आयकर अपीलीय अधिकरण, चण्डीगढ़ न्यायपीठ "बी" , चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL, CHANDIGARH BENCH "B", CHANDIGARH

HEARING THROUGH: HYBRID MODE

श्री आकाश दीप जैन, उपाध्यक्ष एवं श्री कृणवन्त सहाय, लेखा सदस्य
BEFORE: SHRI. AAKASH DEEP JAIN, VP & SHRI. SHRI. KRINWANT SAHAY, AM

आयकर अपील सं. / ITA NO.129/Chd/2021
(Assessment Year: 2016-17)

Parexel International Services India Private Limited DLF Building, Tower F, 2nd Floor, Chandigarh Technology Park, Chandigarh-160101	बनाम	The Asst. CIT Circle 5(1), Chandigarh
स्थायी लेखा सं. / PAN NO: AAHCP9488M		
अपीलार्थी / Appellant		प्रत्यर्थी / Respondent

निर्धारिती की ओर से / Assessee by : Shri Dhanesh Bafna, CA,
Ms. Chandni Shah, CA,
Shri Yogesh Malpani, CA and
Ms. Tejal Saraf, CA

राजस्व की ओर से / Revenue by : Shri Reuben Mathew Jacob, Addl. CIT, Sr. DR

सुनवाई की तारीख / Date of Hearing : 18/09/2024
उदघोषणा की तारीख / Date of Pronouncement : 28/10/2024

आदेश / Order

PER AAKASH DEEP JAIN, VP :

This is an appeal filed by the Assessee, wherein the assessee has raised the following grounds:

1. On the facts and in the circumstances of the case and in law, the final assessment order passed by National e-Assessment Centre, Delhi, pursuant to directions of the Dispute Resolution Panel ('Ld. Panel') under Section 143(3) read with Sections 144C(13), 143(3A) and 143(3B) of the Act to the extent prejudicial to the Appellant, is bad in law and is liable to be quashed.

2. On the facts and in the circumstances of the case and in law, the Ld. Panel erred in upholding the action of the Ld. Transfer Pricing Officer ('Ld. TPO') / Ld. Assessing officer ('Ld. AO') in proposing an adjustment of INR 131,29,52,199 to the international transaction pertaining to sale of intangible assets by the Appellant to its associated enterprise ('AE') by imputing a mark-up of 33.13%on the sale value.

While doing so, the Ld. TPO/ Ld. AO/ Ld. Panel erred in:

2.1 Rejecting the transfer pricing methodology adopted by the Appellant in its Transfer pricing study which was in good faith and with due diligence for

determining the arms' length price ('ALP') of the international transaction of sale of intangibles.

2.2 Not considering the valuation report issued by an independent valuer relied by the Appellant to evaluate the arm's-length nature of the said international transaction without giving any cogent reasons and simply brushing it aside.

2.3 Incorrectly carrying out benchmarking analysis & applying Transactional Net Margin Method by not appreciating the fact that the said method is not applicable considering the business commercials / realities in place surrounding the transaction.

3. Without prejudice to ground no. 2, on the facts and in the circumstances and in law, the Ld. AO/ Ld. TPO/ Ld. Panel erred in applying weighted operating profits/ operating cost (OP/OC) as the profit level indicator ('PLI')which has no relevance for benchmarking the transaction of sale of assets.

4. Without prejudice to ground nos. 2 and 3, on the facts and in the circumstances of the case and in law, Ld. AO / Ld. TPO / Ld. Panel erred in selecting the companies as comparable and using
their operating profit to evaluate the arm's length nature of sale of intangible.

5. On the facts and in the circumstances of the case and in law, the Ld. AO / Ld. TPO erred in levying interest under Section 234B and 234C of the Act.

6. On the facts and in the circumstances of the case and in law, the Ld. AO/ Ld. TPO erred in imposing penalty under Section ***27I(I)(C)*** *of the Act.*

The Appellant prays that appropriate relief be granted. The above grounds are without prejudice to each other.

The Appellant craves leave to add to, alter, omit or substitute any or all of the above grounds of appeal or produce further documents at any time before or at the time of the appeal.

2. The Assessee has also raised an additional ground which reads as under:

7. On the facts, in law and in the circumstances of the present case, the addition of Rs. 1,31,29,52,199 made by the Ld. AO in the final assessment order pursuant to the order of the Ld. TPO is bad in law and liable to be deleted, being made in consequence to invalid and non-est *orders/communications issued in violation of the Circular No. 19/2019 issued by the Central Board of Direct Taxes.*

3. The additional ground is admitted as it is a legal ground going to the root of the matter and not requiring any fresh material to be gone into.

