

**F.No. 279/Misc/140/2015/ITJ  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes**

New Delhi, 19<sup>th</sup> May, 2016

**Subject: Additional Depreciation u/s 32(1)(ia) of the Income Tax Act, 1961 -reg.**

An assessee, engaged in the business of manufacture or production of an article or thing, is eligible to claim additional depreciation under clause (ia) of sub-section (1) of section 32 of the Income-tax Act, 1961 (hereinafter referred to as the Act) in addition to the depreciation allowance under sub-section (1) of section 32 of the Act.

2. Whether or not an assessee engaged in printing or printing and publishing is eligible for grant of additional depreciation under clause (ia) of sub-section (1) of section 32 of the Act, has been a contentious issue. In other words, whether printing or printing and publishing amounts to manufacture or production of article or thing has been contested in legal forums.

3. The Hon'ble Kerala High Court in the case of Mathrubhoomi Printing & Publishing Co. vide its judgment<sup>1</sup> dated 16.2.2015 in ITA No 23 of 2015 relied upon the Hon'ble Delhi High Court judgement dated 31.5.2013 in ITA No 49 of 1996 in the case of Delhi Press Patra Prakashan Ltd.<sup>2</sup> and held that printing and publishing activity is a manufacturing activity and therefore, assessee is eligible for grant of additional depreciation u/s 32(1)(ia).

4. The Board has accepted the position that printing or printing and publishing amounts to manufacture or production of article or thing. The judgments of Hon'ble Delhi and Kerala High Courts on this issue have been accepted. Thus the issue relating to grant of depreciation u/s 32(1)(ia) has not been further contested, though the Delhi High Court judgment has been contested on other issues.

5. It is, therefore, a settled position that the business of printing or printing and publishing amounts to manufacture or production of an article or thing and is accordingly eligible for additional depreciation u/s 32(1)(ia) of the Act. Henceforth, appeals may not be filed on this ground by officers of the Department and those already filed, in Courts/Tribunals may be withdrawn / not pressed upon.

6. The above may be brought to the notice of all concerned.

*Sadhana*  
19/5/16  
(Sadhana Panwar)  
DCIT (OSD) (ITJ),  
CBDT, New Delhi.

Copy to:

1. The Chairman, Members and officers of the CBDT of the rank of Under Secretary and above.

<sup>1</sup> 2015-LL-0216-3 (NJRS)

<sup>2</sup> 2013-LL-0531-176 (NJRS)

2. OSD to Revenue Secretary.
3. All Pr. Chief Commissioners of Income-Tax & All Directors General of Income-Tax with a request to bring to the attention of all officers.
4. The Pr. Director General of Income-Tax, NADT, Nagpur.
5. The Pr. DGIT (Systems), ARA Centre, Jhandewalan Extension, New Delhi.
6. The Pr. DGIT (Vigilance), New Delhi.
7. The ADG (PR, PP & OL), Mayur Bhawan, New Delhi for printing in the quarterly tax bulletin and for circulation as per usual mailing list.
8. The Comptroller and Auditor General of India.
9. The ADG-4 (Systems) for uploading on ITD website.
10. Data Base Cell for uploading on irsofficersonline.
11. Guard file.

*Panwar*  
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