

**IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" Bench, Mumbai**

Before Shri R.C. Sharma, Accountant Member

ITA No. 555/Mum/2018
(Assessment Year: 2010-11)

Shri Prakash Prabhudas Mandavia 201, Pooja Apts., Croft Lane Zantacruz (W), Mumbai 400054	Vs.	A C I T - 13(2) [Now ACIT - 17(2)] Room No. 123A, 1st Floor Aayakar Bhavan, M.K. Road Mumbai 400020
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PAN – AACPM2814J

Appellant

Respondent

Appellant by: Shri Kumar Kale
Respondent by: Ms. N. Hemalatha

Date of Hearing: 26.04.2018
Date of Pronouncement: 11.05.2018

ORDER

Per R.C. Sharma, AM

This appeal has been filed by the assessee against the order of the CIT(A)-28, Mumbai dated 10.10.2017 for A.Y. 2010-11, in the matter of order passed under Section 143(3) Income Tax Act (hereinafter "the Act").

2. The assessee is basically aggrieved by the order of the lower authorities declining claim of deduction under Section 10A of the Act on the income enhanced during assessment proceedings.

3. The brief facts of the case are that the assessee is engaged in processing of computer chips and peripherals. During the course of scrutiny assessment the AO made adhoc disallowance in respect of various expenses which led to increase in assessee's income. Further, while granting deduction under Section 10A of the Act, the AO did not allow the deduction under Section 10A on the enhanced income.

4. The issue is squarely covered by the decision of the Hon'ble Bombay High Court reported at 330 ITR 174, wherein it was held that exemption/deduction under Section 10A should be granted on enhanced business

income. Accordingly the AO is directed to give exemption/deduction under Section 10A of the Act on enhance income.

5. In the result, the appeal filed by the assessee is allowed in terms indicated hereinabove.

Order pronounced in the open court on 11th May, 2018.

Sd/-
(R.C. Sharma)
Accountant Member

Mumbai, Dated: 11th May, 2018

Copy to:

1. *The Appellant*
2. *The Respondent*
3. *The CIT(A) -28, Mumbai*
4. *The Pr. CIT - 17, Mumbai*
5. *The DR, "SMC" Bench, ITAT, Mumbai*

By Order

//True Copy//

Assistant Registrar
ITAT, Mumbai Benches, Mumbai

n.p.