

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

**ITA 748/2007**

**COMMISSIONER OF INCOME TAX ..... Appellant**

**Through:Ms.P.L.Bansal, Adv.**

**versus**

**GOLDTEX FURNISHING INDUSTRIES ..... Respondent**

**Through**

**CORAM:**

**HON'BLE MR. JUSTICE MADAN B. LOKUR**

**HON'BLE MR. JUSTICE V.B. GUPTA**

**O R D E R**

**01.04.2008**

**1. The matter has been called out twice but there is no appearance on behalf of the assessee despite service.**

**2. We find that in IT Appeal No. 563 of 2007 decided on 3rd Oct., 2007, the assessee also did not appear.**

**3. Admit.**

**4. The following substantial questions of law are framed for consideration :**

**"1. Whether the Tribunal was correct in law in treating the interest income earned by the assessee on fixed deposit receipts, which were kept as earnest money with the bank for performance of export, as its business income for the purpose of Exln. (baa) while calculating deductions under s. 80HHC of the IT Act, 1961 ?**

**2. Whether Tribunal was correct in law in holding that 90 per cent of the net interest is to be excluded from the profits of the business as per the provisions of Exln. (baa) while computing deduction under s. 80HHC of the Act ?"**

**5. In view of the decision of this Court in CIT vs. Shri Ram Honda Power Equip. (2007) 207 CTR (Del) 689 : (2007) 289 ITR 475 (Del) , both the questions of law are answered in the negative, in favour of the Revenue and against the assessee.**

**6. The appeal is disposed of accordingly**

**MADAN B. LOKUR, J V.B. GUPTA, J APRIL 01, 2008 Bisht**