4. Ground Nos. 2 to 4 relate to the Transfer Pricing adjustment order, which is under challenge before us.

5. Vide order dt. 31/03/2021, assessment was finalised by the National e-Assessment Centre, Delhi, pursuant to directions of the Dispute Resolution Panel, under section 143(3) r.w.s. 144C(13) read with sections 143(3A) and 143(3B) of the Income Tax Act. Aggrieved therewith, the assessee is in appeal before us.

6. The facts relating to the order under appeal are that the assessee Parexel International Services India Private Limited ('Parexel India') is a wholly owned subsidiary of Parexel International (IRL) Ltd.('Parexel Ireland'). Parexel Ireland was incorporated on 26/12/2014. It is engaged in provision of information technology enabled services in relation to pharmacovigilance services, in other words, drug safety testing, to its associated enterprises, on a cost plus mark-up arrangement. Its commercial operations started from A.Y. 2016-17, i.e., the year under consideration. It has provided services of Rs. 154,22,70,844/- to Parexel Ireland during the year under consideration. A Slump Sale Agreement was entered into between the assessee and Dr. Apurva Goswamy, the sole proprietor of Quantum Solutions India, 'QSI' for short. Pursuant to such agreement, on 13/04/2015, the assessee acquired the business of QSI, on a going concern basis, for a lumpsum consideration of Rs. 597 crores. Such business comprised of assets, liabilities, employees, rights and obligations under contracts, alongwith the goodwill associated therewith, as an inseparable whole. Out of the total consideration of Rs. 597 crores, an amount of Rs. 387,72,70,024/- was allocated to certain intangible assets, which were in the nature of trade name,

customer contracts and customer relationships. The valuation report of an independent valuer formed the basis of such allocation. These intangible assets were, vide deed of assignment dt. 13/04/2015 , transferred by the assessee to Parexel Ireland, for a lumpsum consideration of Rs. 396,30,31,086. On this sale transaction, a profit of Rs. 8,57,61,062/- was recorded, as available at APB-60. The assessee reported such sale in its Form 3CEB. In its Transfer Pricing Study, the assessee benchmarked this sale by applying the Other Method, on the basis of the report of the independent valuer. As available at APB 327 to 367, the valuation report valued the intangibles at $ 6,23,90,000/-, or Rs. 387,72,70,024, at the conversion rate of Rs. 62.14 per US dollar. The assessee considered the said value determined to be the arm's length price of the international transaction of sale of intangibles. Accordingly, it was concluded by the assessee that the international transaction pertaining to the sale of intangibles was conducted at arm's length, on application of the Other Method.

7. In the Transfer Pricing proceedings before the TPO, other than the international transaction of sale of intangibles for Rs. 396,30,31,086/-, the TPO accepted all the international transactions undertaken by the assessee, at arm's length. The reason for not accepting the sale of intangibles at Rs. 396,30,31,086/- was that the AO did not accept the arm's length price taken by the assessee, observing that in a normal market scenario, no person would acquire or sell any asset without a margin having been earned on the cost incurred for the purchase made; and that this being so, the assessee ought to

have charged the mark up for valuation of the sale of intangibles. The TPO, accordingly, sought to bench mark the transaction under the Cost Plus method, or the CPM. For this, the TPO imputed the cost plus mark up of 16.68%(operating profit / operation cost) on the sale value of the intangibles, which is equivalent to the margin earned by the assessee in provision of its services. It was, as such, that the TPO proposed the TP adjustment of Rs. 66,10,33,585/-.

8. The ld. DRP initially held the CUP method to be highly relevant for bench marking of intellectual property. However, the application of the CPM by the TPO was upheld as the most appropriate method for bench marking the transactions entered into by the assessee. The ld. DRP directed that these transactions should be bench marked by considering uncontrolled transaction and not the margin earned by the assessee during the year. A remand report was sought from the TPO for a bench-marking analysis, consisting of uncontrolled transactions in the comparable set.

