

आयकर अपीलीय अधिकरण, राँची न्यायपीठ, राँची

**IN THE INCOME TAX APPELLATE TRIBUNAL RANCHI BENCH, RANCHI
BEFORE SHRI GEORGE MATHAN, JM & SHRI RATNESH NANDAN SAHAY, AM**
आयकर अपील सं./ITA Nos.164,165,166,167,168,169,170&266/RAN/2017
(A.Y :2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14)

आयकर अपील सं./ITA Nos.32/RAN/2018

(AY : 2014-2015)

आयकर अपील सं./ITA Nos.190 & 191/RAN/2019

(AY:2015-16 & 2016-17)

आयकर अपील सं./ITA Nos.119, 120, 74/RAN/2024

(AY: 2018-19, 2019-20 & 2020-21)

| | | |
|--|-----|---------------------------|
| M/s Central Coalfields Limited, Darbhanga House, Office of GM Finance-A, Opp. Governor House Ranchi-834001 | Vs. | Addl.CIT, Range-1, Ranchi |
| स्थायी लेखा सं./PAN No. : AAACC 7476 R | | |

AND

आयकर अपील सं./ITA Nos.172,173,174,175,176,177,178 & 235/RAN/2017
(A.Y :2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14)

आयकर अपील सं./ITA No.37/RAN/2018

(AY : 2014-2015)

आयकर अपील सं./ITA Nos.174 & 175/RAN/2019

(AY:2015-16 & 2016-17)

आयकर अपील सं./ITA Nos.47, 203, 204, 128/RAN/2024

(AY: 2017-2018, 2018-19, 2019-20 & 2020-21)

| | | |
|---|-----|--|
| Addl.CIT, Range-1, Ranchi | Vs. | M/s Central Coalfields Limited, Darbhanga House, Office of GM Finance-A, Opp. Governor House Ranchi-834001 |
| स्थायी लेखा सं./PAN No. : AAACC 7476 R | | |
| (अपीलार्थी /Appellant) | .. | (प्रत्यर्थी / Respondent) |

| | | |
|--------------------------------------|---|---|
| निर्धारिती की ओर से /Assessee by | : | Shri M.K.Chowdhary & Shri Devesh Poddar, Advocates |
| राजस्व की ओर से /Revenue by | : | Shri Rajib Jain, CIT-DR |
| सुनवाई की तारीख / Date of Hearing | : | 05/01/2026 |
| घोषणा की तारीख/Date of Pronouncement | : | 05/01/2026 |

आदेश / ORDER

Per Bench :

These are the cross appeals filed by the assessee and revenue against the separate orders passed by the Id.CIT(A), Ranchi/NFAC, Delhi, dated 12.04.2017, 26.04.2017, 25.04.2027, 28.04.2017, 08.11.2017,

30.01.2019, 21.12.2023, 19.02.2024, 20.02.2024 & 30.01.2024 for the assessment years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 & 2020-21, respectively.

2. Ld. AR, at the outset, submitted that assessee's appeal may be taken first and appeals may be decided on issue-wise. In this regard, Id. AR submitted a chart mentioning the issues involved in all the appeals for all the years under consideration, which reads as follows :-

M/s CENTRAL COALFIELDS Ltd.

Assessee's Appeals-disputed Additions

| Sl. | Head | AY 2006-07 | AY 2007-08 | AY 2008-09 | AY 2009-10 | AY 2010-11 |
|-----|---|-----------------------|---------------------|-----------------------|---------------------|--------------------|
| | I.T.A. No. | 164/RAN/2017 | 165/RAN/2017 | 166/RAN/2017 | 167/RAN/2017 | 168/RAN/2017 |
| | | By Assessee | By Assessee | By Assessee | By Assessee | By Assessee |
| 1 | Lease Rent/ Depreciation Forest Land | 1,33,78,37,000 | 17,33,32,000 | | | |
| 2 | Land & Crop Compensation | 89,82,07,000 | 74,48,000 | 2,80,62,000 | 26,65,86,000 | 3,60,36,000 |
| 3 | Credit of Dividend Distribution Tax | 40,87,00,000 | | | | |
| 4 | Rehabilitation fund Contribution Expenses | 23,17,26,000 | 23,16,60,000 | 25,20,60,000 | 26,19,00,000 | |
| 5 | IICM Charges | | | 2,20,00,000 | 2,16,22,000 | 2,35,40,000 |
| 6 | Provisions Toward NCWA VIII | | | 2,13,49,00,000 | | |
| 7 | Mine Closure Expenses | | | 19,85,73,000 | 1,21,53,000 | |
| 8 | CSR Expenses – Welfare | | | | | |
| 9 | u/s 14A | | | | | |
| 10 | Disallowance of Prior Period Expenses | 8,99,66,000 | 14,79,92,000 | 2,21,98,000 | 91,73,000 | |
| 11 | Prior Period Expenses as per Note 32 of Annual Report | | | | | |
| 12 | Prior period exp. not exceeding Rs. 10 Lacs, on estimate @ 50%- enhancement | | | | | |
| 13 | Repair expenses | | | | | |
| 14 | Stripping Activity Adjustment | | | | | |
| 15 | R & D Expenses and Actuary Payment | | | | | |
| 16 | Expense u/s 35E | | | | | |
| 17 | Int. u/s 234A / 234B | | | | | |
| | Total Rs. | 2,87,64,70,000 | 56,04,32,000 | 2,65,77,93,000 | 57,14,34,000 | 5,95,76,000 |
| | Grand total Disputes Rs. | | | | | |

M/s CENTRAL COALFIELDS Ltd.

Assessee's Appeals-disputed Additions

| Sl. | Head | AY 2011-12 | AY 2012-13 | AY 2013-14 | AY 2014-15 | AY 2015-16 |
|-----|---|---------------------|---------------------|--------------------|---------------------|-----------------------|
| | I.T.A. No. | 169/RAN/2017 | 170/RAN/2017 | 266/RAN/2017 | 32/RAN/2018 | 190/RAN/2019 |
| | | By Assessee | By Assessee | By Assessee | By Assessee | By Assessee |
| 1 | Lease Rent/ Depreciation Forest Land | 39,98,32,440 | 30,88,83,502 | | | |
| 2 | Land & Crop Compensation | 24,09,000 | 12,00,000 | 7,00,000 | 5,00,000 | 1,00,000 |
| 3 | Credit of Dividend Distribution Tax | | | | | |
| 4 | Rehabilitation fund Contribution Expenses | | | | | |
| 5 | IICM Charges | 2,37,61,000 | 2,40,00,000 | 2,40,00,000 | 2,51,00,000 | 83,40,000 |
| 6 | Provisions Toward NCWA VIII | | | | | |
| 7 | Mine Closure Expenses | | | | | |
| 8 | CSR Expenses – Welfare | | | 5,00,000 | 22,57,00,000 | |
| 9 | u/s 14A | | | 47,00,000 | 4,18,00,000 | |
| 10 | Disallowance of Prior Period Expenses | | | | | |
| 11 | Prior Period Expenses as per Note 32 of Annual Report | | | | | 33,11,00,000 |
| 12 | Prior period exp. not exceeding Rs. 10 Lacs, on estimate @ 50%- enhancement | | | | | 14,89,91,861 |
| 13 | Repair expenses | | | | | 23,99,90,931 |
| 14 | Stripping Activity Adjustment | | | | | |
| 15 | R & D Expenses and Actuary Payment | | | | | |
| 16 | Expense u/s 35E | | | | | |
| 17 | Int. u/s 234A / 234B | | | | | |
| | Total Rs. | 42,60,02,440 | 33,40,83,502 | 2,99,00,000 | 29,31,00,000 | 1,06,99,22,792 |
| | Grand total Disputes Rs. | | | | | |

