions of the Act.*

Intimation passed without providing the mandatory opportunity in terms of provisions of section 143(1)(a) of the Act

2. *The learned ADIT-CPC, has erred in law and on facts in not issuing a proposal under section 143(1)(a) of the Act before passing an intimation under section 143(1) of the Act, if any, and thereby erred in not providing the mandatory opportunity of being heard to the Appellant in terms of provisions of first proviso to section 143(1) of the Act.*

Disallowance of claim of deduction under section 10AA on interest income earned

3. *The learned ADIT-CPC has erred in making the disallowance of claim under section 10AA of the Act amounting to Rs. 17,09,96,537, without assigning any reason whatsoever.*



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4. The learned ADIT-CPC has failed to appreciate the fact that the said amount has been reported in the Form 56F's filed for the year under consideration and hence, do not warrant disallowance.

Disallowance of delayed contribution of employees contribution to ESIC under section 36(1)(va) of the Act

5. The learned ADIT-CPC has erred in making disallowance on account of delayed contribution of employees contribution to ESIC under section 36(1)(va) of Rs. 29,602 without assigning any reasons whatsoever.

6. The learned ADIT-CPC has failed to appreciate the fact that the said amount has been reported as paid within the due date specified under the respective ESIC Act under Clause 20(b) of the Tax Audit Report filed by the Appellant.

Disallowance of unpaid amounts of Tax and duties, Employers Contribution to Provident Fund, Employers Contribution to ESIC and Bonus

7. The learned ADIT-CPC has erred in making the disallowance on account of Tax and duties namely Profession Tax of Rs. 2,68,200, Employers Contribution to Provident Fund of Rs. 43,55,286, Employers Contribution to ESIC of Rs. 1,35,555 and Bonus of 5,07,95,670, without assigning any reason whatsoever. Rs.

8. The learned ADIT-CPC has failed to appreciate the fact that the said amount has been reported as paid on or before the due date of filing return under in Clause 26(i)(B)(a) of the Tax Audit Report filed by the Appellant and hence, do not warrant disallowance.

Levy of Interest under section 234A and 2348 of the Act

9. The learned ADIT-CPC has levied an interest under section 234A of the Act of Rs. 7,17,497, without assigning any reason whatsoever.

10. The learned ADIT-CPC has erred in levying excess interest under section 2348 of INR 1,26,84,174, without assigning any reason whatsoever.

Excess levy of interest under section 234C of the Act

11. In the return of income filed for captioned assessment year, the Appellant had paid Interest under section 243C of the Act amounting Rs. 6,02,585.

12. However, in the intimation, the learned ADIT-CPC has erroneously levied Interest under section 234C of the Act



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amounting to Rs. 39,34,599, thereby levying excess interest of Rs. 33,32,014 under section 234C of the Act, without assigning any reasons whatsoever.

13. Each of the aforesaid grounds are without prejudice to each other.

14. The Appellant craves leave to add, to amend, to alter, to substitute, and to withdraw any or all of the above grounds of appeal.”

4. Brief facts of the case are that the assessee is a Private Limited company and engaged in the business of publisher of Journals in Science, Technology, Medicine Sector and Publisher of STM books.. Income of Rs.21,53,01,220/- declared in the income-tax return for A.Y.2020-21 furnished on 30.12.2000. Return processed u/s.143(1)(a) of the Act vide intimation dated 11.10.2021 wherein certain *prima-facie* adjustments were made and the income assessed at Rs.44,18,82,070/-. However, the deemed income u/s.115JB of the Act remained same at Rs.34,13,91,024/-.

5. Against the various adjustments made by CPC including the denial of claim u/s.10AA of the Act at Rs.17,09,96,537/- and disallowance made u/s.36(1)(va) of the Act assessee preferred appeal before ld.CIT(A) on 14.02.2024 but the same was dismissed *in limine* on account of delay of 827 days.

6. Prior to the filing of appeal before ld.CIT(A) against the intimation order u/s.143(1)(a) of the Act, case of the assessee was selected for scrutiny and valid notice u/s.143(2) was issued on 29.06.2021 following by issuance of notices u/s.142(1) of the Act and the assessment proceedings were carried out. Ld. AO mainly dealt with the exemption claim



