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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **ITA 383/2005**

COMMISSIONER OF INCOME TAX ..... Appellant

Through: Mr. Asheesh Jain, Senior Standing Counsel for Revenue with Mr. Vikrant A. Maheshwari, Advocate.

versus

M/S J.B. EXPORTS LTD. ..... Respondent

Through: None.

CORAM: JUSTICE S.MURALIDHAR
JUSTICE PRATHIBA M. SINGH

<u>O R D E R</u>

% 20.07.2017

1. This appeal by the Revenue is directed against the order dated 6th October, 2004 passed by the Income Tax Appellate Tribunal ('ITAT') in ITA No. 6214/Del/1997 for the Assessment Year ('AY') 1995-96.

2. While admitting the appeal on 13th September, 2005, the following two questions of law were framed for determination:

a) Whether the ITAT was correct in law in allowing deduction under Section 80 HHC to the assessee on the amount of interest from FDRs without applying the provisions of Explanation (baa) to Section 80 HHC of the Act?

b) Whether the ITAT was correct in law in holding that the assessee is entitled to reduce interest paid by it from the interest received by it while calculating deduction under section 80 HHC read with Explanation (baa) of the Income Tax Act?

3. Both questions stand answered in favour of the Assessee and against the Revenue by the decision of this Court in ***Commissioner of Income Tax v. Shri Ram Honda Power Equip (2007) 289 ITR 475 (Del)***. Accordingly, both questions are answered in the affirmative i.e. in favour of the Assessee and against the Revenue.

4. The appeal is dismissed.

S.MURALIDHAR, J

PRATHIBA M. SINGH, J

JULY 20, 2017/j