M/s CENTRAL COALFIELDS Ltd.**Assessee's Appeals-disputed Additions**

| Sl. | Head | AY 2016-17 | AY 2017-18 | AY 2018-19 | AY 2019-20 | AY 2020-21 |
|-----|---|-----------------------|-------------|-----------------------|------------------------|---------------------|
| | I.T.A. No. | 191/RAN/2019 | No appeal | 119/RAN/2024 | 120/RAN/2024 | 74/RAN/2024 |
| | | By Assessee | By Assessee | By Assessee | By Assessee | By Assessee |
| 1 | Lease Rent/ Depreciation Forest Land | 68,31,00,000 | | 99,64,95,453 | 74,74,00,000 | |
| 2 | Land & Crop Compensation | 1,00,000 | | | | |
| 3 | Credit of Dividend Distribution Tax | | | | | |
| 4 | Rehabilitation fund Contribution Expenses | | | | | |
| 5 | IICM Charges | 92,10,000 | | | | |
| 6 | Provisions Toward NCWA VIII | | | | | |
| 7 | Mine Closure Expenses | | | | | |
| 8 | CSR Expenses – Welfare | | | | | |
| 9 | u/s 14A | | | | | |
| 10 | Disallowance of Prior Period Expenses | 5,10,00,000 | | | | |
| 11 | Prior Period Expenses as per Note 32 of Annual Report | 65,48,51,116 | | | | |
| 12 | Prior period exp. not exceeding Rs. 10 Lacs, on estimate @ 50%- enhancement | 35,29,25,558 | | | | |
| 13 | Repair expenses | | | 10,09,00,000 | | 21,99,00,000 |
| 14 | Stripping Activity Adjustment | | | | | 36,08,20,000 |
| 15 | R & D Expenses and Actuary Payment | | | 39,21,891 | | |
| 16 | Expense u/s 35E | | | | 7,54,00,000 | |
| 17 | Int. u/s 234A / 234B | | | | | |
| | Total Rs. | 1,75,11,86,674 | - | 1,10,13,17,344 | 82,28,00,000 | 58,07,20,000 |
| | Grand total Disputes Rs. | | | | 13,13,47,37,752 | |

3. The first issue is with regard to disallowance of Lease Rent/Depreciation Forest Land expenses. It was submitted that the assessee in some years has paid and some years been treated as the amortisation over the period of lease and in some years the depreciation has been claimed treating the forest land lease as an intangible assets. It was submission that the assessee did not get any capital asset nor did it get any enduring benefit. This expenditure was, in fact, a revenue expenditure which is liable to be allowed. It was submission that there is no dispute by the revenue that the expenditure is genuine. The payments have been made to the government only. There is no private parties involved. It was the submission that the assessee may be either granted amortisation of the lease rent over the life of each lease or the assessee may be granted deprecation at 25% on WDV over the life of assets.

4. In reply, Ld. CIT DR submitted that the amortisation of the lease rental over the lease period would be the appropriate method as land is not a depreciable asset. It was further submission that the Ld. AR on the behalf of the assessee that during some of the year the revenue has not made any disallowance on this issue of lease rental. Therefore, even if amortisation is granted, it could lead to computation problems.

5. We have considered the submissions of the both the sides. Admittedly, the forest land is not a capital asset. The assessee did not get own receipt over any asset. The assessee has only been given right to mining in the said land and along with the mining on the completion of the mining the assessee is also duty bound to restore the land to its original condition and return it to the government, failing which the compensation has to be paid by the assessee for afforestation. Thus, as the assessee is being given only a lease of the land, it is directed that the assessee is permitted to amortize the lease consideration over the life of each lease. The AO shall grant the assessee the benefit of amortization of the lease rental over the period of lease. Where the assessee has claimed depreciation and the issue has not been adjudicated by the AO or assessment has been done, the amortization shall be done and be calculated and where excess relief has been granted to the assessee, the same shall be withdrawn and where the short relief has been granted to the assessee, the appropriate relief shall be granted. With these directions these issues are restored to the file of the AO for readjudication. The assessee shall cooperate in assisting the AO in arriving at the correct

figures in the computation. Thus, this issue is partly allowed for statistical purposes.

6. Next issue is with regard to disallowance land and crop compensation. It was submitted by the Ld.AR that for the purpose of mining to reach the coal layer the assessee has to remove the soil from the top. It was the submission that in certain locations, agricultural operation also done by agriculturalist and for the assessee do its mining activity it would be destruction of the said agricultural land. It was the submission that consequently the assessee had to pay the compensation to the farmers for the use of their land in regard to the mining activity as also the destruction of the crops. It was submission that the AO disallowed the said amount on the ground that the said expenditure is capital in nature. It was submission that no new asset is obtained by the assessee by payment of the compensation. He relied upon the decision of the Hon'ble Calcutta High Court in the case of Birla Corporation Limited reported in 159 taxmann.com 651(Calcutta), wherein the Hon'ble Kolkata High Court in para 8 of its order has held as follows:-

8. It is undisputed that the assessee acquired a mining lease of 9.99 kilometers situated in village-Chittorgarh for obtaining lime stone used as raw material for manufacture of cement. To carry out the mining operation/business activity, the assessee has paid the amount in question to land owners for damage caused to the surface of the land or for infringement of rights of land owner by conducting mining operations and the business operations. The amount paid by the assessee was determined by the Collector in terms of the statutory provision of Rajasthan Revenue Act read with the Rajasthan Land Acquisition Act. The event to pay compensation arose to the assessee only on account of damage caused to the surface of the land falling in mining lease area during mining operation/business operation. There was no requirement to pay had there been no damage caused to the surface of the land by mining/business operation. Thus, the payment in question made by

the respondent/assessee was in the nature of expenditure for carrying out business operations. No interest in land has been acquired by the respondent/assessee by payment of such compensation. Thus, the payments are in the nature of incidental expenditure to conduct the mining and business operation. Therefore, the expenditure so incurred by the respondent/assessee is revenue in nature. Consequently, the CIT(A) and the Income-tax appellate Tribunal have not committed any error of law to hold the aforesaid expenditure of Rs. 19,38,232/- as revenue in nature and accordingly allowed the deduction.

