

**IN THE INCOME TAX APPELLATE TRIBUNAL
(DELHI BENCH 'G' : NEW DELHI)**

**BEFORE SHRI R.K. PANDA, ACCOUNTANT MEMBER
and
SHRI KULDIP SINGH, JUDICIAL MEMBER**

(THROUGH VIDEO CONFERENCE)

**ITA No.1915/Del./2017
(ASSESSMENT YEAR : 2011-12)**

DCIT, Circle 10 (1), vs. M/s. Symphony Marketing Solutions
New Delhi. India Pvt. Ltd.,
(merger with M/s. Genpact India),
No.2, Salapuria Softzone Bellandur,
Varthur Hobli,
Bengaluru – 560 087.

(PAN : AAKCS6235N)

(APPELLANT)

(RESPONDENT)

ASSESSEE BY : Shri Vishal Kalra, Advocate
REVENUE BY : Shri Prakash Dubey, Senior DR

**Date of Hearing : 03.02.2021
Date of Order : 24.02.2021**

ORDER

PER KULDIP SINGH, JUDICIAL MEMBER :

Appellant, DCIT, Circle 10 (1), New Delhi (hereinafter referred to as 'the Revenue') by filing the present appeal sought to set aside the impugned order dated 25.10.2016 passed by the Commissioner of Income-tax (Appeals), Bengaluru-6, Bengaluru qua the assessment year 2011-12 on the ground that :-

“Whether on the facts and circumstances of the case & in law, the Id. CIT (A) has erred in deleting the addition of Rs.2,06,11,115/- made by the AO on account of excess deduction claimed u/s 10A of the Act.”

2. Briefly stated the facts necessary for adjudication of the controversy at hand are : The assessee company is into the business of IT Enabled Services and provision of digital imaging services. Assessee company claimed deduction under section 10A of the Income-tax Act, 1961 (for short ‘the Act’) to the tune of Rs.29,48,05,888/-. Assessing Officer (AO) has declined to follow the decision rendered by Hon’ble Karnataka High Court in case of M/s. Tata Elxsi Ltd. & Ors. on the ground that the Department has not accepted the same in principle as it has filed SLP before the Hon’ble Supreme Court which is pending for disposal and thereby reduced the eligible deduction u/s 10A of the Act to Rs.27,41,94,773/- from Rs.29,48,05,888/- claimed by the assessee company and added excess claim of deduction of Rs.2,06,11,115/- to the total income of the assessee.

3, Assessee carried the matter before the Id. CIT (A) by way of filing the appeal who has partly allowed the appeal. Feeling aggrieved by the order passed by the Id. CIT (A), the Revenue has come up before the Tribunal by way of filing the present appeal.

4. We have heard the Id. Authorized Representatives of the parties to the appeal, gone through the documents relied upon and orders passed by the revenue authorities below in the light of the facts and circumstances of the case.

5. AO has reduced the communication expenses, insurance charges and travelling expenses from the total export turnover by computing the turnover eligible for deduction u/s 10A of the Act and has declined to follow the decision rendered by Hon'ble Karnataka High Court in case of M/s. Tata Elxsi Ltd. & Ors. which is duly applicable to the facts and circumstances of the case as from export turnover, communication expenses, insurance charges and travelling expenses cannot be reduced in order to compute the export turnover for the purpose of deduction u/s 10A of the Act.

6. Not following the judgment rendered by Hon'ble High Court merely on the ground that the same has been challenged by way of filing of Special Leave Petition (SLP) before the Hon'ble Supreme Court is not permissible as the quasi-judicial authorities require to maintain the judicial discipline by following the decisions rendered by Hon'ble High Court and in case, any such decision is overruled quasi judicial authorities have the remedy under the Act.

6. In view of what has been discussed above, finding no illegality or perversity in the impugned order passed by the ld. CIT (A), present appeal filed by the Revenue is hereby dismissed.

Order pronounced in open court on this 24th day of February, 2021.

**Sd/-
(R.K. PANDA)
ACCOUNTANT MEMBER**

**sd/-
(KULDIP SINGH)
JUDICIAL MEMBER**

**Dated the 24th day of February, 2021
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Copy forwarded to:

- 1.Appellant
- 2.Respondent
- 3.CIT
- 4.CIT(A), Bengaluru-6, Bengaluru.
- 5.CIT(ITAT), New Delhi.

**AR, ITAT
NEW DELHI.**