

IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCHES : I-1 : NEW DELHI

BEFORE SHRI R.S. SYAL, VICE PRESIDENT  
AND  
SHRI LALIET KUMAR, JUDICIAL MEMBER

ITA No.2184/Del/2014  
Assessment Year : 2007-08

ITO,  
Ward-3(2),  
New Delhi.

Vs. Cengage Learning India Pvt. Ltd.,  
418, F.I.E., Patparganj,  
New Delhi.

PAN: AACCT5522B

(Appellant)

(Respondent)

Assessee By : Dr. Shashwat Bajpai, &  
Shri Shard Agarwal, Advocates.  
Department By : Shri Kumar Pranav, Sr. DR

Date of Hearing : 09.05.2018  
Date of Pronouncement : 09.05.2018

ORDER

PER R.S. SYAL, VP:

This appeal filed by the Revenue arises out of the order passed by the  
CIT(A) on 22.01.2014 for the assessment year 2007-08.

2. The first ground challenges the deletion of addition of Rs.1,50,93,300/- on the issue of upward adjustment made by the AO/TPO in the arm's length price. The ground has been drafted incorrectly inasmuch as the Id. CIT(A) did not delete the addition of Rs.1,50,93,300/- as alleged in the ground. In fact, the Assessing Officer made transfer pricing addition to this extent and the Id. CIT(A) dealt with certain aspects of the determination of ALP, against which the assessee filed its separate appeal. This appeal was tagged with the assessee's cross-appeal for the instant year in which computation of ALP in respect of three international transactions, has been challenged. We are disposing off the assessee's appeal by a separate order. Thus, it becomes evident that the ground raised by the Revenue alleging the deletion of addition of Rs.1.50 crore and odd does not arise out of the impugned order and is hereby dismissed as infructuous.

3. The only other ground is against the deletion of addition of Rs.31,86,933/-, being, stamp duty charges paid for leasehold premises. The facts apropos this ground are that the assessee incurred stamp duty charges of Rs.47,80,400/- on lease deed in respect of certain property taken

on hire in Hyderabad. The Assessing Officer held that the hiring of property resulted in an enduring benefit to the assessee. Considering the period of lease, he allowed deduction @ 1/3 of the amount of stamp duty charges and made addition for the remaining amount of Rs.31.86 lac. The Id. CIT(A) deleted the addition, against which the Revenue has come up in appeal before the Tribunal.

4. We have heard both the sides and perused the relevant material on record. It is noticed that the stamp duty was paid for a property taken on lease by the assessee. It is a one-time payment and has no relation with the term of lease. The mere fact that the lease will continue for three years, would not make one time revenue expenditure, capital. As the expenditure incurred by the assessee is in respect of taking of a property on hire, in our considered opinion, no fault can be found in the opinion of the Id. CIT(A) deleting this addition. He has rightly referred to several judgments in the impugned order in deleting the addition under similar circumstances. Similar view has been taken by the Hon'ble Bombay High Court in *CIT VS. Cinecita (P.) Ltd. (1982) 28 CTR 250 (Bom)*. His view is, therefore, countenanced.

5. In the result, the appeal is dismissed.

The order pronounced in the open court on 09.05.2018.

Sd/-

[LALIET KUMAR]  
JUDICIAL MEMBER

Sd/-

[R.S. SYAL]  
VICE PRESIDENT

Dated, May, 2018.

dk

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT (A)
5. DR, ITAT

AR, ITAT, NEW DELHI.