7. It was submission that the said expenditure being revenue in nature, is liable to be allowed.

8. In reply, the Ld.CIT DR placed reliance on the decision of the Hon'ble Madhya Pradesh High Court decision in the case of Northern Coal Fields Ltd. in Income Tax Appeal No: 32 of 2017 passed in Writ petition No.5424 of 2020 dated 15/04/2025 wherein the Hon'ble Madhya Pradesh High Court has held as follows:-

V. Section 37(1) of the Income-tax Act, 1961 - Business expenditure - Allowability of (Welfare expenses of employees) - Assessee-company was engaged in business of coal mining - It claimed expenses incurred towards welfare of its employees like canteen, hostels, etc. business expenditure Commissioner disallowed same on ground that said expenditures had not been properly explained and that assessee had not proved genuineness of expenditure - Tribunal held that expenditure had been necessitated by National Coal Wage Agreement and expenditure had been audited by statutory auditors as well as by CAG -Therefore, Tribunal allowed expenditure for which details and evidence were placed before Assessing Officer and disallowed that part for which no evidence was placed before Assessing Officer nor before Tribunal - Whether said allowance of expenditure in-principle did not suffer from any illegality or perversity and so far as allowing of part expenditure was concerned, it was purely in realm of facts and did not amount to any substantial question of law - Held, yes [Para 33] [In favour of assessee]

9. It was submission that in effect the assessee is removing the over burden of the land to reach the coal belt for the purpose of its mining. It was submission that this is the latest High Court decision on the issue and

directly on the subject. It was submission that the compensation paid by the assessee is part of the expenditure incurred for removing the over burden and the same is liable to be treated as capital expenditure.

10. At this point, it was put to the Ld.CIT DR that the said expenditure is treated as capital expenditure, how will the assessee get any benefit of the said expenditure, insofar as the assessee is not getting any asset by incurring the said expenditure. It was submission of the Ld.CIT DR that if at all the assessee can be given amortization of the said expenditure over the life of the mining.

11. In reply, the Ld.AR submitted that the decision of the Hon'ble Madhya Pradesh High Court has been challenged before the Hon'ble Supreme Court and the matter is pending. It was also the submission that the Madhya Pradesh High Court is the only decision which is against the assessee. The Ld. AR submitted that in the case of Mahanadi Coal Field also the Hon'ble High Court of Orissa is also in favour of the assessee on the said issue. The Ld.AR submitted that in view of the principles laid down by the Hon'ble Supreme Court in the case of vegetable products reported in 88 ITR 192(SC), when there are divergent view, the view in favour of assessee is to be adopted.

12. We have considered the rival submissions. A perusal of the facts in the present case shows that this expenditure has incurred by the assessee for the purpose of reaching the coal belt and to facilitate the extraction of the coal. A perusal of the decision of the Hon'ble Madhya Pradesh High Court, referred to supra, shows that was the case where the mining had

already completed its life and the expenditure was incurred for restarting the mining activity and to reach the lower crust for extraction of the coal. In the assessee's case this is not so. The assessee is claiming the said expenditure for the removal of the surface for starting of the mining activity itself. The assessee is not restarting a dead mining. This being so, respectfully following the decision of the Hon'ble Kolkata High Court in the case of Birla Corporation Limited, referred to supra, the said expenditure is directed to be allowed as revenue expenditure. Thus, this issue is decided in favour of the assessee.

13. Next issue is with regard to credit of dividend distribution. It was the submission that the assessee has paid the dividend distribution tax. Ld.AR drew our attention to page 12 of the paper book which is a challan for the same, the copy of which is as follows :-

12

करदाता का प्रतियोगी / Taxpayers Counterfoil (To be filled up by tax payer)

स्वामी लेखा नं. / PAN: **ARRAC7471R**

Received from: **CENTRAL COALFIELDS LIMITED RANCHI**
(नाम) / (Name)

के नाम/पाने के डेबिट / बैंक नं. / Credit Debit to A/c (Cheque No. / For No. **759061** अ.प.नं. **408688500**)

₹. (शब्दों में) **₹. Forty crore Eighty six Lakhs Eighty eight thousand five hundred only**

अदाकर्ता बैंक / Drawn on: **Punjab National Bank, Ranchi**
(बैंक का नाम) / (Name of the Bank and Branch)

हस्ताक्षर / Sign: **[Signature]**

DATE: **05/09/2006**

BSR CODE: **01300038**

Sl. No.: **00001**

Under Rupees Forty crore Eighty six Lakhs Eighty eight thousand five hundred only

PAID ONLY

DATE: **05-09-2006**

PAY: **P.N.B. Ranchi A/c Corporation Tax**

या धारक को - OR BEARER -

रुपये **₹. Forty crore eighty six lakh eighty eight thousand five hundred only** अदा करें

₹. **408688500/-**

040400

Authorized Signatory: **[Signature]**
S. N. Ganguli Road, RANCHI (Jharkhand)

Authorized Signatory: **[Signature]**
Central Coalfields Ltd RANCHI

PAYABLE AT ALL CBS BRANCHES SZS

759061 0000240001 29

14. It was the submission that this is an expenditure which has been incurred by the assessee on the basis of an order of the Govt Of India Ministry of Coal dated 25.06.2003. It was the submission that the said order was issued by the Ministry of Coal for dealing with fire and stabilization of unstable areas in ECL and BCCL. It was proposed that a charge of Rs.6/- per ton will be levied on the coal released from all the subsidiaries of coal India Limited for the said purpose. It was the submission that the assessee is a subsidiary of Coal India Limited. The payment has been made to Coal India Limited. The assessee had not made the claim in its return originally. It was only when the matter was pending before the Ld. CIT(A) the assessee recognized its mistake and raised the claim. The Id. CIT(A) denied the assessee the claim because by applying the principle laid down by the Hon'ble Supreme Court in the case of Goetze (India) Limited, reported in [2006] 284 ITR 323 (SC). It was the submission that the allowability of the expenditure is not in dispute, the issue was on account of the non-claiming of the said expenditure in the return. It was the submission that in view of the principle laid down by the Hon'ble supreme Court in the case of Goetze (India) Ltd., referred to supra, itself this Tribunal is can direct the AO to allow the expenditure even though no revise return has been filed.

15. In reply, the Ld CIT-DR submitted that admittedly the said expenditure has been incurred on the basis of the order of the Ministry of Coal. It was the submission that the assessee has not made the claim in its return. He vehemently supported the orders of the AO and the CIT(A).

16. We have considered the rival submissions. Considering the fact that the said expenditure has been incurred on account of an order of the Govt. of India and Ministry of Coal the said expenditure is an allowable expenditure. As it is an allowable expenditure but it was not being claimed in the return applying principles laid down by the Hon'ble Supreme Court in the case of Goetze (India) Ltd., referred to supra, the AO is directed to grant the assessee the benefit of the expenditure as claimed. Thus, the issue is decided in the favour of the assessee

17. The next issue is in regard to disallowance made on IICM charges. It was submitted by the Id. CIT-DR that the assessee has paid charges for having their staff trained at Indian Institute of Coal Mines. It was submission that this was basically technical services received no TDS had been deducted and the same was liable to be disallowed .

18. In reply, the Ld.AR submitted that coal India Limited had created the Indian Institute of Coal Mines by the Board Resolution. It was submissions that the Coal India Ltd. the parent company had directed that the 50 Paisa per ton was to be paid for the setting up of the said institute. It was submission that the said institute did not give any technical services to the coal company. It was only a training school in regard to the various aspects of mining activities. It was the submission that the payments have not been made to IICM but has been made to Coal India Limited. It was the submission as the assessee has not received any technical services the same cannot be treated as payment for any technical fees. It was

submission that no TDS is liable to be deducted. It was submission that the expenditure is liable to be allowed.

