

**BEFORE THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'SMC 3', NEW DELHI**

**BEFORE SHRI J. SUDHAKAR REDDY, ACCOUNTANT MEMBER**

**ITA No. 6685/Del/2015  
AY: 2009-10**

Conventional Fastners  
C/o Sh. Ranveer Sharma, Adv.  
1<sup>st</sup> floor, Shri Ganesh Complex  
Ranipur More  
Haridwar 249 401

vs. ITO, Ward 1  
Aayakar bhavan  
Industrial area  
Haridwar

**(Appellant)**

**(Respondent)**

**Appellant by** : Sh. Sudhanshu Sharma, C.A.

**Respondent by** : Sh. Rajesh Kumar, Sr.D.R.

**ORDER**

This is an appeal filed by the assessee directed against the order of the Commissioner of Income Tax (Appeals) dated 12/10/2015 for the assessment year 2009-10 on the following grounds:

*"1. Because on facts and in circumstances of the case, the CIT(A)-I, Dehradun has erred in not allowing the benefit of deduction u/s 80 IC on the above said addition despite the same being eligible to deduction.*

*2. Because on facts and in circumstances of the case, the CIT(A)-I, Dehradun has erred by not appreciating the submissions made by the assessee as well as brushing aside the various Court pronouncements and material made available to him."*

2. Facts in brief: The assessee is a partnership firm and is in the business of manufacture and sale of electronic meters. It filed its return of income electronically on 26/09/2009 declaring nil income. The issue that arises for our consideration is whether the Ld. CIT (A) has erred in not allowing the

benefit of deduction under section 80-IC on the addition of Rs. 22,29,129/- being interest income received.

3. I have heard the Ld. counsel for the assessee Sh. Sudhanshu Sharma and the Ld. senior departmental representative Sh. Rajesh Kumar. The assessee in this year has earned interest income on FDR's, which were pledged as performance guarantee, in terms of the contract awarded by UPCL for manufacture of electronic meters. The issue is whether such interest income is eligible for deduction under section 80 IC of the act.

4. The 1<sup>st</sup> appellate authority has followed the decision of the tribunal in the assessee's own case in ITA No. 2556/DL/2013 for the very same assessment year, while deciding the appeal against the order of the Commissioner of income tax under section 263 of the I T act. The findings are brought out at paragraph 24 and 25 of the impugned Ld. CIT (A)'s order. We do not extract the same for the sake of brevity. Suffice to say that, we see no reason to deviate from the decision of the coordinate bench of this Tribunal.

5. Hence I uphold the order of the 1<sup>st</sup> appellate authority and dismiss this appeal of the assessee.

6. In the result the appeal of the assessee is dismissed.

Order pronounced in the open court on 25<sup>th</sup> January, 2017.

Sd/-

**(J.SUDHAKAR REDDY)**  
**ACCOUNTANT MEMBER**

Dated: the 25<sup>th</sup> January, 2017

**\*manga**

Copy of the Order forwarded to:

1. Appellant;
2. Respondent;
3. CIT;
4. CIT(A);
5. DR;
6. Guard File

By Order

Asst. Registrar