THE HON'BLE SRI JUSTICE C.V. NAGARJUNA REDDY
AND
THE HON'BLE SRI JUSTICE M.S.K. JAISWAL

I.T.T.A. No.159 OF 2006

DATED:27-12-2017

Between:

The Commissioner of Income Tax-III
Hyderabad … Appellant

And

M/s. Surana Telecom. Ltd.
Secunderabad … Respondent

COUNSEL FOR THE APPELLANT: Mr. B. Narasimha Sharma,
Senior Standing
Counsel for Income
Tax Department

COUNSEL FOR THE RESPONDENT: Mr. B. Ravindra

THE COURT MADE THE FOLLOWING:

JUDGMENT:

(per the Hon'ble Sri Justice C.V. Nagarjuna Reddy)

The main question of law raised in this appeal by the Revenue is whether Sales Tax and Excise Duty are part of "Total Turnover" for the purpose of deduction under Section 80 HHC of the Income Tax Act, 1961 (for short, 'the Act'), and liable to be excluded from the said turnover for the purpose of deduction under the said provision.

2. At the hearing, Sri B. Narasimha Sarma, learned Senior Standing Counsel for Income Tax Department, has fairly submitted that in **Commissioner of Income Tax v. Lakshmi Machine Works**[1], the Supreme Court held that Excise Duty and Sales Tax do not partake the character of turnover and therefore they are not includable in the turnover under Section 80HHC(3) of the Act.

3. In the light of the said judgment, the substantial questions of law framed in this appeal are answered against the Revenue. The appeal is accordingly dismissed.

C.V. NAGARJUNA REDDY, J

M.S.K. JAISWAL, J

27-12-2017
bnr

[1] (2007) 290 ITR 667 (SC)