

**IN THE INCOME TAX APPELLATE TRIBUNAL  
BANGALORE BENCH ' A '**

**BEFORE SHRI SUNIL KUMAR YADAV, JUDICIAL MEMBER AND  
SHRI JASON P BOAZ, ACCOUNTANT MEMBER**

I.T. A. No.1311/Bang/2016  
(Assessment Year : 2010-11)

Asst. Commissioner of Income Tax,  
Circle 7(1)(2), Bangalore.

.... Appellant.

Vs.

M/s. Wep Solutions India Ltd.,  
No.40/1A, Basappan Complex,  
Lavelle Road, Near Regalis Hotel,  
Bangalore.

..... Respondent.

Appellant By : Shri B.R. Ramesh, JCIT (D.R)  
Respondent By : Shri B. K. Manjunath, C.A.

Date of Hearing : 6.11.2017.

Date of Pronouncement : 10.11.2017.

**O R D E R**

**Per Shri Jason P Boaz, A.M. :**

This appeal by Revenue is directed against the order of  
Commissioner of Income Tax (Appeals)-7, Bangalore dt.28.4.2016 for the  
Assessment Year 2010-11.

2. Briefly stated, the facts relevant for disposal of this appeal are as under :

3.1 The assessee, a company engaged in the business of distribution of security products and services and managing printing solutions filed its return of income for Assessment Year 2010-11 on 1.10.2010 declaring total income of Rs.1,08,25,740. The return was processed under Section 143(1) of the Income Tax Act, 1961 (in short 'the Act') and the case was subsequently taken up for scrutiny. The assessment was completed under Section 143(3) of the Act vide order dt.22.3.2013, wherein the assessee's income was determined at Rs.5,53,74,480; in view of the Assessing Officer allowing depreciation on printers used along with its computer software at 15% treating them as plant and machinery as against 60% claimed by the assessee.

3.2 Aggrieved by the order of assessment dt.22.3.2013 for Assessment Year 2010-11 the assessee filed an appeal before the CIT (Appeals) challenging the action of the Assessing Officer in not allowing depreciation @ 60% on printers. The learned CIT (Appeals) allowed the assessee's appeal vide the impugned order dt.28.4.2016 holding that the

assessee was to be allowed depreciation @ 60% on printers as he was of the view that, in the facts of the case on hand, it was evident that the printers used by the assessee being peripherals and accessories, were an integral part of the computer system operated by the assessee. In coming to this finding, the learned CIT (Appeals) followed the decisions of the co-ordinate bench of this Tribunal in the case of **Rambus Chit Technologies (India) P. Ltd.** in IT(TP)A Nos.23 & 61/Bang/2015 and of the ITAT Delhi Bench in the case of Birla Soft Ltd.

4.1 Aggrieved by the order of the CIT (Appeals), revenue has preferred this appeal before the Tribunal wherein it has raised the following grounds :

- “1. The order of the learned CIT (Appeals) is opposed to law and facts of the case.*
- 2. On the facts and in the circumstances of the case learned CIT (Appeals) erred in allowing the claim of depreciation on printers, scanners etc at the rate of 60% without appreciating the fact that the printers don't come under the definition of 'Computers' and a printer, scanner can be operated without even a computer and hence cannot become part of computer system for being eligible for depreciation @ 60%.*
- 3. For these and other grounds that may be urged at the time of hearing, it is prayed that the order of the CIT (Appeals) 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."*

4.2 The sole issue raised by revenue in this appeal is in assailing the order of the learned CIT (Appeals) in allowing depreciation on printers @ 60% without appreciating the fact that printers don't come under the definition of 'computers' for being eligible for depreciation @ 60%.

4.3.1 We have heard the rival contentions, perused and carefully considered the material on record. The issue before us is whether or not printers, which are an integral part of the assessee's computer systems as accessories and peripherals are eligible for depreciation @ 60%. The identical issue was before the co-ordinate bench of this Tribunal in assessee's own case for Assessment Year 2007-08 and the co-ordinate bench in its order in ITA No.1468/Bang/2014 dt.29.7.2016 has allowed the assessee's claim for depreciation @ 60% on printers and scanners which were held to be an integral part, as 'accessories and peripherals' to the assessee's computer system as they cannot be used without a computer. At paras 5, 6 and 10 of its aforesaid order, the co-ordinate bench, following the decisions of the ITAT, Kolkata Bench in the case of

**CIT Vs. Samiran Majumdar** in 98 ITD 119 (Kol) and of another co-ordinate bench of this Tribunal in the case of On Mobile Global Ltd. reported in 45 taxmann.com 346 (Bang), dismissed revenue's ground on this issue and thereby upheld the order of the learned CIT (Appeals) in allowing the assessee depreciation @ 60% on printers which were used as an integral part, i.e. as accessories and peripherals of the assessee's computer system. Respectfully following the aforesaid decision of the co-ordinate bench of this Tribunal in the assessee's own case for Assessment Year 2007-08 in ITA No.1468/Bang/2014 (supra), we uphold the impugned orders of the learned CIT (Appeals) and consequently dismiss the grounds raised by revenue.

5. In the result, Revenue's appeal for AY 2010-11 is dismissed.

Order pronounced in the open court on the 10th day of Nov.,2017.

Sd/-  
**(SUNIL KUMAR YADAV)**  
Accountant Member

Sd/-  
**(JASON P BOAZ)**  
Judicial Member

Bangalore,  
Dt. 10.11.2017.

\*Reddy gp