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u/s.10AA of the Act and found that the assessee had made a correct claim u/s.10AA of the Act but made addition on account of interest on Fixed Deposit of Rs.17,49,170/- as it was not earned from the business activity for which exemption u/s.10AA of the Act has been claimed. Ld. AO assessed the income at Rs.27,26,34,701/- after making various additions/adjustments :

| <i>Sl.No.</i> | <i>Description</i> | <i>Amount (in INR)</i> |
|---------------|--|--------------------------|
| 1 | <i>Income as per Return of Income filed</i> | <i>Rs.21,53,01,220/-</i> |
| 2 | <i>Income as computed by the system u/s.143(1)(a)</i> | <i>Rs.44,18,82,068/-</i> |
| 3 | <i>Less : Allowing deduction u/s.10AA disallowed in the income computed u/s.143(1)</i> | <i>Rs.17,09,96,537/-</i> |
| 4 | <i>Add : Variation in respect of issue of Deduction Claimed for Industrial Undertaking u/s.10AA of the Act</i> | <i>Rs.17,49,170/-</i> |
| 5 | <i>Total Income/Loss determined as per proceedings u/s.143(3) of the Income Tax Act, 1961 ((2+3+4)</i> | <i>Rs.27,26,34,701/-</i> |

7. Against the additions made in the assessment order dated 22.09.2022 assessee preferred appeal before ld.CIT(A) but partly succeeded. Eventhough the impugned order is against the assessment framed u/s.143(3) of the Act is running into 51 pages but the finding of ld.CIT(A) is cryptic and not specific against the issues raised in the grounds of appeal.

8. In the above backdrop of these facts, we find ld.CIT(A) has dismissed the assessee's appeal *in limine* on account of delay in filing the appeal against the order u/s.143(1)(a) of the Act and on the other hand the finding of ld.CIT(A) is not specific and the issues have not been dealt with properly in



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the grounds of appeal raised against the order u/s.143(3) of the Act. Ld. Counsel for the assessee was asked as to why the issues in both these appeals should not be restored to the file of ld.CIT(A) for examining the issues properly. It was also asked that when the adjustments made in the order u/s.143(1)(a) of the Act has already formed part of the assessment order framed u/s.143(3) of the Act, the order u/s.143(1)(a) has merged with order u/s.143(3) of the Act, then appeal filed by the assessee u/s.143(1)(a) becomes infructuous. To this, ld. Counsel for the assessee prayed that both the appeals may please be restored to the file of ld.CIT(A) for deciding them afresh after providing reasonable opportunity to the assessee. He also prayed to condone the delay in filing of the appeal before ld.CIT(A) against the order u/s.143(1)(a) of the Act.

9. On the other hand, ld. Departmental Representative vehemently argued supporting the orders of the lower authorities. However, he did not object for restoration of the appeals to the file of ld.CIT(A).

10. We have heard the rival submissions and perused the record placed before us. We observe that the return of the assessee filed on 31.12.2020 for A.Y. 2020-21 was processed u/s.143(1)(a) of the Act on 11.10.2021 but prior to passing of the intimation u/s.143(1) case of the assessee selected for scrutiny and intimation u/s.143(1) of the Act was issued on 29.06.2021. Ideally once the notice has been issued u/s.143(2) of the Act, CPC should not have carried the proceeding u/s.143(1) but the interesting point is that even



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after the notice was issued u/s.143(2) on 29.06.2021 but still ld. AO while concluding the proceedings on 22.09.2022 has taken into consideration the adjustments made in the order u/s.143(1) of the Act and even reversed one of the adjustment made by CPC by allowing deduction u/s.10AA of the Act which was disallowed in the income computed by CPC u/s.143(1) of the Act. Further, we notice that in one of the impugned order which was filed against the intimation u/s.143(1)(a) there was delay of 827 days in filing of the appeal for which valid reasons were given. Ld.CIT(A) ought to have condoned the delay and dealt with merits of the case. However, ld.CIT(A) has dismissed the appeal *in limine*. It is also noticed that another appeal filed before the ld.CIT(A) against the order u/s.143(3) of the Act though ld.CIT(A) has passed an elaborate order but the order is general/cryptic and not specific and the same deserves to be re-adjudicated considering the facts and circumstances of the case. In view thereof and considering the submissions made by ld. Counsel for the assessee, both the impugned orders are restored to the file of ld.CIT(A) who shall carry out the appellate proceedings for the various issues raised in the intimation order u/s.143(1)(a) as well as assessment order u/s.143(3) of the Act. Needless to say that sufficient opportunity of hearing will be provided to the assessee. Grounds of appeal raised in both the impugned orders are allowed for statistical purposes.



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11. In the result, both the appeals of the assessee are allowed for statistical purposes.

Order pronounced on this 14th day of May, 2025.

Sd/-
(VINAY BHAMORE)
JUDICIAL MEMBER

Sd/-
(MANISH BORAD)
ACCOUNTANT MEMBER

पुणे / Pune; दिनांक / Dated : 14th May, 2025.
Satisfy

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT concerned.
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "B" बेंच,
पुणे / DR, ITAT, "B" Bench, Pune.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

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