

आयकर अपीलीय अधिकरण, 'डी' न्यायपीठ, चेन्नई

IN THE INCOME TAX APPELLATE TRIBUNAL

'D' BENCH, CHENNAI

श्री एन.आर.एस. गणेशन, न्यायिक सदस्य एवं

श्री ए. मोहन अलंकामणी, लेखा सदस्य केसमक्ष

BEFORE SHRI N.R.S. GANESAN, JUDICIAL MEMBER AND
SHRI A. MOHAN ALANKAMONY, ACCOUNTANT MEMBER

आयकर अपील सं./ITA No.971/Chny/2018

निर्धारण वर्ष / Assessment Year : 2014-15

The Deputy Commissioner of
Income Tax,
Corporate Circle – 2(2),
Chennai - 600 034.

v.

M/s Ideal Fasteners (India)
Pvt. Ltd.,
C-5, Phase II, 3rd Main Road,
Tambaram, Chennai - 600 034.

(अपीलार्थी/Appellant)

PAN : AABCI 4462 Q

(प्रत्यर्थी/Respondent)

अपीलार्थी की ओर से/Appellant by : Ms. S. Vijayaprabha, JCIT

प्रत्यर्थी की ओर से/Respondent by : None

सुनवाई की तारीख/Date of Hearing : 25.09.2018

घोषणा की तारीख/Date of Pronouncement : 05.10.2018

आदेश / O R D E R

PER N.R.S. GANESAN, JUDICIAL MEMBER:

This appeal of the Revenue is directed against the order of the Commissioner of Income Tax (Appeals) -6, Chennai, dated 28.12.2017 and pertains to assessment year 2014-15.

2. No one appeared for the assessee when the appeal was taken up for hearing. Therefore, we heard the Ld. Departmental Representative and proceeded to dispose the appeal on merit.

3. Ms. S. Vijayaprabha, the Ld. Departmental Representative, submitted that there is no provision in the Income-tax Act to reduce the expenditure incurred in foreign currency from total turnover also for the purpose of computing deduction under Section 10AA of the Income-tax Act, 1961 (in short 'the Act'). The Ld. D.R. pointed out that Explanation- 2(iv) to Section 10A of the Act requires adjustment only in respect of export turnover and not total turnover. Therefore, according to the Ld. D.R., the CIT(Appeals) is not correct in directing the Assessing Officer to exclude the expenditure incurred by the assessee in foreign currency from the total turnover also.

4. We heard the Ld. D.R. and perused the relevant material available on record. The numerator and denominator shall be of the same factor for the purpose of computing deduction under Section 10AA of the Act. If the overseas travel and communication expenditure incurred by the assessee in foreign currency was reduced from export turnover, the same shall also be reduced from total turnover, otherwise the profit of the assessee may not be

correctly determined. What is to be excluded from the export turnover needs to be excluded from the total turnover also. In view of the above, this Tribunal do not find any reason to interfere with the order of the lower authority and accordingly the same is confirmed.

5. In the result, the appeal filed by the Revenue is dismissed.

Order pronounced in the court on 5th October, 2018 at Chennai.

sd/-
(ए. मोहन अलंकामणी)
(A. Mohan Alankamony)
लेखा सदस्य/Accountant Member

sd/-
(एन.आर.एस. गणेशन)
(N.R.S. Ganesan)
न्यायिक सदस्य/Judicial Member

चेन्नई/Chennai,
दिनांक/Dated, the 5th October, 2018.

Kri.

आदेश की प्रतिलिपि अग्रेषित/Copy to:

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त (अपील)/CIT(A)-6, Chennai
4. Principal CIT-2, Chennai-
5. विभागीय प्रतिनिधि/DR
6. गार्ड फाईल/GF.