The Hon'ble Sri Justice C.V.Nagarjuna Reddy

and

The Hon'ble Sri Justice T.Amarnath Goud

ITTA.No.164 of 2006

Dt: 02-01-2018

Between:

The. Commissioner of Income Tax- III,
Hyderabad

….Appellant

and

M/s.Visakha Industries Limited,
Secunderabad

….Respondent

Counsel for the Appellant: **Mr.B.Narasimha Sharma**

Counsel for the respondent: **Mr.A.Sanjay Kishore**

The Court made the following:

Judgment: **(per Hon'ble Sri Justice C.V.Nagarjuna R eddy)**

The main question of law raised in this Appeal by the Revenue is, whether the 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.

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

In the light of the aforesaid 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)

(T.Amarnath Goud, J)

Date: 02-01-2018
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[1] **(2007) 290 ITR 667 (SC)**