19. We have considered the rival submissions. A perusal of the facts in the present case clearly shows that this is an expenditure incurred for the purpose of setting up and maintaining an institute where the staffs of the assessee can be sent for training in regard to best practices and other safety precautions etc. Similar is also in regard to the administration. There has no technical assistance given by the said institute to the assessee. The assessee has also admittedly the not paid any amount to IICM, it has been paid to Coal India Limited on the basis of charge raised by the Coal India Limited. This being so, disallowances as made by the AO and as confirmed by the CIT(A) stands deleted. It is directed that no TDS is liable to be deducted on the said payment. Thus, this issue is in held in favour of the assessee.

20. Next issue is in regard to provisions towards NCWA VIII. It was the submission that this is an interim relief on account of the pay revision. It was the submission that in April 2008 the holding company being M/s. Coal India Limited had given a direction and a guidance of providing the liability on account of the pay revision. On the basis of the said direction of Coal India the assessee had made a provision for the wages to be paid to the employees. It was the submission that the AO disallowed the same on the ground that the liability was not crystalized. It was the submission that under identical circumstances, the coordinate bench of this Tribunal in the assessee's own case for the assessment year 2004-05 has held the issue

in favour of the assessee in ITA No.186/Ran/2008, dated 03.12.2014 wherein the coordinate bench as held as follows :-

3. The first Issue relates to the disallowance of claim relating to "Adhoc provision of pending wage revision. The assessee had provided a sum of Rs.1708.24 lakhs on account of adhoc provision made towards Interim relief pending finalisation of NCWA-VII (National Coal Wage Agreement-VII). The quantum of liability was determined at 10% of basic pay of non executive employees and the same was approved by the Board of Directors. Accordingly, the assessee provided for the above said amount and claimed the same as expenditure. The assessee contended before the AO that the Accounting Standard notified by the CBDT u/s 145(2) (reported in 218 ITR (St.) 1) provides that the known liabilities should be provided for in the accounts, even though the amount could not be ascertained with certainty. Further, the assessee also placed reliance on the decision of Hon'ble Supreme Court in the case of Bharat Earth Movers Vs. CIT (245 ITR 428), wherein the Hon'ble Apex Court had held that the definite liabilities should be allowed as deduction, although the liability may have to be quantified and discharged at a future date. However, the AD was not convinced with the said explanations. He was of the view that only ascertained liabilities are allowable as deduction and accordingly disallowed the adhoc provision made by the assessee on the reasoning that it has not crystallised during the Instant year. The Ld CIT(A), however, deleted this addition.

The Ld CIT(A) has noticed that the Board of directors have passed necessary resolution to pay interim relief of 10% and hence the assessee has provided for the adhoc provision and claimed the same as deduction. The Ld CIT(A) also noticed that the resolution passed by the Board of Directors needs to be implemented and further noticed that the assessee has given effect to the


resolution by disbursing the relief amount the very next month. Accordingly, the Ld CIT(A) deleted the addition. We are in agreement with the decision taken by the Ld CIT(A). As mentioned in the Accounting Standard issued by the CBDT u/s 145(2) of the Act as well as the Hon'ble Supreme Court in the case of Bharat Earth Movers (supra), it is the accounting requirement/prudence to provide for all known liabilities and losses, even though the actual quantification may be made subsequently. In the instant case, there is no dispute with regard to the fact that the assessee is bound by the decision taken in National Coal Wage Agreement-VII. The assessee was also very much certain that there would be definite increase in the wages and further the said liability is known to the assessee as at the end of the year relevant to the present assessment year. Hence, in accordance with the prudent accounting practice, the assessee has estimated the liability at 10% of the basic pay of non-executive employees as on 30.6.2001. The AO has taken

the view that the claim of the assessee falls in the category of unascertained liability, which in our view, is not correct. In the instant case, there is certainty about the liability, but the exact quantification could be known to the assessee in the future upon finalisation of the wage agreement. We find support for this view from the decision rendered by the Mumbai bench of Tribunal in the case of TATA communications Ltd Vs. JCIT (2013)(32 taxmann.com 197), wherein the Hon'ble President was one of the parties. Accordingly, we confirm the order of Ld CIT(A) on this issue.

21. It was the submission that the guidance provided by Coal India Limited is as follows :-

AY 2008-09

कोल इण्डिया लिमिटेड
 10, नेताजी सुभाष रोड, कलकत्ता-700 001, W. B.
 फोन : 033 248 8009, ग्राम : कोल इण्डिया
 फैक्स : 033-243 5318
 ईमेल : telcail@coal2.vsnl.net.in
 वेबसाइट : www.coalindia.nic.in



Coal India Limited
 10, NETAJI SUBHAS ROAD, CALCUTTA-700 001, W. B.
 PHONE : 033 248 8099, GRAM : COAL INDIA
 FAX : 033-243 5318
 E-MAIL : telcail@coal2.vsnl.net.in
 WEBSITE : www.coalindia.nic.in

CIL/CGM(F)/ 31185/88. Date: 21-04-2008

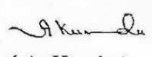
**Sub: Provision for liability for Interim Relief for
NCWA-VIII in the Accounts of 2007-08.**

In view of recent JBCCI decision to pay Interim Relief to all Wage Board employees of all Coal companies including ECL and BCCL it is imperative to provide liability in the Accounts for the year ended 31-03-2008, finalisation of which is under progress.

As a guidance for basis of providing the liability the following is to be adhered to:

- i) That the liability should be provided @ 15% of Basic plus DA of all Wage Board employees as on 30-06-2006 for the entire period from 01-07-2006 to 31-03-2008 in the Annual Accounts for 2007-08.
- ii) Since the Interim Relief will qualify for contribution / deduction towards CMPF / PF and @2% on account of employees contribution towards CMPS' 98, Gratuity, Leave Benefit and other statutory deductions, all corresponding employer's share of liability on these heads should also be suitably provided for.
- iii) The amount of Interim Relief should be shown separately under a separate head in the Annual Accounts.

This issues with the approval of the Competent Authority.


 (A. Kundu)
 Chief General Manager(Finance)

Distribution:

- CMDs,
ECL / BCCL / CCL / WCL / NCL / SECL / MCL / CMPDIL
- Director (Finance),
ECL / BCCL / CCL / WCL / NCL / SECL / MCL
CGM, NEC, Margherita.
- c.c. Director (Finance) / Director (Technical) / Director (P&IR), CIL
- c.c. CGM / TS to Chairman, CIL Company,
Chief Finance Manager, CMPDIL.
General Manager(Finance), CIL

22. It was the submission that the expenditure having been crystalized, insofar as the computation having been done on the basis of the guidelines provided by Coal India Limited the expenditure is liable to be allowed.

23. In reply, the Ld CIT-DR vehemently supported the orders of the AO and the CIT(A).

24. We have considered the rival submissions. A perusal of the facts in the present case clearly shows that the said expenditure towards the National Coal Wages Agreement Series-VIII (NCWA-VIII) is as per the direction of the parent company and as per the guidelines of the parent company dated 21.04.2008. As the provision has been made on the guidelines provided by the parent company, we are of the view that respectfully following the decision of the coordinate bench of this Tribunal in the assessee's own case for the assessment year 2004-05, referred to supra, the assessee has rightly made the provision and same is allowable and, therefore, the AO is directed to allow the same. Thus, this issue is held in the favour of the assessee.

