

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH 'I-1', NEW DELHI**

**Before Ms. Suchitra Kamble, Judicial Member**

**Dr. B. R. R. Kumar, Accountant Member**

**(Through Video Conferencing)**

**ITA No. 443/Del/2021 : Asstt. Year : 2016-17**

COWI India Pvt. Ltd., 121, Phase-I, Udyog Vihar, Gurgaon, Haryana-122016	Vs	Income Tax officer, E-Assessment Centre, Circle-I, Gurgaon
<b>(APPELLANT)</b>		<b>(RESPONDENT)</b>
<b>PAN No. AAACK0921H</b>		

**Assessee by : Sh. Ankit Arora, CA  
Revenue by : Sh. Surenderpal, CIT DR &**

<b>Date of Hearing: 12.08.2021</b>	<b>Date of Pronouncement: 02.11.2021</b>
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**ORDER**

**Per Dr. B. R. R. Kumar, Accountant Member:**

The present appeal has been filed by the assessee against the order dated 26.03.2021 passed by the AO u/s 143(3) r.w.s. 144C(13) of the Income Tax Act, 1961.

2. The Group's parent company, COWI Holding A/S, is a Danish public limited liability company owned by COWI Fonden (COWI foundation) and present and former employees. COWI A/S is one of the largest private Infrastructure Consultancy and mapping and surveying company in Europe covering a wide range of activities in the field of engineering, environmental science and economics. COWI A/S's services range from professional advice on a particular problem to comprehensive planning and total engineering design of large-scale projects.

Its clients include international funding agencies, public utility companies, and industrial and commercial companies.

3. COWI India Private Limited (formerly known as Kampsax India Private Limited) was established in 1994 as a subsidiary of Kampsax A/S. In 2002, upon acquisition of Kampsax A/S by COWI A/S, COWI India became a member of the COWI Group - an international consulting group working world-wide with engineering, environmental science and economics. COWI India operates under two major segments i.e. Engineering Design services and Mapping services.

4. The issue before us concerns to "Mapping Segment" only. The process is as under:

The AEs enter into a contract with third parties for providing digital mapping services. After obtaining the contract, if it so requires, the AEs initiate the process of digital mapping by taking aerial photographs and data of the specified area through aircrafts owned by it. These photographs are then developed into images and are sent to COWI India along with specifications via electronic medium for processing. During the year under consideration the functional profile of COWI India was limited to processing the images sent by the AEs. This activity was done by COWI India as per the directions and under instructions of COWI A/S. After receiving the images, COWI India undertakes the following steps for processing the digital images. After the broad parameters are defined, COWI India ensures error free images. Final maps are prepared through Photogrammetry department in which the output is obtained in 3D and 2D images. In order to conduct the above activities

COWI India receives requisite training as well as software tools from COWI A/S. The AEs download the maps on their server to ascertain whether maps are prepared as per the specification and quality required by the client. Thus, functions of COWI India are limited to converting aerial images to readable format.

**Issue of Comparables:**

5. The assessee has objected to selection of two comparables namely, Infosys BPM Ltd., Dun & Bradstreet Technology & Data Services Pvt. Ltd and Nihilent Analytics Limited.

**Infosys BPM Ltd.:**

6. At the outset, it was argued that the comparable domain and people management expertise. Infosys BPO is backed by the parent Infosys Technologies Limited to offer an integrated IT-BPO delivery model designed for 'one stop shop' solution model which helps managing the entire outsourcing operational chain of IT and process management services. BTS, the process consulting arm of Infosys BPO, drives end-to-end transformation for clients worldwide. BTS focuses on a few critical drivers that derive maximum impact on business KPIs and accelerate the business benefits for our clients. In order to assist clients variabilize their costs, BPO providers are leveraging technology to move from a CAPEX to OPEX model. Project Genesis a flagship program to train the students to be industry ready was successfully implemented and over 19000 students trained under Global Business Foundation Skills Program (GBFS).

7. From the above, we find that the said comparable doesn't meet the FAR profile with the assessee. Hence, we direct it to be deleted from the final list of comparable.

**Dun & Bradstreet Technology and Data Services Pvt. Ltd.**

8. D&B Technologies and Data Services specializes in providing Predictive Analytics, Decision Management and Information Management platforms and services to Dun & Bradstreet and its clients globally. Value added services by the company are Predictive analytics, Risk management, Rating and scoring, Business intelligence and SME banking.

9. Further, it was argued that the comparable had significant related party transactions as Dun & Bradstreet Technology and Data Services Pvt. Ltd. provides services only to its parent company, its clients and other affiliate companies.

10. Hence, we hold that the Id. DRP's observation that the functional profile of the assessee matches with that of the comparable cannot be affirmed.

**Nihilent Analytics Limited:**

11. The assessee objected to the selection of this comparable. It was argued that Nihilent provides a comprehensive range of process and technology-led transformation services leveraging advanced analytics, artificial intelligence, block chain, business intelligence, data science, cloud services, IoT, and machine learning. Nihilent has developed and been awarded a patent for Change Management based on MC3 ® framework for

Performance Management and Strategy Execution. Nihilent also has a patent for its predictive 'Customer Loyalty Evaluation'.

12. We find that the companies primarily rendering software services and doesn't hold any inventory. We have gone through the record before us and find that the Id. DRP has rightly allowed the inclusion of this comparable subjected to the availability of the accounts and passing of the filters. Hence, we decline to interfere with the order of the Id. DRP on this issue.

13. In the result, the appeal of the assessee is partly allowed. Order Pronounced in the Open Court on 02/11/2021.

Sd/-

**(Suchitra Kamble)**  
**Judicial Member**

**Dated: 02/11/2021**

**\*Subodh Kumar, Sr. PS\***

Copy forwarded to:

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

Sd/-

**(Dr. B. R. R. Kumar)**  
**Accountant Member**

**ASSISTANT REGISTRAR**