9. Pursuant to the direction of the ld. DRP, a fresh search of comparable companies were conducted by the TPO, upon which, a set of 20 companies engaged in IT enabled services were considered by the TPO, holding them to be comparable to the assessee. To arrive at the arm's length price, the net margin, i.e., the Operating Profit / Operating Cost (OP/OC) of these 20 companies, as earned during the regular course of their business, was considered by the TPO. As a result thereof, the TPO, as available at APB 378-379, proposed an arm's

length margin of 15.86%. Vide direction dt. 15/02/2021, the ld. DRP issued further direction to the TPO. The TPO was directed to verify certain facts in relation to each of the 20 companies selected by the TPO. The TPO was to retain only those companies which involved sale of intangibles.

10. Order dt. 25/03/2021 was passed by the TPO, giving effect to the direction issued by the ld. DRP. The TPO retained 2 out of the 20 companies selected earlier, i.e., Cignex Datamatics Technologies Ltd. and ICRA Ltd. The TPO considered 33.13%, i.e., the average of the operating margin earned by these two comparables, to be the arm's length margin. The TPO made a transfer pricing adjustment of Rs. 131,29,52,199/- by applying this average of 33.13% on the sale value of Rs. 396/- crores. As such, the cost plus mark up of 33.13% was imputed on the sale value of the intangibles. Thus, though the DRP principally held that the CUP method was the most relevant method for bench-marking the transfer of intangible assets, it upheld the CPM, as adopted by the TPO. However, the adjustment made was ultimately enhanced by invoking the TNMM.

11. The grievance sought to be raised by the assessee by way of Ground Nos. 2 to 4 is that the authorities below were not justified in imputing an arm's length cost plus mark up on the amount of the sale consideration of the intangibles by the assessee, by applying the CPM/TNMM, overriding the application of the Other Method, as employed by the assessee, for bench marking the transaction.

11.1 Beside arguing the matter before us, the parties have also placed on record their respective written submissions, which have been taken into consideration.

12. Heard. On behalf of the assessee, it has been contended that the TPO/DRP illegally resorted to erroneous / arbitrary reasons to recompute the arm's length price of the transaction. It has been submitted that the authorities below have erred in holding that no person even acquires or sells any kind of asset without earning a margin on the cost incurred for the purchase thereof. In other words, as per the assessee, business exigency for such sale has wrongly been called in question by the authorities below. Here, we find that the assessee rightly contends that what is to be seen is as to whether the transfer pricing provisions require only that the sale of the assets ought to fetch an arm's length price. It is not within the purview of the taxing authorities to see that profit was necessarily earned. Once the transaction of sale of an asset is at an arm's length price, it is immaterial whether any margin was earned by the assessee, this being a business decision of the assessee, falling within the exclusive domain of the way of the carrying on of their business by the assessee. There may be a transaction where a loss rather than a profit is the result. This, however, cannot be challenged by the authorities. They are only to ensure that the transaction was at arm's length price. Questioning the commercial expediency is nowhere the purview of the TPO while testing the international transaction carried out by

the assessee, as between associated enterprises, to hold against the assessee, where there is no margin earned on the sales made.

13. It was oblivious of the above undisputed position of the law of Transfer Pricing that it was held that no asset is acquired and sold without earning a margin on the cost incurred for the acquisition thereof. While doing so, the bench marking analysis conducted by the assessee in its Transfer Pricing Study was illegally disregarded and ignored.

Further, though the ld. DRP initially upheld the CUP in principle, it upheld the CPM, as applied by the TPO, and it went on to ultimately make the TNMM the basis for the adjustment to determine the arm's length price of the transaction. It also has rightly been called in question as not being as per law. As we shall presently see, it was only the Other Method and neither the CUP, nor the CPM, nor even the TNMM, which was applicable.

14. Rule 10C of the Income Tax Rules provides that for the purpose of Section 92C(1) of the Act, the most appropriate method shall be the method best suited to the facts and circumstances of each particular international transaction and which method provides the most reliable measure of an arm's length price in relation to the international transaction. The Rule further provides that while selecting the most appropriate method, the nature and class of the international transaction, the class or classes of associated enterprises entering into the transaction and the functions performed by them, considering the assets

employed and the risk assumed by them, the availability, coverage and reliability of data necessary for application of the method, the degree of comparability that existed between the international transaction and the uncontrolled transaction, the degree of comparability existing between the enterprises which enter into such transaction, the extent to which reliable and accurate adjustment can be made to account for any difference between the international transaction and the comparable uncontrolled transaction, the extent to which reliable and accurate adjustment can be made to account for any difference between the enterprises entering into such transaction, and the nature, extent and reliability of assessment required to be made in the application of a method, are to be considered.

