

**INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH "I": NEW DELHI**

**BEFORE**

**SHRI SHAMIM YAHYA, ACCOUNTANT MEMBER  
AND  
MS. ASTHA CHANDRA, JUDICIAL MEMBER**

ITA No. 620/Del/2019  
Assessment Year: 2012-13

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| Addl. Special Range-1<br>Room No. 159A,<br>1 <sup>st</sup> Floor,<br>C.R. Building,<br>New Delhi – 110 002 | Vs. | Axis Risk Consultancy<br>Services Pvt. Ltd.<br>Delhi Information<br>Technology Park,<br>Shastri Park,<br>Delhi-110 053<br>PAN AAECA9833G |
| <b>(Appellant)</b>   |     | <b>(Respondent)</b>  |

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| Assessee by:             | Shri S.S. Tomar, Advocate<br>Shri Ankit Sahani, Advocate |
| Department by :          | Shri Mrinal Kumar Das, Sr.DR                             |
| Date of Hearing          | 28.07.2022   |
| Date of<br>pronouncement | 23.11.2022   |

**ORDER**

**PER ASTHA CHANDRA**

The appeal by the Revenue is directed against the order dated 01.11.2018 of the Ld. Commissioner of Income Tax (Appeals)-44, New Delhi **(CIT(A))** pertaining to the assessment year **(“AY”)** 2012-13.

2. The Revenue has taken the following ground of appeal:-

*“Whether on the facts and in the circumstances of the case, the Ld. CIT(A) was correct in holding that notional income on account of delayed payment made by the AE cannot be treated as part of the income and made the subject matter of transfer pricing adjustment.”*

3. Briefly stated, the assessee domestic company is a wholly owned subsidiary of Genpact India Holdings, Mauritius which in turn is ultimately held by Genpact Ltd. Bermuda. It is engaged in the business of providing risk consultancy, advisory and risk assurance services. For AY 2012-13, the assessee filed return on 30.09.2012 declaring total income of Rs. 24,62,85,760/-. The case was selected for scrutiny and was referred to Transfer Pricing Officer (**"TPO"**) for computation of Arms Length Price in relation to the international transactions. The Ld. TPO vide order dated 25.02.2016 made transfer pricing adjustment of Rs. 4,24,02,911/- on account of interest on outstanding receivables. The Ld. Assessing Officer (**"AO"**) completed the assessment under section 144C (3) r.w.s. 143(3) on 22.03.2016 incorporating the said transfer pricing adjustment therein.

4. The assessee moved an application under section 154 of the Income Tax Act, 1961 (**the "Act"**) before the Ld. TPO for rectification of error in TPO's order dated 25.02.2016. The Ld. TPO vide his order dated 13.07.2016 revised the transfer pricing adjustment to Rs. 1,26,66,468/-. Vide letter dated 13.12.2018 the Ld. AO requested the Ld. TPO to give appeal effect to Ld. CIT(A)'s order dated 01.11.2018 in Appeal No. 120/2017-18 (CIT(A))-44. The Ld. TPO vide his order dated 14.01.2019 gave affect to the appellate order of Ld. CIT(A) and as consequence thereof reduced the transfer pricing adjustment of Rs. 1,26,66,468/- to Nil i.e. no adjustment to the income of the assessee under section 92CA(5) of the Act.

5. The Ld. AR submitted that the transfer pricing addition considered by the Ld. TPO in his order giving effect to Ld. CIT(A)'s order amounted to Rs. 1,26,66,468/- and therefore the tax effect computed by the Revenue in appeal Form No. 36 filed before the Tribunal at Rs. 1,43,74,587/- is incorrect.

6. The Ld. AR further submitted that the correct tax effect of the impugned appeal is below the monetary limits prescribed by the CBDT for filing appeal by the Revenue. He, therefore requested that the impugned

appeal filed by the Revenue deserves to be dismissed on account of low tax effect.

7. We agree with the submission of the Ld. AO. As demonstrated by the assessee the correct tax effect in the impugned appeal is Rs. 41,09,636/-. The Ld. DR had no objection. Accordingly, we dismiss the appeal of the Revenue.

8. In the result the appeal of the Revenue is dismissed.

**Order pronounced in the open court on 23<sup>rd</sup> November, 2022.**

**sd/-**

**(SHAMIM YAHYA)**  
**ACCOUNTANT MEMBER**  
Dated: 23 /11/2022

**sd/-**

**(ASTHA CHANDRA)**  
**JUDICIAL MEMBER**

***Veena***

Copy forwarded to -

1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR  
ITAT, New Delhi

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| Date on which the typed draft is placed before the dictating Member                   |  |
| Date on which the typed draft is placed before the Other Member                       |  |
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