IN THE HIGH COURT OF DELHI AT NEW DELHI

ITA 923/2005

COMMISSIONER OF INCOME TAX DEL ..... Appellant
Through: Ms.Prem Lata Bansal, Advocate.

versus

M/S DUPONT SOUTH ASIA LTD. ..... Respondent
Through: Mr.Saubhagya Aggarwal, Advocate.

CORAM:
HON'BLE MR. JUSTICE MADAN B. LOKUR
HON'BLE DR. JUSTICE S. MURALIDHAR

O R D E R
09.10.2007

1. This appeal is preferred against the order passed by the Tribunal, Delhi Bench 'D', in ITA No. 4029/Del/2002 relevant for the asst. yr. 1997-98 and two questions of law have been raised by the Revenue.

2. Insofar as the first question is concerned, on 15th Jan., 2007, we had noted that the question has to be decided against the Revenue in view of the decision of the Supreme Court in CIT vs. Catapharma (India) (P) Ltd. (2007) 211 CTR (SC) 83 : (2007) 292 ITR 641 (SC) which follows its earlier decision in CIT vs. Lakshmi Machine Works (2007) 210 CTR (SC) 1 : (2007) 290 ITR 667 (SC).

3. The second question that has been raised by the Revenue reads as follows :

"Whether the Tribunal was correct in law in holding that, the assessee is entitled to deduct direct expenses incurred for earning agency commission and market development fees from the gross income and then reduce the net income from the profit of business while calculating deduction under s. 80HHC r/w Expln. (baa) of the IT Act We find from the perusal of the order passed by the Tribunal that the matter has been remanded to the AO. In view of this, we do not think that a substantial question of law arises whether the matter should have been remanded or not. However, we make it clear that the AO will deal with the issue before him in accordance with law, particularly in view of the decision of this Court in CIT vs. Shri Ram Honda Power Equip. & Ors. (2007) 207 CTR (Del) 689 : (2007) 289 ITR 475 (Del).

The appeal is disposed of.

MADAN B. LOKUR, J

OCTOBER 09, 2007 S. MURALIDHAR, J