15. It is seen that Rule 10B provides the requisite conditions for the application of the CPM/Cost Plus Method. It clearly states that it is the direct and indirect cost of production incurred by the enterprise in respect of property transferred or services provided to an associate enterprise, which are determined by the CPM. The transaction under consideration being a transaction in the nature of just intangible assets, therefore, cannot attract the Cost Plus Method, even as per the relevant Rule 10B itself. The Other Method, on the contrary, we find, is the method applicable. One of the foremost requirements for the selection of the most appropriate method to a transaction, a laid down in Rule 10C of the Rules is the degree of comparability between the controlled and uncontrolled transactions. The second most important requirement is coverage

and reliability of the available data. The intangible assets subjected to sale were undisputedly of the nature of trade name, customer contracts, and customer relationship developed by QSI over the years in relation to the pharmacovigilance services provided to the pharmaceutical industry. It was a similar transaction of sale of such nature of intangibles, which was required to be identified and evaluated for the purpose of bench marking. Now, it remains undisputed that so far as regards Cignex Datamatics Technologies Ltd., i.e., the first comparable chosen, there is no transaction of sale of intangibles by this company,for the year under consideration. Rather, the cash flow statement (APB 662) carries a recital of profit on sale of investment. Further, even as per the Notes of Intangible Assets, in the Fixed Assets Schedule (APB-654) does not show any sale of any intangible during the year. ICRA Ltd., i.e., the other comparable chosen, again, was selected out of place. This is so, since the company's operating margin was not on the sale of any intangible. Rather, it was earned during the regular course of its business of credit rating.

Further, the related party transaction of Cignex Datamatics Technologies Ltd., as seen from APB 398, 657 and 659, accounted for 83.63% of the sales, that is, much beyond the related party transaction filter of 25%.

16. ICRA, on the other hand, showed sale of intangible assets in computer software, amounting to Rs. 1.02 lakhs. APB 604 shows that this figure of Rs 1.02 lacs has been taken from the Consolidated Financial Statement of the company. As opposed to this, only its stand-alone financial statement could

legally have been considered. It has not been shown as to how the intangibles sold by ICRA, were in any way, in the nature of the intangibles sold by the assesse, which, to reiterate, were in the nature of trade name, customer contract and customer relationship. Apples, and this cannot be over-stressed, can be compared with apples only. This apart, whereas the assessee's sale transaction fetched a whopping Rs. 396.00 crores, ICRA sold computer software, as depicted at APB 561, for a paltry Rs. 10,000/- and that too, juxtaposed with ICRA's total revenue of Rs. 193.8 crores for the year. Evidently, therefore, there is no basis for making any comparison of the assessee with either Cignex Datamatix Technologies Ltd., or ICRA.

17. Under the circumstances, the authorities have not been able to lay their hands on any comparable entity, where the exclusive business carried on by the assessee is also undertaken, i.e., providing of pharmacovigilance services to the pharmaceutical industry, or simply put, drug safety testing. Still further, the sale transaction carried out by the assessee is of such a nature that it does not have any directly comparable uncontrolled transactions available. Else, the same would obviously have been brought into play.

18. This being so, the question of the second important requirement, envisaged under Rule 10C(referred to hereinabove), i.e., coverage and reliability of data does not even rise. Since in the absence of comparability, there is no availability of data, the coverage and reliability thereof obviously cannot be considered.

19. Evidently, the basis remains the same so far as regards the applicability of the CUP and the TNMM. The transactions of the assessee undisputedly involves intangibles which are unique by their very nature. The CUP, on the other hand, requires a very strict standard of comparability. As available and discussed, such similar, much less exact, data is nowhere to be seen. To reiterate, the comparables applied by the authority are, in fact, no comparables at all. Therefore, the CUP method is not applicable.

20. Likewise, in the absence of reliable data and due to lack of comparability, even the TNMM was wrongly applied.

21. The Other Method, on the contrary, has been specifically provided for to be applied to scenarios akin to the one obtaining herein, this method having been introduced especially to broaden the scope of determination of arm's length price, as the sixth Method. Even the Institute of Chartered Accountants recognizes the position that the Other Method may be selected as a most appropriate method for bench marking transactions involving sale of unique intangibles. It is nowhere the case of the authorities below that the transactions entered into by the assessee does not fall within the category of, firstly, intangibles, and then, unique intangibles, at that. The factum of the intangibles dealt in by the assessee being unique intangibles cannot be over stressed. It is evident from the position that even the authorities below could not find any comparable for the same and the only two comparables retained ultimately, out

of list of the 20 comparables originally chosen, are not even by far, in any manner, comparable to the transactions entered into by the assessee, as discussed elaborately hereinabove.

