

**IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD ' B ' BENCH, HYDERABAD.**

**BEFORE SHRI S.S. GODARA, JUDICIAL MEMBER AND
SHRI L. P. SAHU, ACCOUNTANT MEMBER
(Through Virtual Hearing)**

**ITA Nos.698/Hyd/2016 & 195/Hyd/2019
(Assessment Years : 2011-12 & 2008-09)**

1. M/s. Tejaswini Engineering P. Ltd.,
Hyderabad.
PAN AABCT 6421AAppellant.
Vs.
Dy. Commissioner of Income Tax,
Circle 2(3), Hyderabad.Respondent.
2. M/s. Icon Commodities Pvt. Ltd.,
(earlier known as Ganga Exim Pvt. Ltd.)
Hyderabad.
PAN AABCG 3773AAppellant.
Vs.
Income Tax Officer,
Ward 2(2), Hyderabad.Respondent.

Appellants By : Shri P. Murali Mohana Rao.
Respondent By : Shri Rohit Majumdar (D.R.)

Date(s) of Hearing : 10.06.2021.
Date of Pronouncement : 12.07.2021.

O R D E R

Per Shri S.S. Godara, J.M. :

These two assessee's appeals for Assessment Year 2011-12 and 2008-09 arise against the CIT(A)-2 & CIT(A)-7, Hyderabad's order(s) dt.26.2.2018 and 4.10.2018 passed

in case No.0067/2014-15 and 252/CIT(A)-7/2016-17 involving proceedings u/s. 143(3) and 143(3) r.w.s. 147 of the Act; respectively. Since the grounds involved are identical, the instant common order is passed for the sake of convenience and brevity.

Heard the assesseees' as well as department. Case files perused.

2. We notice at the outset that apart from challenging correctness of 147/148 proceedings in latter appeal 1959/Hyd/2019; both these two assesseees' seek to reverse the Assessing Officer as well as CIT(A)s' identical action in disallowing the respective finance charges of Rs.2,68,40,275 and Rs.25,86,702 respectively. Both the learned representatives informed us during the course of hearing that these two assesseees are group entities belonging to M/s. Global Group. And that both the lower authorities have disallowed the foregoing financial charges involving varying sums after doubting genuineness thereof since involving 'Global' group's business activities only. We

notice in this factual backdrop that the issue of financial charges in M/s. Global Group entities' loan is no more res integra. This tribunal's co-ordinate bench order in assessee's very group concern's appeals ITA Nos.406, 543 and 1269/Hyd/2014 (M/s. Global Forging Ltd.) has already decided that once the said assessee had filed all the relevant details pertaining to discounting of bills from outside party as well as providing goods to the sister concern(s) on credit basis, the same amply proved genuineness of its corresponding claim. This very reasoning has been reiterated mutatis mutandis in M/s. BP Ferrium Industries Pvt. Ltd. Vs. DCIT case; "Global group entity" in 1741/Hyd/2017 for Assessment Year 2011-12 dt.20.5.2021. Faced with this situation, we adopt judicial consistency in these twin group entities cases as well and delete the impugned financial charges disallowance of Rs.2,68,40,275 and Rs.25,86,702; appeal-wise respectively. The corresponding grounds to this effect stand accepted.

The former assessee's former appeal 698/Hyd/2016 raising this sole substantive grievance is accepted.

4. Coming to the latter assessee's appeal in 195/Hyd/2019, learned counsel is fair enough in submitting that he is not pressing for its legal ground challenging validity of reassessment at this stage. Its appeal ITA No.195/Hyd/2019 is partly accepted.

5. These assessee's appeals 698/Hyd/2016 and 195/Hyd/2019 are allowed and partly allowed in above terms; respectively. A copy of this common order be placed in respective case files.

Order pronounced in the open court on 12th July, 2021.

Sd/-

(L.P. SAHU)
Accountant Member

Sd/-

(S.S. GODARA)
Judicial Member

Hyderabad, Dt.12.07.2021.

* Reddy gp

Copy to :

1.	i) M/s.Tejaswini Engineering Pvt. Ltd., 8-2-268/2/B/5, Road No.2, Banjara Hills, Hyderabad. ii) Icon Commodities Pvt. Ltd., 5A,Vengal Rao Nagar, Hyderabad.
2.	DCIT,Circle (2)3, Hyderabad. & ITO, Ward 2(2), Hyderabad.
3.	Pr. C I T-2, Hyderabad.
4.	CIT(Appeals)-2, Hyderabad. CIT(A)-7, Hyderabad.
5.	DR, ITAT, Hyderabad.
6.	Guard File.

By Order

Sr. Pvt. Secretary, ITAT, Hyderabad.