IN THE HIGH COURT OF BOMBAY AT GOA

TAX APPEAL NO. 26 OF 2007

V. M. Salgaocar & Brother Pvt. Ltd.,
a company incorporated under the
Companies Act, 1956 and having its
Registered Office at Salgaocar House,
F. L. Gomes Road, Vasco-da-Gama,
Goa. … Appellant

V e r s u s

The Asst. Commissioner of Income Tax,
Cir. 2, Margao Goa. … Respondent

Mr. Percy Pardiwalla, Senior Advocate with Mr. A. F. Diniz, Advocate for the appellant.

Ms. Asha Dessai, Advocate for the respondent.

Coram:- F. M. REIS &
K. L. WADANE, JJ

JUDGMENT RESERVED ON : 21.01.2015

JUDGMENT PRONOUNCED ON : 22.04.2015

JUDGMENT (Per F. M. Reis, J)

Heard Mr. P. Pardiwalla, learned Senior Counsel appearing for the appellant and Ms. A. Dessai, learned counsel appearing for the respondent.

2. The above appeal came to be admitted on 16.04.2007 on the following substantial questions of law :

> 1. Whether when the Assessing Officer has himself computed the deduction allowable under Section 80HHC of the Income Tax Act at Rs.22,36,75,786/- was he justified in restricting the deduction that he allowed at Rs. 20,81,49,759/- ?
>
> 2. Whether on the facts and in the circumstances of the case and on a harmonious construction of Sections 80HHC, 80A(2), 80AB and 80B(5) could the deduction allowable under Section 80HHC be restricted to the extent of business profits and not to the extent of the gross total income as canvassed for by the appellant ?

3. Mr. Pardiwalla, learned Senior Counsel appearing for the appellant has pointed out that the substantial questions of law in the above appeal are identical to the substantial questions of law framed in Tax Appeal No. 25 of 2007. The said appeal has been disposed of by judgment passed by this Court today.

4. For the reasons stated in the said judgment while disposing of Tax Appeal No. 25 of 2007, both the substantial questions of law framed in the above appeal are answered in the negative i.e. in favour of the assessee/appellant herein and against

the respondent – revenue. The impugned orders passed by the authorities below stand accordingly modified. The appeal stands disposed of accordingly with no order as to costs.

K. L. WADANE, J **F. M. REIS, J**

at*