25. The next issue is in regard to disallowance of Mines Closure Expenses. It was submitted by the Id. AR that once the amounts have been exhausted then the assessee has to return the loan after restoration to the forest department. It was the submission that the expenditure incurred for the restoration of the mine land to its original status had been allowed in all the years except the assessment years 2008-2009 & 2009-2010. It was the submission that the assessee had inadvertently missed to make the claim and the same was claimed in appeal before the Id. CIT(A). It was the

submission that in view of the decision of the Hon'ble Supreme Court in the case of Goetze (India) Ltd., referred to supra, the AO may be directed to grant the assessee the benefit of expenditure as claimed.

26. In reply, Id.CIT-DR vehemently supported the orders of the Id. AO and Id. CIT(A).

27. We have considered the rival submissions. As it is noticed that the expenditure is claimed on the guidelines prepared by the Government of India and the expenditure had been mistakenly not claimed when filing the return for the assessment year 2008-2009 & 2009-2010, in view of the decision of the Hon'ble Supreme Court in the case of Goetze (India) Ltd., referred to supra, the AO is directed to grant the assessee the benefit of the mine closure expenses as claimed by the assessee. In these circumstances, this issue is held in favour of the assessee.

28. The next issue is in regard to disallowance of CSR Expenses (Welfare). It was the submission that the assessee had incurred expenditure for welfare of the Tribals and family planning in the villages near to the mining area. It was the submission that these were necessary expenses to maintain good relationship with the villagers and workers. It was the submission that the workers come from the villages.

29. In reply, Id.CIT-DR submitted that this is not a business related expenditure. It was the submission that this expenditure was not required and it is not wholly and exclusively for the purpose of business.

30. We have considered the rival submissions. A perusal of the facts of the present case shows that the Id. AO has brought out the income and the

expenditure in the assessment order and none of the expenditure which has been claimed by the assessee are exclusively for the purpose of the business of the assessee. The disallowance made by the AO and confirmed by the Id. CIT(A) is on right footing and does not call for any interference. Thus, this issue is decided against the assessee.

31. The next issue is in regard to disallowance u/s.14A of the Act. It was the submission that Rule 8D came into effect only from the assessment year 2015-2016. It was the submission that before A.Y.2015-2016, there was no disallowance u/s.14A of the Act that could be made. It was the submission that the disallowance as made by the AO and as confirmed by the Id. CIT(A) is liable to be deleted.

32. In reply, Id. CIT-DR submitted that the provision of Section 14A of the Act was in existence and the some disallowances were called for. It was submitted that the disallowance should be proportionate to the investment made.

33. In rejoinder, Id. AR submitted that the bonds were on account of securitization of the debts. It was the submission that in the earlier years the Id.CIT(A) has held this issue in favour of the assessee. It was submitted by the Id. AR that in the assessment year 2013-2014 this was a wrong issue raised before the Tribunal and he wants to withdraw this ground. In regard to the assessment year 2014-2015, it was the submission that the Id. CIT(A) has confirmed the disallowance only because this was a fresh claim made before the Id. CIT(A). It was the submission that for the assessment year 2014-2015, the assessee has by mistake made the disallowance in its

return and before the Id. CIT(A) the assessee had sought relief on the ground that rule 8D does not apply. It was the submission that as it was a fresh claim before the Id. CIT(A), the Id.CIT(A) has disallowed assessee's claim.

34. We have considered the rival submissions. As it is noticed that the issue of disallowance u/s.14A of the Act is in regard to the securitization of debts which have already been offered as income in respect of the relevant years, we are of the view that the disallowance u/s.14A of the Act itself is not called for. Consequently for the assessment year 2014-2015 also applying the principle of law laid down by the Hon'ble Supreme Court in the case of Goetze (India) Ltd., referred to supra, the AO is directed to allow assessee's claim that no disallowance u/s.14A of the Act is to be made. Thus, this issue is held in favour of the assessee.

35. The next issue is in regard to disallowance of prior period expenses. It was submitted by the Id. AR that the AO disallowed the same on the ground that the assessee has not been able to show that the expenses are being ascertained in the impugned assessment year. It was the submission that these are basically expenses which are missed to be claimed in the earlier years and such expenses in respect of which the details were received in the Head Office late. It was submitted that the income which has been offered by the assessee under the similar head has been accepted. It is only the net which has been disallowed. It was the submission that the assessee having made the payments during the

impugned assessment year, the assessee is entitled to the claim of expenditure.

36. In reply, Id.CIT-DR submitted that it was the duty of the assessee to finalize its accounts properly. If the expenses are related to an earlier year such expenses should have been claimed in the earlier year. He vehemently supported the orders of the Id. AO and Id.CIT(A).

37. We have considered the rival submissions. A perusal of the schedule to the profit and loss account regarding the prior period adjustment showed that said adjustment includes both income and expenditure of the earlier years which have been missed. This adjustment has been done in the prior period adjustment. The AO has disallowed the net of the income and expenditure. In short, the AO accepts the income of the prior period but has disallowed the part of the expenditure. As the assessee has paid the amount during the impugned assessment year, the question of crystallization of liability no more arises. The assessee is entitled to the expenditure on actual payment. The assessee having made the payment, the AO is directed to grant the assessee the allowance of such expenditure. Thus, this issue is in favour of the assessee.



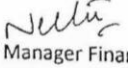
38. The next issue is in regard to disallowance of prior period expenses as per Note 32 of the Annual Report and prior period expenses not exceeding Rs.10 lakhs on estimate @50%-enhancement. It was the submission of the Id. AR that this issue relates to the assessment year 2015-2016 and 2016-2017. It was the submission that both the issues are similar to the issue decided in regard to disallowance of prior period

expenses, wherein the AO has accepted the income and disallowed the net of the expenditure. It was submitted that Id. CIT(A) further went on to enhance the disallowance by disallowing the netting of income. It was the submission that the arguments were similar to the arguments made in regard to the issue decided on account of disallowance of prior period expenses. As we have already directed the AO that expenditure is liable to be allowed on actual payment, both the issues are also decided *pari materia* with our decision in regard to the disallowance of prior period expenses. Thus, both the issues are held in favour of the assessee.

39. The next issue is in regard to the repair expenses. The assessee has been unable to provide the break up of the expenses and the nature of the repairs. The assessee says that it is repairs of miscellaneous in nature in the office and factory premises of the assessee. As the assessee has not been able to provide the details, the repair expenses disallowed by the AO and confirmed by the Id. CIT(A) stands upheld. Thus, this issue is held against the assessee.

40. The next issue is in regard to stripping activity adjustment. This issue is similar to the issue raised against the disallowance of land and crop compensation. It was the submission that the arguments were identical to the issue of land crop and compensation. As we have already held the said expenditure under the head land and crop compensation is an allowable expenses, on identical facts the AO is directed to grant the assessee the benefit of revenue expenditure in regard to the stripping activity adjustment. Thus, this issue is held in favour of the assessee.

