

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

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

ITA No. 1815/Bang/2016
Assessment year : 2010-11

The Assistant Commissioner of Income Tax, Circle 7(1)(2), Bangalore.	Vs.	M/s. Wrench Solutions, No.76, Facile Towers, Victoria Road, Viveknagar, Bangalore – 560 047. PAN: AABCC 1544P
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

This appeal is preferred by the revenue against the order of
CIT(Appeals) *inter alia* on the following grounds:-

- “1. The order of the learned CIT(A) is opposed to law and facts of the case.
2. The CIT(Appeals) ought to have considered that that the expenditure incurred in foreign currency, towards telecom charges and rendering technical services outside India, to be excluded only from export turnover and not from total turnover for the purpose of computation of deduction u/s 10A of the Act, since such exclusion is permitted to arrive at the export turnover

only as per the definitions given in Sec. 10A and total turnover has not been defined in the same.

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

4. The appellant craves leave to add, alter, amend and/or delete any of the grounds mentioned above.”

2. The only issue involved in this appeal whether the CIT(Appeals) was justified in accepting the claim of assessee that expenditure incurred in foreign currency, towards telecom charges and rendering technical services outside India excluded from export turnover is also to be excluded from the total turnover for the purpose of computation of deduction u/s 10A of the Act.

3. 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 on this issue and the appeal of the revenue is dismissed.

4. In the result, the appeal of revenue is dismissed.

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

Sd/-

Sd/-

(A.K. GARODIA)
Accountant Member

(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.