

**IN THE INCOME TAX APPELLATE TRIBUNAL  
“B”BENCH: BANGALORE**

**BEFORE SHRI B. R. BASKARAN, ACCOUNTANT MEMBER  
AND  
SHRI PAVAN KUMAR GADALE, JUDICIAL MEMBER**

IT(TP)A No.647/Bang/2017
AssessmentYear: 2012 – 13

M/s. Sandvine Technologies (India) Pvt. Ltd. Ground Floor Wing, RMZ Ecoworld Infrastructure Pvt. Ltd., SEZ, Devarabisanahalli village Varthur Hobli Bangalore 560 037  <b>PAN NO : AAMCS1644M</b>	<b>Vs.</b>	Deputy Commissioner of Income-tax Circle-6(1)(1) Bangalore
<b>APPELLANT</b>		<b>RESPONDENT</b>

<b>Appellant by</b>	:	Shri Narendra Kumar Jain, A.R.
<b>Respondent by</b>	:	Shri Muzaffar Hussain, D.R.

Date of Hearing	:	28.07.2020
Date of Pronouncement	:	31.07.2020

**ORDER**

**PER B.R. BASKARAN, ACCOUNTANT MEMBER:**

The assessee has filed this appeal challenging the order passed by the A.O. for assessment year 2012-13 u/s 143(3) r.w.s. 144C(13) of the Income-tax Act,1961 [the Act' for short] in pursuance of directions given by Ld. DRP. This appeal was originally disposed of by the coordinate bench, vide its order dated 30.4.2019.

Subsequently, the assessee moved a miscellaneous application pointing out certain mistakes apparent from record. Accordingly, the coordinate bench, vide its order dated 28.11.2019 passed in MP No.128/Bang/2019 recalled the order for the limited purpose of deciding ground No.15 raised by the assessee. Accordingly, this case came to be listed before us.

2. Ground No.15 raised by the assessee reads as under:

*“The Ld. AO/DRP have erred in computation of deduction under section 10Aa by reducing expenditure being legal and professional charges, travelling and conveyance, insurance and communication expenses incurred in foreign currency from only export turnover and not reducing the same from total turnover.”*

3. We heard the parties on the above said ground. The assessee, contends that, while computing deduction u/s 10AA of the Act, expenditure which are removed from export turnover should also be removed from total turnover in the formula prescribed for computing deduction u/s 10AA of the Act. The contention of the assessee is supported by the decision rendered by jurisdiction of Hon'ble Karnataka High Court in the case of Tata Elixir Ltd. 349 ITR 98, which was affirmed by Hon'ble Supreme Court in the case of HCL Technologies Ltd. 404 ITR 719. Accordingly, we find merit in the contentions of the assessee. Accordingly, we direct the A.O. to exclude the expenditure, which were removed from

Export turnover, from total turnover also while computing deduction u/s 10AA of the Act.

4. In the result, the ground No.15 urged by the assessee is allowed.

Order pronounced in the open court on 31.07.2020.

**Sd/-**  
**(Pavan Kumar Gadale)**  
**Judicial Member**

**Sd/-**  
**(B.R. Baskaran)**  
**Accountant Member**

Bangalore,  
Dated 31<sup>st</sup> July, 2020.  
VG/SPS

**Copy to:**

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

By order

Asst. Registrar, ITAT, Bangalore.