41. The next issue is in regard to disallowance of R&D expenses and actuary payment. It was submitted that the R & D expenses was the apportioned expenses by Coal India Ltd. claimed on the assessee. Ld. AR has placed before us the copy of the debit memo issued by M/s Coal India Ltd., which reads as follows :-

| <p>कोल इण्डिया लिमिटेड नया मुंबई रोड, कोलकाता-700 031, W. B. फोन : 033 248 0399, प्रम. सेवा केंद्र : 033 248 0310 फैक्स : 033-248 0310 ईमेल : info@coalindia.net वेबसाइट : www.coalindia.co.in</p> |  | <p>Coal India Limited 16, NEELAR SINGH ROAD, CALCUTTA-700 001, W. B. PHONE : 033 248 0099, SHAM : COAL INDIA FAX : 033 248 5316 E MAIL : info@coalindia.net WEBSITE : www.coalindia.co.in</p> | |
|---|---|--|--------|
| DEBIT/CREDIT MEMO | | | |
| Ref no : CIL/C-3(A)/ | | Date : 30/06/2017 | |
| To, |  | | |
| Chief Manager (Finance)/Sr. manager (Finance), ECL,BCCL,CCL,NCL,WCL,SECL,MCL,NEC. Sanctoria,Dhanbad,Ranchi, Singrauli, Nagpur, Bilaspur, Sambalpur,Margherita. | | | |
| Dear Sir, | | | |
| Your Account is debited by the following Amounts on Account of R&D expenses for completed projects (Unadjusted amounts upto June 2017) as per annexure | | | |
| Amt in Rs. | | | |
| Sl.no | Subsidiary | Debit | Credit |
| 1 | Eastern Coalfields Ltd. | 2313814.19 | |
| 2 | Bharat Coking Coal Ltd | 2115095.69 | |
| 3 | Central Coalfields Ltd | 3828757.18 | |
| 4 | Northern coalfields Ltd | 4802363.60 | |
| 5 | Western coalfields Ltd | 2605610.59 | |
| 6 | South Eastern Coalfields Ltd | 7994422.16 | |
| 7 | Mahanadi coalfields Ltd. | 7949310.78 | |
| 8 | North Eastern coalfields | 34261.81 | |
| TOTAL | | 31643636.00 | 0.00 |
| Yours faithfully, For Coal India Ltd | | | |
|  | | | |
| Sr. Manager Finance/ Manager Finance/ Asst. Manager Finance | | | |

42. It was the submission that as this claim is made by the Coal India Ltd. and the same is liable to be allowed.

43. In reply, Id. CIT-DR vehemently supported the orders of the Id. AO and Id. CIT(A).

44. We have considered the rival submissions. As the R & D expenses is only for the assessment year 2018-2019 and the same is on account of debit note issued by the Coal India Ltd. as extracted above, the said expenses is directed to be allowed as revenue expenses. Thus, this issue is decided in favour of the assessee.

45. The next issue is in regard to disallowance u/s.35E of the Act. It was the submission that the said expenses was on account of the prospecting and boring expenses in respect of the mines. It was the submission that the expenditure was claimed before start of the mining. It was the submission that the assessee has amortized these expenses at 1/10th every year. It was the submission that in all the other years, the said expenses had been allowed but only for the assessment year 2019-2020 the said expenditure has been disallowed. It was the submission that in line with the principle of consistency the said expenditure is to be allowed for the impugned assessment year also.

46. In reply, Id. CIT-DR vehemently supported the orders of the Id. AO and Id. CIT(A).

47. We have considered the rival submissions. As it is noticed that the said expenses has been allowed for the earlier years and subsequent years, applying the principle of consistency, the AO is directed to allow the

expenses claimed u/s.35E of the Act. Thus, this issue is held in favour of the assessee.

48. The next issue is in regard to levy of interest u/s.234A/234B of the Act. At the time of hearing, Id. AR submitted that this issue is now been held against the assessee by the jurisdictional High Court in the case of Manoj Kapoor, passed in Tax Appeal No.55 of 2019, dated 16.08.2023. Respectfully following the principle laid down by the Hon'ble Jurisdictional High Court, this issue is held against the assessee.

49. Thus, the appeal of the assessee for A.Y.2006-2007, 2007-2008, 2011-2012, 2012-2013 and 2015-2016 are partly allowed for statistical purposes and appeals of the assessee for A.Y.2013-2014 & 2014-2015 are partly allowed and rest of the appeals are allowed.

50. Now, we shall take up the appeals of the revenue. Ld. AR has also submitted a chart mentioning all the issues in the appeals of the revenue requesting that the appeals of the revenue may be decided on issue-wise as mentioned in the chart, which reads as follows :-

M/s CENTRAL COALFIELDS Ltd.

Departmental Appeals-disputed Additions

| Sl. | Head | AY 2006-07 | AY 2007-08 | AY 2008-09 | AY 2009-10 | AY 2010-11 |
|------|--|----------------------|---------------------|----------------------|---------------------|----------------------|
| | I.T.A. No. | 172/RAN/2017 | 173/RAN/2017 | 174/RAN/2017 | 175/RAN/2017 | 176/RAN/2017 |
| | | By Deptt. | By Deptt. | By Deptt. | By Deptt. | By Deptt. |
| ✓1. | Tax Free Bond u/s 14A | 2,62,95,000 | 1,85,40,000 | 2,12,51,000 | 1,64,80,500 | 71,47,000 |
| ✓2. | Prior Period Expenses | Wrongly taken | | | | |
| ✓3. | Community Deve. Enviorn. Exp. exp | 4,60,23,000 | 6,14,82,000 | 8,73,15,000 | 10,22,13,000 | 9,90,47,000 |
| ✓4. | Environment & Tree Plantation | | | | | |
| ✓5. | Grant to School & Sports Costs | | 3,54,33,000 | 4,73,83,000 | 6,74,95,000 | 14,93,74,000 |
| ✓6. | Land & Crop | | | Wrongly taken | | |
| ✓7. | Mines Development Exp | | | 1,63,23,000 | 13,53,43,000 | |
| ✓8. | CMPDIL Expenses | | | 18,36,39,000 | 19,13,85,000 | 43,53,60,000 |
| ✓9. | IICM Expenses | | | Wrongly taken | | Wrongly taken |
| ✓10. | Mines Closure Expenses | | | | | |
| ✓11. | Provision for NCWA | | | | | 22,72,13,000 |
| ✓12. | Executive Pay Revision | | | | | |
| ✓13. | Siding Maintenance Expenses | | | | | |
| ✓14. | Miscellaneous Expenses | | | | | |
| ✓15. | Stripping Activity Adjustment | | | | | |
| ✓16. | CSR Expenses | | | | | |
| | Total Rs. | 7,23,18,000 | 11,54,55,000 | 35,59,11,000 | 51,29,16,500 | 91,81,41,000 |
| | Grand total of Disputes Rs. | | | | | |

M/s CENTRAL COALFIELDS LtdDepartmental Appeals-disputed.

