

आयकर अपीलीय अधिकरण, गौहाटी न्यायपीठ, गुवाहाटी
IN THE INCOME TAX APPELLATE TRIBUNAL GAUHATI BENCH, GUWAHATI
BEFORE SHRI GEORGE MATHAN, JM & SHRI LAXMI PRASAD SAHU, AM
(THROUGH : VIRTUAL HEARING)

आयकर अपील सं./ITA No.114/GTY/2025

(निर्धारण वर्ष / Assessment Year :2017-2018)

ITO Ward-Morigaon & TPS, Marigaon, Assam-782105	Vs.	Progressive Fertichem Pvt Ltd Nizarapar Road, Near Lions Club, Jagiroad, Morigaon, Marigaon, Assam-782410
PAN No. : AAACP 1451 B		
(अपीलार्थी /Appellant)	..	(प्रत्यर्थी / Respondent)

निर्धारिती की ओर से /Assessee by	: Shri Kishor Jain, FCA
राजस्व की ओर से /Revenue by	: Shri Santosh Karnani, Sr. DR
सुनवाई की तारीख / Date of Hearing :	04/02/2026
घोषणा की तारीख/Date of Pronouncement	04/02/2026

आदेश / O R D E R

Per George Mathan, JM:

This is an appeal filed by the revenue against the order of the Id. CIT(A), National Faceless Appeal Centre (NFAC), Delhi, dated 06.03.2025 for the assessment year 2017-2018.

2. It was submitted by the Ld.Sr DR that the first issue was against the action of the Ld. CIT(A) in deleting the disallowance of the interest on the loans granted by the directors of the assessee's company for the purpose of the business of the assessee which has been used by the assessee's company in a manufacturing process and thereby higher profits have been earned on which the benefit of deduction u/s.80IA of the Act has been claimed. It was submission that this is the manipulation which has been

done by the assessee's company for gaining higher exempt income in the hands of the company. It was the submission that the AO categorically found that the assessee company had taken loans from the directors at low rates of interest than the market rate and consequently the AO had applied the market rate of interest and the consequential interest computed was reduced from the deduction granted to the assessee u/s.80IA of the Act. It was the submission that the Ld.CIT(A) has by a cryptic order granted the said relief by deleting the addition.

3. In reply, the Ld.AR on behalf of the assessee supported the order of the CIT(A).

4. We have considered the rival submissions. A perusal of the assessment order shows that the AO has in pages 4 to 11 of the assessment order computed the interest on the loans granted by the directors Shri Kartik Dey and the lower interest paid to Shri Piyush Kanti Dey on the ground that the interest was less than what was charge by the SBI to the assessee's company on the CC account taken by the company. In page 13 of the assessment order the AO computes the said interest rate Rs,2,14,74,100/- and has reduced the same from the assessee's claim of deduction u/s.80IA of the Act. A perusal of the order of the Ld.CIT(A) in page 12 & 13 shows that the Ld.CIT(A) has considered these facts when he has deleted the addition. A further perusal also shows that there is no bar in the directors of the assessee's company providing interest free loans or lower interest loans to the assessee's company. Obviously, the directors of the company are interest in the higher profitability of the business

company and has consequently given the said loans. The loans have not been claimed to be bogus or given for non business purposes. This being so, we find no reason to interfere in the order of the Ld.CIT(A) on this issue.

5. In regard to the second issue the Ld.Sr.DR submitted that this was against the deduction of the VAT remission from the eligible business claim of 80IE of the Act.

6. A perusal of the order of the Ld.CIT(A) shows that the Ld.CIT(A) has considered the facts that issue was covered by the decision for the assessment year 2013-14. Consequently, we find no reason to interfere in findings of the Ld.CIT(A) on this issue.

7. In regard to the third issue, it was submission that the issue was against the addition of Rs.3,71,503/- representing the interest on the fixed deposits which was treated as the profits of the eligible business claimed u/s.80IE of the Act.

8. A perusal of order of the Ld.CIT(A) shows that the said fixed deposits were given as bank guarantee for participating in the tender for supply of goods to Government Departments. As these fixed deposits were required for tendering and the manufacturing business purpose of the assessee the Ld.CIT(A) has treated the same as being legible for the deduction u/s.80IE of the Act. We find no defect in the order of the Ld.CIT(A) on this issue and consequently we uphold the same.

9. In the result, the appeal of the revenue stands dismissed.

Order dictated and pronounced in the open court on 04/02/2026.

(LAXMI PRASAD SAHU)

लेखा सदस्य / ACCOUNTANT MEMBER

(GEORGE MATHAN)

न्यायिक सदस्य / JUDICIAL MEMBER

गुवाहाटी Guwahati; दिनांक Dated 04/02/2026

प्र.कु.मि/PKM, Senior Private Secretary

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

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

सत्यापित प्रति //True Copy//

आदेशानुसार/ BY ORDER,

(Assistant Registrar)

आयकर अपीलीय अधिकरण, गुवाहाटी / ITAT, Guwahati

		Date	Initial	
1.	Draft dictated on	04.02.26		Sr.PS
2.	Draft placed before author	04.02.26		Sr.PS
3.	Draft proposed & placed before the second member			JM/AM
4.	Draft discussed/approved by Second Member.			JM/AM
5.	Approved Draft comes to the Sr.PS/PS			Sr.PS/PS
6.	Kept for pronouncement on			Sr.PS
7.	File sent to the Bench Clerk			Sr.PS
8.	Date on which file goes to the OS			
9.	Date on which file goes to the AR			
10.	Date of dispatch of Order.			