

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'H', NEW DELHI**

**BEFORE SH. SAKTIJIT DEY, JUDICIAL MEMBER
AND
SH. N. K. BILLAIYA, ACCOUNTANT MEMBER**

ITA No.3495/Del/2019
Assessment Year: 2015-16

ACIT, Special Ragen-5, New Delhi	Vs	Jones Lang Lasalle Building Operation Pvt. Ltd 1110, Ashok Estate, Barakhamba Road, New Delhi PAN No.AAACW4495Q
(APPELLANT)		(RESPONDENT)

Appellant by	Sh. Vivek Vardhan, Sr DR
Respondent by	Sh. Salil Kapoor, Advocate Sh. Vibhu Jain, Advocate

Date of hearing:	12/06/2023
Date of Pronouncement:	15/06/2023

ORDER

PER N. K. BILLAIYA, AM:

This appeal by the revenue is preferred against the order of the CIT(A)-36, New Delhi dated 30.01.2019 pertaining to A.Y.2015-16.

2. The grievance of the revenue read as under :-

1. *Whether CIT(A) was correct in deleting a sum of Rs.3,87,86,030/- on a/c of Business Service Charges as claimed by the assessee.*
2. *Whether the CIT(A) was correct in admitting additional documents when the conditions as per rule 46A(3) of IT rules were not satisfied and assessee was given adequate opportunity at the time of assessment proceedings.*
3. *That the appellant are craves leave to add, alter, amend or forgo any grounds of appeal raised above at the time of hearing.*
4. *That the grounds of appeal are without prejudice to each other.*

3. Briefly stated the facts of the case are that during the course of the scrutiny assessment proceedings the AO noticed that the assessee has claimed business advisory services charges of Rs.38786030/-. The assessee was asked to show cause for the proposed disallowance of the same. In its reply the assessee filed a service agreement in which it is stated that these expenses were incurred on account of services provided by its associated concern JLLPC for service related to HR services loan staff to the assessee company on need basis and IT support services etc. The AO observed that the assessee has not filed any supporting documents/ evidences and failed to demonstrate that any kind of service was provided by JLLPC and accordingly disallowed Rs.38786030/-.

4. Assessee agitated the matter before the CIT(A) and furnished additional evidences in the form of documents/ evidences in support of the said payment. In fact the assessee submitted additional evidences which are as follows :-

- *Copy of form 3CEB and transfer pricing study of the Appellant, justifying the arm's length price of the services availed;*
- *Copy of agreement entered by JLLPC with JLL Singapore to justify overall services availed by JLLPC from JLL Singapore, including the services availed by the Appellant;*
- *The cost allocation sheet of the portion of services availed by the Appellant and JLLPC;*
- *Copy of transfer pricing study of JLLPC, evidencing the portion of services relating to the Appellant.;*
- *Copy of email correspondence (on sample basis), evidencing the services actually availed by the Appellant;*
- *Copy of the factual submission in relation to the services rendered by JLL Singapore to the Appellant and benefits derived out of the same by the Appellant for the purpose of its business.*

Further the Appellant submitted that it had received the following services from JLL Singapore.

Regional Headquarter services

Marketing and Communication Services

Operating Coordination and Strategy Implementation Services

PeopleSoft support services

Support Services Organization

Hotel Investment Banking Services

Financial Accounting

Other Regional Business Unit Personnel

5. Admitting the additional evidences the CIT(A) called for a remand report from the AO and considering the same in the light of the documentary evidences the CIT(A) allowed the expenses of Rs.38786030/- incurred by the assessee as business expenses u/s. 37 of the Act.

6. Before us the DR strongly supported the findings of the AO. Referring to the invoices exhibited at page 117 of the paper book the DR pointed out that the said invoice is not raised in the name of the assessee. Reiterating what has been stated before the CIT(A) the Counsel pointed out that the said invoice is infact in the name of the assessee. The Counsel further drew our attention to the assessment order of A.Y.2018-19 and pointed out that an identical query was raised calling for documentary evidence in respect of business service charges and on the basis of similar evidences/ documents the said expenditure was allowed.

7. We have carefully considered the orders of the authorities below. The undisputed fact is that before the first appellate authority the assessee has furnished demonstrative evidence / documents as mentioned elsewhere which were remitted to the AO calling for a remand report by the CIT(A) and the AO has not made any adverse comment on such evidences. Based on documentary evidences the CIT(A) was convinced with the claim and allowed the same as business expenses.

8. We further find that in A.Y.2018-19 a specific query was raised by the AO calling for documentary evidences in respect of business service charges paid amounting to Rs.93419389/- and on the basis of the similar evidences the AO accepted the claim of the said payment. Considering the facts of the case in totality we

do not find any reason to interfere with the findings of the CIT(A)
the appeal filed by the revenue is accordingly dismissed.

Order pronounced in the open court on 15.06.2023.

Sd/-
[SAKTIJIT DEY]
JUDICIAL MEMBER

Dated: .06.2023

Neha

Copy forwarded to:

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

Sd/-
[N.K. BILLAIYA]
ACCOUNTANT MEMBER

Asst. Registrar
ITAT, New Delhi