| Sl. | Head | AY 2011-12 | AY 2012-13 | AY 2013-14 | AY 2014-15 | AY 2015-16 |
|-----|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | I.T.A. No. | 177/RAN/2017 | 178/RAN/2017 | 235/RAN/2017 | 37/RAN/2018 | 174/RAN/2019 |
| | | By Deptt. | By Deptt. | By Deptt. | By Deptt. | By Deptt. |
| 1. | Tax Free Bond u/s 14A | 33,45,000 | 22,25,826 | Wrongly taken | | |
| 2. | Prior Period Expenses | | | | | |
| 3. | Community Deve. Enviorn. Exp. | 12,24,87,000 | 3,06,00,000 | 3,97,00,000 | 2,29,00,000 | 4,74,00,000 |
| 4. | Environment & Tree Plantation | | | | | |
| 5. | Grant to School & Sports | 11,67,32,000 | 14,65,00,000 | 17,57,00,000 | 21,05,00,000 | 22,99,00,000 |
| 6. | Land & Crop | | | | | |
| 7. | Mines Development Exp | | | | | |
| 8. | CMPDIL Expenses | 56,93,18,000 | 51,68,00,000 | 49,38,00,000 | 36,53,00,000 | 21,22,00,000 |
| 9. | IICM Expenses | | | | | |
| 10. | Mines Closure Expenses | 47,39,30,000 | 1,05,13,00,000 | 1,00,35,00,000 | 1,08,63,00,000 | 1,37,01,00,000 |
| 11. | Provision for NCWA | | | | | |
| 12. | Executive Pay Rivision | | | | | |
| 13. | Siding Maintenance Expenses | | | | | |
| 14. | Miscellaneous Expenses | | | | | |
| 15. | Striping Activity Adjustment | | | | | |
| 16. | CSR Expenses | | 15,52,00,000 | 13,61,00,000 | 4,37,00,000 | |
| | Total Rs. | 1,28,58,12,000 | 1,90,26,25,826 | 1,84,88,00,000 | 1,72,87,00,000 | 1,85,96,00,000 |
| | Grand total of Disputes Rs. | | | | | |

M/s CENTRAL COALFIELDS LtdDepartmental Appeals-disputed.

| Sl. | Head | AY 2016-17 | AY 2017-18 | AY 2018-19 | AY 2019-2020 | AY 200-21 |
|-----|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| | I.T.A. No. | 175/RAN/2019 | 47/RAN/2024 | 203/RAN/2024 | 204/RAN/2024 | 128/RAN/2024 |
| | | By Deptt. | By Deptt. | By Deptt. | By Deptt. | By Deptt. |
| 1. | Tax Free Bond u/s 14A | | | | | |
| 2. | Prior Period Expenses | | | | | |
| 3. | Community Deve. Enviorn. Exp. | 5,62,00,000 | 5,03,00,000 | 3,36,00,000 | 4,19,00,000 | 2,86,00,000 |
| 4. | Environment & Tree Plantation | | | | | |
| 5. | Grant to School & Sports | 22,25,00,000 | 25,16,00,000 | 24,09,00,000 | | |
| 6. | Land & Crop | | | | | |
| 7. | Mines Development Exp | | | | | |
| 8. | CMPDIL Expenses | 38,68,00,000 | 23,96,00,000 | 41,13,00,000 | 55,54,00,000 | 66,96,00,000 |
| 9. | IICM Expenses | | | | | |
| 10. | Mines Closure Expenses | 1,65,42,00,000 | 68,11,00,000 | 68,41,00,000 | 63,00,00,000 | |
| 11. | Provision for NCWA | | 2,89,76,00,000 | | | |
| 12. | Executive Pay Rivision | | 12,86,00,000 | 1,36,26,00,000 | | |
| 13. | Siding Maintenance Expenses | | 22,87,00,000 | 9,21,00,000 | 23,22,00,000 | 10,68,00,000 |
| 14. | Miscellaneous Expenses | | 32,70,00,000 | 18,48,00,000 | 37,21,00,000 | 31,69,00,000 |
| 15. | Striping Activity Adjustment | | | 56,90,00,000 | 69,52,00,000 | |
| 16. | CSR Expenses | | | | | |
| | Total Rs. | 2,31,97,00,000 | 4,80,45,00,000 | 3,57,84,00,000 | 2,52,68,00,000 | 1,12,19,00,000 |
| | Grand total of Disputes Rs. | | | | | 24,95,15,79,326 |

51. The first issue is in regard to Tax Free Bond u/s.14A of the Act. This issue is identical to the issue decided in the appeals of the assessee for the assessment years 2013-2014 and 2014-2015 in favour of the assessee. Therefore, our findings recorded in the said appeals shall apply *mutatis mutandis* to the appeals of the revenue in regard to this issue. Thus, this issue is decided against the revenue.

52. Next issue is in regard to prior period expenses. This issue is identical to the issue decided in the appeals of the assessee for the assessment years 2006-2007, 2007-2008, 2008-2009, 2009-2010 & 2015-2016 in favour of the assessee. Therefore, our findings recorded in the said appeals shall apply *mutatis mutandis* to the appeals of the revenue in regard to this issue. Thus, this issue is decided against the revenue.

53. Next issue is in regard to community development environment expenses. It was fairly agreed that the issue is now squarely covered by the decision of the Hon'ble Jurisdictional High Court in assessee's own case passed in Tax Appeal No.17 of 2001 & 18 of 2001 dated 01.11.2012, wherein the Hon'ble Jurisdictional High Court following the decision of the Hon'ble Delhi High Court in the case of Delhi Cloth & General Mills, reported in 115 ITR 659 (Delhi-HC) has held the issue in favour of the assessee. Respectfully following the decision of the Hon'ble Jurisdictional High Court in assessee's own case for the assessment year 1993-1994 and 1994-1995 in Tax Appeal No.17 & 18 of 2001, the findings of the Id. CIT(A) stands confirmed. Thus, this issue is held against the revenue.

54. Next issue is in regard to Environment & Tree Plantation. It was fairly agreed by both the sides that this was not the issue in the appeal of revenue and needs no adjudication. Thus, this issue is not adjudicated upon being not an issue raised in the appeal of the revenue.

55. Next issue is in regard to grant to school & sports. It was fairly agreed by both the sides that this issue is squarely covered by the decision of the Hon'ble Jurisdictional High Court in assessee's own case for A.Y.1993-1994 and 1994-1995 passed in Tax Appeal No.17 of 2001, dated 01.11.2012 and it is similar to the community development environment expenses. Respectfully following the decision of the Hon'ble Jurisdictional High Court in assessee's own case, this issue is held in favour of the assessee and against the revenue. Thus, this ground of revenue stands dismissed.

56. Next issue is in regard to land & crop expenses. This issue is identical to the issue decided in the appeals of the assessee for the assessment years 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2011-2012, 2012-2013, 2013-2014, 2014-2015m 2015-2016& 2016-2017 in favour of the assessee. Therefore, our findings recorded in the said appeals shall apply *mutatis mutandis* to the appeals of the revenue in regard to this issue. Thus, this issue is decided against the revenue.

57. Next issue is in regard to Mines Development expenses. It was submitted by the Id. AR that this expenditure incurred for development of mines and for all the years these expenses were allowed except for the assessment year 2009-2010. Therefore, Id. AR submitted that following the

consistency, the Id. CIT(A) has allowed the expenses in favour of the assessee.

58. In reply, Id. CIT-DR vehemently supported the orders of the Id. AO and Id. CIT(A).

59. We have considered the rival submissions. As it is noticed that the expenditure has been allowed for all the other assessment years under consideration and there is no change in the facts for these two assessment years, the finding of the Id. CIT(A) stands confirmed. Thus, this ground of revenue stands dismissed.

