

Fertilizer Subsidy Income derived from Business of Industrial undertaking eligible for Income Tax Deduction: ITAT

FACT OF THE CASE

1. The assessee has raised the ground with respect to the taxability of sales tax incentive whether is an income chargeable to tax and, if yes, whether same is eligible for deduction u/s 80 IB of the income tax act and whether the fertilizer subsidy provided by the government as per price concession was an income eligible for deduction u/s 80 IB of the income tax act, has not been decided.
2. The assessee was aggrieved that the Sales tax remission of ₹ 3.31 crores and fertiliser price concession from government of Rs 105.40 crores should be included as an eligible income for deduction u/s 80 IB of the act. The departmental representative vehemently supported the order of the learned assessing officer and stated that in the earlier years the issue has been decided against the assessee and therefore now the issue has been correctly set- aside by the coordinate bench to the file of the learned assessing officer for verification whether the income from fertilizer subsidy is eligible for deduction u/s 80 IB of the income tax act or not.

DECISION OF THE CASE

1. The Coram has held that the assessee is eligible for deduction u/s 80 IB of the Income Tax Act on fertilizer subsidy received by it. Accordingly, we hold that the fertilizer subsidy income received by the assessee is income derived from the business of the industrial undertaking and is eligible for deduction u/s 80 IB of the income tax act.
2. The Income Tax Appellate Tribunal (ITAT), Mumbai Bench has ruled that Fertilizer Subsidy income derived from business of industrial undertaking eligible for Income Tax Deduction.