Further, the position that it is only the Other Method which is best suited for unique intangibles, stands recognised also in the Guidance Note on Report under section 92E of the Income Tax Act, 1961 (2022) issued by the Institute of Chartered Accountants of India. The relevant extract thereof read as follows:

> '6.56 *The introduction of the Other Method as the sixth method allows the use of 'any method' which takes into account (i) the price which has been charged or paid or (ii) would have been charged or paid for the same or similar uncontrolled transactions, with or between non-associated enterprises, under similar circumstances, considering all the relevant facts.* The various data which may possibly he used for comparability *purposes could be:*
>
> *(a)Third party quotations/ invoices;*
> *(b)*Valuation reports:
> *(c) Tender/Bid documents;*
>
> ……..
>
> 6.57 …. The wide coverage of the Other Method would provide flexibility in establishing arm's length prices, particularly in eases where the application of the five specific methods is not possible due to reasons such as difficulties in obtaining comparable data due to uniqueness o f transactions such as intangibles or business transfers, *transfer of unlisted shares,* sale of *fixed assets, revenue* allocation/splitting, *guarantees provided and received, etc.*
>
> *6.58 The application of the sixth method may be understood with the following examples:*
>
> Illustration A
>
> *AE1 ltd. is an Indian Company.*
>
> *AE1 Ltd. owns* certain registered patents *which it has developed by undertaking research and development.*
>
> *It is a subsidiary of AE2 Ltd., a foreign company. AE1 Ltd. has sold its registered patents to AE2 Ltd., for '50 crores. The price has been determined based on a valuation report obtained from an independent valuer.*
>
> The sale of patents is a unique *transaction and AE1 Ltd or* AE2 *Ltd. has not entered into similar transactions with third* parties *and hence no internal* or *external CUP is available.*

> AE1 Ltd. may select the Other Method as the most appropriate method and use the independent valuation report for comparability purposes."

Para 6.57 of the Guidance Note clearly states, inter alia that difficulties in obtaining comparable data due to unique transactions such as intangibles would require application of the Other Method for establishing arm's length price.

22. The above position remains undisputed.

23. Still further, even the Income Tax Department itself accepts that it is the Other Method under which the arm's length valuation of intangibles would fall. The Department, in its guidance on the Other Method, as published on the website, states (relevant portion) as follows:

> *"7.10-ANYOTHER METHOD-RULE 10AB*
>
> *A few examples of any other method are:*
>
> *1. Arm's length valuation of intangibles by Income method or capitalisation method (Discounted Cash flow Methods)*
>
> *2. Valuation of unlisted shares which are transferred..."*

23.1 The Department has argued with much emphasis and vehemence that it is only as a last resort that the Other Method may be taken recourse to. This, however, is found to be not the correct position in law. As noted hereinbefore, Rule 10C of the Rules unequivocally lays down that it is the method best suited, which will be the most appropriate method for the purposes of section 92C(1). The application of a particular method would, in other words, depend solely on the level or measure of reliability of a particular method qua a particular transaction. This aspect has been dealt with earlier in this order, while

discussing as to why the CUP, or the TNMM, or the CPM, is not applicable. Therefore, the OM is not a residual method, as the Department would have us believe. Rather, all the methods, including the OM are at parity with each other. It is only that it is the method which is the most suited to a particular scenario, which needs must be applied. And herein, it is the OM which is the one which is the most suited, to the transaction entered into by the assessee. 'Toll Global Forwarding India(P) Ltd. Vs. DCIT'; 51 Taxmann.com 342, rendered by the Delhi ITAT is directly on the issue. It holds that 'the other method is not a residual method in the sense that it is not a condition precedent for the application of this method that all other methods, i.e., the methods set out in sections 92C(1(a) to 92C(1)(e) and as elaborated under rule 10B(1)(a) to (e), must fail and only then this method can be applied. This method is at par with all other methods… Therefore, as long as the method covered by rule 10AB, which is duly covered by section 92C(1) satisfies the test of being the 'most appropriate method', it can be applied to a fact situation.'