60. Next issue is in regard to CMPDIL Expenses. It was submitted that these were the expenses paid to Central Mining Planning Design Institute Limited (CMPDIL). It was the submission that this institute is developed by the Coal India Ltd. It was the submission that this institute assisted in identifying the depth to which the digging is required for reaching the coal seam, the gas levels in the mines. The methodology for laying the explosive so as to cause the least environmental damage. It was the submission that technical assistance were being given by this institute and the assessee has deducted the TDS also in regard to the payments made to them. It was the submission that these expenditures and their services were required for the effective and economical mining of coal. It was the submission that the Id. CIT(A) has rightly allowed the said expenses.

61. In reply, Id. CIT-DR submitted that some of these expenditures have been incurred before the mining activities as actually started and for the

development of new mines. It was the submission that the proportionate expenses is liable to be disallowed.

62. We have considered the rival submissions. The fact remains that the expenditure has been incurred for the technical assistance given by CMPDIL for the effective and economic mining of the coal by the assessee. These are clearly for the business purpose of the assessee. The fact that these expenses were incurred as assisting the assessee company doing its business activities. In these circumstances, we are of the view that the findings of the Id. CIT(A) deleting that the addition is on right footing does not call for any interference. Consequently, this issue is held in favour of the assessee and against the revenue.

63. Next issue is in regard to IICM expenses. It was fairly agreed by both the sides that the issue is identical to the issue decided in the appeals of the assessee for the assessment years 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016 & 2016-2017 in favour of the assessee. Therefore, our findings recorded in the said appeals shall apply *mutatis mutandis* to the appeals of the revenue in regard to this issue. Thus, this issue is decided against the revenue.

64. Next issue is in regard to mines closure expenses. This issue is identical to the issue decided in the appeals of the assessee for the assessment years 2008-2009 & 2009-2010 in favour of the assessee. Therefore, our findings recorded in the said appeals shall apply *mutatis mutandis* to the appeals of the revenue in regard to this issue. Thus, this issue is decided against the revenue.

65. Next issue is in regard to provision for NCWA. It was fairly agreed by both the sides that the issue is identical to the issue decided in the appeal of the assessee for the assessment year 2008-2009 in favour of the assessee. Therefore, our findings recorded in the said appeals shall apply *mutatis mutandis* to the appeals of the revenue in regard to this issue. Thus, this issue is decided against the revenue.

66. Next issue is in regard to executive pay revision. It was fairly agreed by both the sides that the issue is identical to the issue of provisions toward NCWA VIII decided in the appeal of the assessee for the assessment year 2008-2009 in favour of the assessee. Therefore, our findings recorded in the said appeals shall apply *mutatis mutandis* to the appeals of the revenue in regard to this issue. Thus, this ground of appeal stands rejected and decided against the revenue.

67. Next issue is in regard to siding maintenance expenses. It was fairly agreed by both the sides that these expenses was in regard to maintenance of the railway siding in the premises of the assessee's mines. A perusal of the order of the Ld.CIT(A) clearly shows that this expenditure has been normally allowed in the earlier years but for the assessment years 2017-18, 2018-19, 2020-21, the AO has disallowed the same by treating the same as capital expenditure. The Ld. CIT(A) has treated the same as revenue expenditure and for the purpose of the business of the assessee. The revenue has not been able to point out any error in the finding of the Ld.CIT(A). Consequently, the finding in the Ld.CIT(A) on this issue stands upheld and this issue is decided against the revenue.

68. The next issue is in regard in the miscellaneous expenses. A perusal of the order of the Ld.CIT(A) shows that the Ld.CIT(A) has called for a remand report from the AO and has then deleted the disallowances. The revenue has not been able point out any error in the findings of the Ld.CIT(A) and it is also noticed that the AO has also not controverted the issues before the Ld.CIT(A) and he has not provided the remand report on the issue. This being so, no interference in the order of the Id.CIT(A) is called for. Thus, the findings recorded by the Id. CIT(A) stands upheld and the issue is decided against the revenue.

69. Next issue is in regard to striping activity adjustment. It was fairly agreed by both the sides that the issue is identical to the issue decided in the appeal of the assessee for the assessment year 2020-2021 in favour of the assessee. Therefore, our findings recorded in the said appeals shall apply *mutatis mutandis* to the appeals of the revenue in regard to this issue. Thus, this ground of appeal stands rejected and decided against the revenue.

70. Next issue is in regard to CSR Expenses. It was fairly agreed by both the sides that the issue is identical to the issue decided in the appeals of the assessee for the assessment years 2013-2014 & 2014-2015 against the assessee. Therefore, our findings recorded in the said appeals shall apply *mutatis mutandis* to the appeals of the revenue in regard to this issue. Thus, the findings recorded by the Id. CIT(A) in this regard stands upheld and this ground of appeal stands decided in favour of the revenue.

71. Thus, the appeals of the revenue in ITA Nos.178/Ran/2017 for A.Y.2012-2013, ITA No.235/Ran/2017 for A.Y.2013-2014 and in ITA No.37/Ran/2018 for A.Y.2014-2015 stand partly allowed and other appeals i.e. ITA No.172-177/Ran/2017 for A.Yrs.2006-2007 to 2011-2012 and ITA No.174&175/Ran/2019 for A.Y.2015-2016 & 2016-2017 and ITA No.47, 203, 204, 128/Ran/2024 for A.Ys. 2017-2018 to 2020-2021 stand dismissed.

72. In the result, appeal of the assessee in ITA No.164/Ran/2017 for A.Y.2006-2007, ITA No.165/Ran/2017 for A.Y. 2007-2008, ITA No.169/Ran/2017 for A.Y.2011-2012, ITA No.170/Ran/2017 for A.Y.2012-2013 and ITA No.190/Ran/2019 for A.Y. 2015-2016, ITA No.191/Ran/2019 for A.Y.2016-2017, ITA No.119/Ran/2024 for A.Y.2018-2019 and ITA No.120/Ran/2024 for A.Y.2019-2020 are partly allowed for statistical purposes and appeals of the assessee in ITA No.266/Ran/2017 and ITA No.32/Ran/2018 for A.Y.2013-2014 & 2014-2015 are partly allowed and ITA No.166/Ran/2017 for A.Y.2008-2009, ITA No.167/Ran/2017 for A.Y.2009-2010, ITA No.168/Ran/2017 for A.Y.2010-2011 and ITA No.74/Ran/2024 for A.Y.2020-2021 are allowed in above terms.

Order dictated and pronounced in the open court on 05/01/2026.

Sd/-

(RATNESH NANDAN SAHAY)

लेखा सदस्य / ACCOUNTANT MEMBER

Sd/-

(GEORGE MATHAN)

न्यायिक सदस्य / JUDICIAL MEMBER

राँची Ranchi; दिनांक Dated 05/01/2026

Prakash Kumar Mishra, Sr.P.S.

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

1. अपीलार्थी / The Appellant- .
2. प्रत्यर्थी / The Respondent-
3. आयकर आयुक्त(अपील) / The CIT(A),
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, राँची / DR, ITAT, Ranchi
6. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//

आदेशानुसार/ BY ORDER,

(Senior Private Secretary)

आयकर अपीलीय अधिकरण, राँची / ITAT, Ranchi