IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 25.1.2017

C O R A M

THE HON'BLE MR. **JUSTICE HULUVADI G. RAMESH**
AND
THE HON'BLE Dr.**JUSTICE ANITA SUMANTH**

Tax Case (Appeal) No.525 of 2008

M/s.Ashok Leyland Ltd.,
19, Rajaji Salai,
Chennai 600 001. ... Appellant

Vs

The Deputy Commissioner of Income Tax,
Company Circle-I(1)
Chennai 600 034. ... Respondent

Prayer:- Appeal filed under Section 260A of the Income Tax, 1961, against the Order of the Income Tax Appellate Tribunal, Chennai 'A' Bench, dated 16.3.2007, in I.T.A.No.1280/Mds/2003.

For Appellant	:	Mr.R.Vijayaraghavan for M/s.Subbaraya Aiyar
For Respondent	:	Mr.T.Ravikumar, Standing Counsel

J U D G M E N T

(Judgment of the Court was delivered by Dr.Anita Sumanth, J.,)

The above Tax Case Appeal is preferred by the assessee under Section 260A of the Income Tax Act, 1961, calling in question the correctness of the order, dated 16.3.2007, passed by the Income Tax Appellate Tribunal, Chennai 'A' Bench, in I.T.A.No.1280/Mds/2003.

2. The following questions of law, have been framed for consideration, at the time of admission of the appeal:-

> *"(i) Whether on the facts and circumstances of the case, the Tribunal was right in law in holding that appellant is not entitled to deduction under Section 80HHC of the Act in respect of the interest, rent and miscellaneous income earned out of business operations?*
> *(ii) Whether on the facts and in the circumstances of the case, the Tribunal was right in law in holding that 90% of the gross interest receipts should be excluded from the profits of the business under clause (baa) of Explanation to Section 80HHC of the Act?"*

3. Heard Mr.R.Vijayaraghavan, learned counsel appearing for the appellant and Mr.T.Ravikumar, learned Standing Counsel appearing for the Revenue.

4. The substantial questions of law are liable to be answered in line with the judment of the Supreme Court in *ACG Associated Capsules (P) Ltd. vs. Commissioner of Income Tax* ((2012) 247 CTR 372) and the computation under Section 80HHC be effected on net basis in respect of interest, rent and miscellaneous income.

4. The Tax Case (Appeal) is disposed of in the above terms. No costs.

(H.G.R.,J) (A.S.M.,J)
25th January 2017

Index: Yes / no
Internet: Yes/no
ssk.

To

The Deputy Commissioner of Income Tax,
Company Circle-I(1)
Chennai 600 034.

HULUVADI G. RAMESH, J.,
AND
DR.ANITA SUMANTH, J.,

ssk.

T.C.A.No.525 of 2008

25.1.2017