

**In the Income-Tax Appellate Tribunal,
Delhi Bench 'F', New Delhi**

**Before : Shri H.S. Sidhu, Judicial Member And
Shri L.P. Sahu, Accountant Member**

**ITA No. 6149/Del/2015
Assessment Year: 2010-11**

IFS Solutions India Pvt. Ltd., Office No. 14, Ground Floor, Tower-1 Stellar IT Park, Plot No. C-25, Sector 62, Noida. PAN- AAACL 0195J (Appellant)	vs.	DCIT, Circle 11(1), New Delhi. (Respondent)
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Appellant by	Sh. S.K. Saini, C.A.
Respondent by	Sh. Surender Pal, Sr. DR

Date of Hearing	24.01.2019
Date of Pronouncement	28.01.2019

ORDER

Per L.P. Sahu, A.M.:

This appeal by the assessee arises out of the order of ld. CIT(A)-4, New Delhi dated 21.08.2015 for the assessment year 2010-11.

2. The brief facts of the case are that the appellant is a private limited company, which is wholly owned subsidiary of IFS Solutions Asia Pacific PTE Ltd., having its registered office at 15 Floe Chiang Road, 11-01/02, Tower Fifteen, Singapore - (089316), which is also a wholly owned subsidiary of Industrial & Financial Systems AB (Publ) ("IFS AB" or "the Parent Company"), having its registered office at Teknikringen 5, Box 1545, SE-58115 Linkoping, Sweden. The parent company, Industrial & Financial Systems ("IFS") is a

Swedish Multinational founded in the year 1983 traded in the Stockholm stock exchange In order to boost its presence in India, the parent company, “IFS” set up IFS India (the appellant here) operations since January 2003 and the appellant IFS India is an international competency centre for IFS global operations. The major activities of appellant are sub-Licensing of right to use of IFS applications in India; Implementation for both India and overseas customers; Localization for India statutory requirements; Support for both India and overseas customers; Development of new components as per customer's requirement. The appellant filed its Income Tax Return for AY 2010-11 on 13.10.2010 declaring Income of Rs. 1,16,83,275/-. The case was selected for scrutiny and the assessment order was completed u/s. 143(3) on 28.02.2014 at an income of Rs.1,41,55,760/- after making following disallowances:

(i). Disallowance of Royalty on license Purchase	Rs.19,77,113/-
(ii). Disallowance of Misc. Expenses	Rs.2,79,817/-
(iii). Disallowance of ROC Fees	Rs.2,15,553/-

The assessee carried the matter in appeal before CIT (Appeals), who after incorporating the written submissions of the assessee in the impugned order, confirmed the action of Assessing Officer vide order dated 21.08.2015. Aggrieved, the assessee is in appeal before the Tribunal, inter alia, on the following grounds :

- 1. That the impugned order passed by Ld. CIT(Appeal) is bad in law as well as facts of the case.*
- 2. That the passed order by the Ld. CIT (Appeal) is bad as the order is not explanatory. The Ld. CIT (Appeal) passed the order without explaining the reasons and/or any case laws while dismissing the appeal of the*

appellant. The arguments submitted by the appellant alongwith are not discussed in the order itself.

3. That the Ld. CIT (Appeal) passed the order ignoring the facts that the AO had just copied the order of the A.Y 2009-10 and pasted for A.Y 2010-11. Therefore there was more and more responsibilities upon Ld. CIT(Appeal) to verify all the facts in detail before dismissing the appeal. Further, for arguments sake if the contention of the AO was justified as mentioned by the Ld. CIT(Appeal) then, he should have discussed the orders passed by the Ld. CIT (Appeal) for the A.Y 2009-10, in which full relief was given to the appellant.

3. We have heard the submissions of both the parties and have gone through the entire material available on record. Placing reliance on the grounds of appeal, the ld. AR submitted that the ld. CIT(A) has passed the impugned order in a very slipshod manner without assigning any reason to support the action of the Assessing Officer and without repudiating the submissions made by appellant before him. Such a non-speaking order is not tenable in the eye of law. It was submitted that without verification of facts and without giving reason for decision, the sustenance of additions made by the Assessing Officer is not justified. He, therefore, urged for sending the matter back to the file of CIT(A) for passing a speaking order on all the above three issues raised before him. The ld. DR, though supported the orders of the authorities below, but could not controvert the contention of the ld. counsel for assessee after going through the impugned order. In presence of these facts, we find that the ld. CIT(A) was required to make out the points for determination and to assign reason for endorsing the view of Assessing Officer and repudiating the contentions of the assessee made before him. The impugned order is found lacking reasons for the decision reached by the ld. CIT(A) which we are not inclined to support. We, therefore, remit the

matter back to the file of the Id. CIT(A) to decide the appeal afresh by way of speaking order, as observed above, in accordance with law after giving reasonable opportunity of being heard to both the parties. Accordingly, the appeal of the assessee deserves to be allowed for statistical purposes.

4. In the result, the appeal is allowed for statistical purposes.

Order pronounced in the open court on 28.01.2019.

Sd/-

(H.S. Sidhu)
Judicial member

Sd/-

(L.P. Sahu)
Accountant Member

Dated: 28.01.2019

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Copy of order forwarded to:

<i>(1) The appellant</i>	<i>(2) The respondent</i>
<i>(3) Commissioner</i>	<i>(4) CIT(A)</i>
<i>(5) Departmental Representative</i>	<i>(6) Guard File</i>

By order

*Assistant Registrar
Income Tax Appellate Tribunal
Delhi Benches, New Delhi*