24. Besides, the assessee is also right in contending that the valuation report of the intangibles was an independent valuation report carried out by an independent valuer, which has not been called in question by the authorities below. Rather, the same was rejected, holding that it was obtained at the time of acquiring the business, whereas the sale of the intangibles was made at a later date. Now, the undisputed factual position is that it was on 13/04/2015, that the business of QSI was acquired by the assessee and it was on this very date, that

the deed of assignment of the intangibles by the assessee to Parexel Ireland was entered into. The sale proceeds were received immediately thereafter, i.e., within five business days. This being so, the reason for the rejection is but only a specious reason and as such, the rejection of the independent valuation report is bad in law, particularly when the contents of the report, though having been taken seisin of by the authorities, could not be dubbed as unsustainable. Moreover, such a valuation report can be used for bench marking under the Other Method. Apparently, the dates of the purchase and sale transactions were not correctly appreciated. It was this that led to the valuation report being erroneously rejected.

24.1 In 'Social Media India Ltd. Vs. Asst. CIT', vide order (ACLPB-7 to 18) dt. 04/10/2013, passed by the ITAT, Hyderabad Bench, for A.Y. 2008-09, in ITA No. 1711/Hyd/2012, it has, on the issue, been held that in the absence of any counter report by the TPO/DRP, or separate valuation done by the TPO, the assessee's valuation had to be accepted, as it was supported by an independent valuer, who determined the cost price on the actual expenditure incurred by the AE. The position is much the same in the case at hand. There is no counter report by the TPO/DRP. There is no separate valuation done by the TPO. The assesee's valuation, on the other hand, is a valuation carried out by the independent valuer. No decision opposed to ' Social Media India Ltd.' has been cited before us.

24.2 Then, in 'TPG Growth II Markets Ptd. Ltd. Vs. DCIT', vide order (ACLPB 19- 55) dt. 06/06/2023, passed by the ITAT, Mumbai Bench for A.Y. 2017-18, in ITA No. 1387/Mum/2022, applicability of the Other Method has been considered. It has been held that Rule 10B of the Rules deals with the manner of determination of ALP using different methods; that in that case, application of the CUP and the Other Method was up for consideration; that as regards the Other Method, Rule 10B(1)(f) r.w. Rule 10AB provides that the Other Method shall be any method which takes into account the price which has been charged / paid or would have been charged / paid, for the same or similar uncontrolled transaction with or between non associated enterprises, under similar circumstances, considering all the relevant facts, for example, a valuation of shares obtained from an independent expert determining the value / price of shares that would have been charged in case of purchase / sale of such shares by two independent third parties. As discussed, the valuation report of the assessee is a report of an independent valuer. The valuation report, as considered, was not found fault with on merits. The same, thus, ought to have been used for benchmarking under the Other Method, accepting the same as a valid comparable. 'TPG Growth II Markets Pte. Ltd.' (supra) has not been shown to be not applicable to the facts of the present case, nor has any decision opposed to it been brought to our notice.

25. For the above discussion, it is held that the ld. DRP went wrong in confirming the action of the TPO in proposing an adjustment of Rs.

1,31,29,52,199/- pertaining to the international transaction of sale of intangible assets by the assessee to its AE, by wrongly imputing the mark up of 33.13% on the sale value. We hold that it is the Other Method which is required to be adopted as the most appropriate method for computation of the arm's length price of the transaction of sale of intangible assets by the assessee to Parexel Ireland. In accordance with the same, the TP adjustment of Rs. 131,29,52,199/- is ordered to be deleted. Ground Nos. 2 to 4, therefore, are accepted.

26. Ground No. 5 & 6 are consequential.

27. In view of the decision on merits, the additional ground is not required to be gone into. The parties were also not called upon to argue the merits thereof.

28. In the result, the appeal of the Assessee is partly allowed.

Order pronounced in the open Court on 28/10/2024.

Sd/-	**Sd/-**
कृणवन्त सहाय	**आकाश दीप जैन**
(KRINWANT SAHAY)	**(AAKASH DEEP JAIN)**
लेखा सदस्य/ ACCOUNTANT MEMBER	**उपाध्यक्ष/VICE PRESIDENT**

AG

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकर आयुक्त/ CIT
4. आयकर आयुक्त (अपील) / The CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
6. गार्ड फाईल/ Guard File

आदेशानुसार/ By order,
सहायक पंजीकार/ Assistant Registrar