

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH: 'I-2' NEW DELHI**

**BEFORE SHRI H.S. SIDHU, JUDICIAL MEMBER
&
SHRI PRASHANT MAHARISHI, ACCOUNTANT MEMBER**

**ITA No. 7295/Del/2017
Assessment Year: 2014-15**

M/s Roll-Royce PLC 62, Buckingham Gate London SWIE 6AT PAN No. AACCR6911L	vs	DCIT Circle 3(1)(1) International Taxation New Delhi.
APPELLANT		RESPONDENT

Assessee by	None
Revenue by	Shri Surender Pal, Sr. DR

ORDER

PER SHRI H.S. SIDHU, J.M.

This appeal by the assessee has been directed against the order dated 08.08.2017 for AY 2014-15.

2. The aforesaid appeal came up for hearing before this Bench today i.e. on 09/08/2019. We have received a letter dated 15/05/2019 written by the Authorized Representative of the assessee. The contents of the same are reproduced as under:

15 May 2019

The Hon'ble Members,
Bench- 'F' The Income-tax Appellate Tribunal,
Lok Nayak Bhawan, Khan Market,
New Delhi – 110003.

Appellant :Rolls Royce PLC
PAN :AACCR6911L
Assessment Year :2014-15
Reference :Appeal No. 7295/Del/2017 filed on 06.12.2017
Subject :Request for withdrawal of appeal no. 7295/Del/2017

May It Please Your Honours:

1. This has reference to captioned appeal no. 7295/Del/2017 filed before this Hon'ble Tribunal on 06.12.2017 against the assessment order dated 28.09.2017 passed by the Ld. Deputy Commissioner of Income Tax, Circle 3(1)(1), International Taxation, New Delhi under section 143(3)/144C(13) of the Income Tax Act, 1961 ('the Act').
2. The Appellant had in the said appeal challenged the addition of INR 37,82,73,929/- made by the Ld. AO.
Addition on account of business income attributed to the PE : INR 376,586,567/-
Addition on account of Fee for technical services : INR 1,687,262/-
3. In this regard, the Appellant submits that it had approached the Competent Authorities by invoking the provisions of Article 27 of the Double Tax Avoidance Agreement between India and United Kingdom of Great Britain and Northern Ireland ('India-UK tax treaty') relating to resolution of disputes by Mutual Agreement Procedure ('MAP') for the AY 2014-15.
4. The Competent Authorities of India and UK have now reached a resolution and passed an order dated 29.04.2019, wherein the Competent Authorities have held that the liaison office of Rolls Royce PLC ceased to undertake any significant activity during the AY 2014-15, which would require profit attribution and hence no profits can be attributed to the liaison office in the said AY. The relevant extracts of the order are reproduced hereunder:
"2.1 The Liaison Office of Rolls Royce PLC ceased to undertake any significant activity during the AYs 2013-14 and 2014-15, which would require attribution of profits. Accordingly, no profit would be attributed for the AY 2013-14

and 2014-15 to the Permanent Establishment (PE) of Rolls Royce PLC.”

- 5. In view of the above, the primary issue involved in the appeal now stands decided in favour of the Appellant.*
- 6. Further, with respect to the addition of INR 1,687,262 made by the Ld. AO treating the income as Fees for technical services by alleging that the said income appearing in Form 26AS has not been offered to tax in the return of income. In this regard, the Appellant submits that this entry has been reversed in the system by the payer and the reversal of the equivalent amount is appropriately reflecting in the Form 26AS and associated records. Accordingly, the said ground stands resolved in the favour of the assessee, the effect of which shall be given by the Ld. AO in the appeal effect order.*
- 7. Separately, the provisions of Rule 44H(4) of the Income Tax Rules, 1962 ('The Rules'), provides that to give effect to resolution arrived at under mutual agreement procedure, the assessee is required to withdraw its appeal, if any, pending on the issue which was the subject matter for adjudication under mutual agreement procedure.*
- 8. Since the issues in adjudication before this Hon'ble Tribunal have been decided in favour of the Appellant. Accordingly, the Appellant, in compliance with the provisions of Rule 44H(4) of the Rules wishes to withdraw the captioned appeal filed before this Hon'ble Bench and humbly prays before the Hon'ble Bench to permit withdrawal of captioned appeal.*

We request this Hon'ble Bench to kindly permit withdrawal of the captioned appeal (Appeal No. 7295/DEL/2017) by the Appellant and kindly oblige.

*Thanking you,
Yours faithfully,
For Rolls Royce PLC
Sd/-
Name: TOM ASTILE*

3. We have conveyed the contents of the aforesaid letter to the Ld. Sr. DR and pointed out that assessee wants to withdrawal this appeal. He has not raised any objection on the request of the assessee.

4. After going through the contents of the letter dated 15/05/2019 reproduced above and no objection raised by the Ld. DR on the written request of the assessee for withdrawal of this appeal. We are of the view that in the interest of justice, the request of the assessee should be accepted and we accept the same by ordering that the present appeal filed by the assessee is dismissed as withdrawn.

5. In the result, the appeal filed by the assessee is dismissed as withdrawn.

Order pronounced in the open Court on 09/08/2019.

Sd/-
(PRASHANT MAHARISHI)
ACCOUNTANT MEMBER

Dated: 09/08/2019

*Kavita Arora

Sd/-
(H.S. SIDHU)
JUDICIAL MEMBER

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

TRUE COPY

ASSISTANT REGISTRAR
ITAT NEW DELHI

Date of dictation	09.08.2019
Date on which the typed draft is placed before the dictating Member	09.08.2019
Date on which the typed draft is placed before the Other Member	09.08.2019
Date on which the approved draft comes to the Sr. PS/PS	09.08.2019
Date on which the fair order is placed before the Dictating Member for pronouncement	09.08.2019
Date on which the fair order comes back to the Sr. PS/PS	09.08.2019
Date on which the final order is uploaded on the website of ITAT	09.08.2019
Date on which the file goes to the Bench Clerk	09.08.2019
Date on which the file goes to the Head Clerk	
The date on which the file goes to the Assistant Registrar for signature on the order	
Date of dispatch of the Order	