(2002) 11 SC CK 0017

In the Supreme Court Of India

Case No : Civil Appeal No. 5692 of 2002 9 September 2002.

Karimjee (P) Ltd. APPELLANT

Vs

Dy Commissioner of Income Tax and Another RESPONDENT

Date of Decision : 09-11-2002

Acts Referred:
Income Tax Act, 1961 — Section 80HHC

Citation : (2005) 193 CTR 55

Hon'ble Judges : S S Quadri, S Variava

Bench : Division Bench

Advocate : J.D. Mistri and Rustom B. Hathikhanawal, Mukul Rohatgi, Additional Solicitor-General of India Ranbir Chandra and B.V. Balram Das, with him, for the Appellant;

Final Decision : Allowed

Judgement

Leave is granted.

The only reason for declining the relief to the assessee was the failure of compliance of the second proviso to section 80HHC of the Income Tax Act, 1961. In respect of other requirements, there is no dispute that the assessee has complied with the same.

2. While the matter was being argued, we permitted learned counsel for the assessee to comply with the requirements of the said proviso and it is now represented that an amount equal to the amount of deduction claimed under the sub-section has been debited from the profit and loss account of the previous year relevant to the assessment year 1987-88 in respect of which the deduction was to be allowed and that the same was credited to a reserve account to be utilised for the purpose of the business of the assessee.

3. In view of the compliance of the said proviso, the order under challenge is set aside and the assessee is held entitled to deduction u/s 80HHC in the accounting year 1986-87.

The civil appeal is, accordingly, allowed.

No. costs.

