

IN THE INCOME TAX APPELLATE TRIBUNAL
“C” BENCH : BANGALORE

BEFORE SHRI SUNIL KUMAR YADAV, JUDICIAL MEMBER
AND SHRI A.K. GARODIA, ACCOUNTANT MEMBER

IT(TP)A Nos. 1763 & 1764/Bang/2016
Assessment years : 2010-11 & 2011-12

The Deputy Commissioner of Income Tax, Circle 4(1)(2), Bangalore.	Vs.	M/s. Mu Sigma Business Solutions Pvt. Ltd., Kalyani Platini, 4 th & 5 th Floor, ITPL Main Road, Sy No.6 & 24, Kundalahalli Village, K.R. Puram, Bengaluru – 560 066. PAN: AAECM 3293N
APPELLANT		RESPONDENT

Appellant by	:	Shri M.K. Biju, Jt.CIT(DR)(ITAT), Bengaluru
Respondent by	:	None

Date of hearing	:	20.06.2017
Date of Pronouncement	:	23.06.2017

ORDER

Per Sunil Kumar Yadav, Judicial Member

These appeals are preferred by the revenue against the order of CIT(Appeals) *inter alia* on the following common grounds for the assessment years 2010-11 & 2011-12:-

“1. The Order of the Ld. CIT(A) is opposed to the law and facts of the case.

2. The CIT(A) was not justified in directing the AO to recompute the deduction allowable u/s 10A of the Act after reducing Satellite link charges expenses and travelling expenses from the export turnover.

3. The Ld.CIT(A) ought to have appreciated that there is no provision in Sec. 10A which requires the concerned expenses, which are required to be reduced from the export turnover as per clause (iv) of the Explanation to Section 10A to be reduced from the total turnover also.

4. On the facts and circumstances of the case, the Ld.CIT(A) has erred in directing to follow the ratio laid down by the Hon'ble HC in the case of CIT Vs. Tata Elxsi Ltd while computing the deduction u/s 10A, when the Department has filed a SLP before the Hon'ble SC on this issue which is pending adjudication.

5. For these and other grounds that may be urged at the time of hearing, it is prayed that the order of the CIT CA) in so far as it is relates to the above grounds may be reversed and that of the Assessing Officer may be restored.

6. The appellant craves leave to add, alter, amend and/or delete any of the grounds that may be urged.”

2. The only issue involved in this appeal whether the CIT(Appeals) was justified in directing the AO to recompute the deduction allowable u/s. 10A of the Act after reducing Satellite link charges expenses and travelling expenses from the export turnover. This issue is covered by the judgment of the Hon'ble jurisdictional High Court in the case of *Tata Elxsi Ltd., 341 ITR 98 (Kar)* in which it has been held that if certain expenses are excluded from the export turnover, the same should also be excluded from the total turnover. Since the CIT(Appeals) has decided the issue as per judgment of Hon'ble jurisdictional High Court in the case of *Tata Elxsi Ltd. (supra)*, we

find no infirmity in the order of CIT(Appeals). Accordingly, the order of CIT(Appeals) is confirmed and the appeals of the revenue are dismissed.

Pronounced in the open court on this 23rd day of June, 2017.

Sd/-

(A.K. GARODIA)
Accountant Member

Sd/-

(SUNIL KUMAR YADAV)
Judicial Member

Bangalore,
Dated, the 23rd June, 2017.

/ Desai Smurthy /

Copy to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR, ITAT, Bangalore.
6. Guard file

By order

Senior Private Secretary
ITAT, Bangalore.