

IN THE INCOME TAX APPELLATE TRIBUNAL  
“A” BENCH : BANGALORE

BEFORE SMT. ASHA VIJAYARAGHAVAN, JUDICIAL MEMBER  
AND SHRI ABRAHAM P. GEORGE, ACCOUNTANT MEMBER

ITA No.795/Bang/2015
Assessment year : 2011-12

The Deputy Commissioner of Income Tax, Circle 4(1)(1), Bangalore.	Vs.	M/s. Kalki Communications Tech Ltd., 147, 2 <sup>nd</sup> Floor, Ananthpushpa Building, 5 <sup>th</sup> Main Road, 7 <sup>th</sup> Sector, HSR Layout, Bangalore – 560 034. <b>PAN: AABCL 2059D</b>
APPELLANT		RESPONDENT

Appellant by	:	Dr. P.K. Srihari, Jt. CIT (DR)
Respondent by	:	None

Date of hearing	:	19.10.2015
Date of Pronouncement	:	28.10.2015

**ORDER**

*Per Asha Vijayaraghavan, Judicial Member*

This appeal by the Revenue is directed against the order dated 11.03.2015 of the CIT(Appeals)-4, Bangalore relating to assessment year 2011-12.

2. The assessee is a company engaged in the business of software development consultancy.

3. Before the CIT(Appeals), the assessee objected to the curtailment of deduction u/s. 10A of the Act on account of adjustment of export turnover by the Assessing Officer. The AO excluded the value of telecommunication and travel expenses from the export turnover. The assessee contended that it should be reduced from the total turnover also.

4. The Id. CIT(Appeals) held that the issue is covered by the judgment of the Hon'ble jurisdictional High Court in the case of *CIT v. Tata Elxsi Ltd.*, 349 ITR 98 (Kar) which is a binding precedent and respectfully following the same, he directed the AO to follow the ratio laid down in the aforesaid judgment while computing deduction u/s. 10A of the Act.

5. Aggrieved, the Revenue has raised the following effective ground:-

“2. On the facts and circumstances of the case, the Id. CIT(A) has erred in directing the AO to follow the ratio laid down by the jurisdictional High Court in the case of *CIT v. Tata Elxsi Ltd.* (349 ITR 98) (Kar) while computing deduction u/s. 10A, as the Department has preferred a SLP before the Hon'ble Supreme Court on this issue, which is pending adjudication.”

6. We find that the Revenue has raised a ground that it has preferred a SLP before the Hon'ble Supreme Court on this issue, which is pending for adjudication. We confirm the order of Id. CIT(Appeals) in following the

judgment of Hon'ble jurisdictional High Court in the case of *Tata Elxsi Ltd.* (*supra*) which is a binding precedent.

7. In the result, the appeal by the Revenue is dismissed.

Pronounced in the open court on this 28<sup>th</sup> day of October, 2015.

Sd/-

( ABRAHAM P. GEORGE )  
Accountant Member

Sd/-

(ASHA VIJAYARAGHAVAN )  
Judicial Member

Bangalore,  
Dated, the 28<sup>th</sup> October, 2015.

/D S/

Copy to:

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

By order

Assistant Registrar,  
ITAT, Bangalore.