

आयकर अपीलिय अधिकरण, हैदराबाद पीठ  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**Hyderabad 'A' Bench, Hyderabad**

श्री रवीश सूद, माननीय न्यायिक सदस्य  
एवं

श्री मधुसूदन सावडिया, माननीय लेखा सदस्य

**SHRI RAVISH SOOD, HON'BLE JUDICIAL MEMBER**  
**AND**  
**SHRI MADHUSUDAN SAWDIA, HON'BLE ACCOUNTANT MEMBER**

आ.अपी.सं /ITA No.199/Hyd/2022  
(निर्धारण वर्ष/Assessment Year: 2017-18)

Electronics Arts Games (India) Private Limited.  (Successor of Griptonite Games India Private Limited); 17 to 22 Floors, Tower 30, Plot No. 8B/2, 9, 10A and 10B, Survey No. 83/1, RMZ Nexity, Hyderabad Knowledge City Layout, Seilingampally, Hyderabad- 50081.  PAN: AAECG4401C	Vs.	Deputy Commissioner of Income Tax Circle-2(1) Hyderabad
(Appellant)		(Respondent)
निर्धारिती द्वारा/Assessee by:	Shri S.P.Chidambaram, AR	
राजस्व द्वारा/Revenue by:	Shri B. Bala Krishna, CIT-DR	
सुनवाई की तारीख/Date of Hearing:	20/03/2025	
घोषणा की तारीख/ Date of Pronouncement:	02/06/2025	

The present appeal filed by the assessee company is directed against the final order of assessment passed by the A.O. under Section. 143(3) r.w.s 144C(13) r.w.s 144B of the Income Tax Act, 1961 (in short “the Act”), dated 21/03/2022 for the AY 2017-18.

2. The assessee company has assailed the impugned order on the following grounds of appeal:

**Grounds of Appeal**

**General**

1. That on the facts and circumstances of the case, the final assessment order dated 21 March 2022 (and received by the Appellant on 21 March 2022) passed by the Additional / Joint / Deputy / Assistant Commissioner of Income Tax/ Income-tax Officer, National Faceless Assessment Centre, Delhi u/s 143(3) r.w.s 144C(13) read with section 144B of the Income-tax Act pursuant to the directions dated 28 January 2022 by Dispute Resolution Panel, Bangalore ('DRP') u/s 144C(5) of the Act and read with order dated 14 February 2022 issued by Transfer Pricing Officer ('TPO') u/s 92CA(3) of the Act, is bad in law and void ab-initio so far as it is prejudicial to the Appellant

**Transfer Pricing Adjustment**

2. That on the facts and circumstances of the case and in law, the Learned TPO/AO erred in making transfer pricing adjustment of:
  - a. Rs. 1,60,72,299 on account of provision of software development services by the Appellant to its Associated Enterprises ('AEs').
  - b. Rs. 4,70,287 on account of interest payment on external commercial borrowing from the AE.
3. That on the facts and circumstances of the case and in law, the Learned TPO/AO erred in not following the directions of the DRP which leads to deletion of transfer pricing adjustment of Rs. 1,60,72,299 while issuing the final assessment order u/s 144 r.w.s 144C(13) and 144C(13) read with sections 143(3A) & 143(3B) of the Act.

**Rejection of TP Documentation and Cherry picking of comparables**

4. That on the facts and circumstances of the case and in law, the Learned TPO/AO/DRP erred in rejecting transfer pricing documentation maintained by the Appellant in accordance with the provisions of the Act read with the Income-tax Rules, 1962 ('Rules') and undertaking a fresh economic analysis during the course of assessment proceedings and thereby making transfer pricing adjustment of Rs. 1,65,42,586 to the international transactions entered into by the Appellant.
5. That on the facts and circumstances of the case and in law, the Learned TPO/AO/DRP erred in adopting a search strategy that amounts to cherry picking of companies.

**Selection of incomparable companies**

6. That on the facts and circumstances of the case and in law, the Learned TPO/AO/DRP erred in considering the following companies as comparables:
  - > Great Software Laboratory Pvt Ltd
  - > Mindtree Ltd
  - > Gwynniebee India Pvt Ltd
  - > Exilant Technologies Pvt Ltd
  - > Larsen & Toubro Infotech Limited
  - > Nihilent Limited
  - > Tata Elxsi Ltd.;
  - > Infobeans Technologies Ltd
  - > WIPRO Ltd
  - > Persistent Systems Limited
  - > Aptus Software Labs Pvt Ltd
  - > Cygnet Infotech Pvt Ltd
  - > Pagetraffic Web-Tech Pvt Ltd
  - > Infosys Limited
  - > Gislen Software
  - > Cybage Software Private Limited
  - > E- Infochips Pvt Ltd

4

7. That on the facts and circumstances of the case and in law, the Learned TPO/AO/DRP erred in including companies disregarding the comparability factors such as functionally dissimilar, presence of intangible and intellectual property, advertisement expenses, presence of brand etc.
8. That on facts and circumstances of the case and in law, the Learned TPO/AO/DRP erred in not applying upper limit for sales turnover filter.
9. Without prejudice, that on facts and circumstances of the case and in law, the Learned TPO/AO/DRP erred in not treating the provision for bad and doubtful debts and bad debts written off as operating cost in case of companies included in the final list of comparables.

#### **Rejection of comparable companies**

10. That on the facts and circumstances of the case and in law, the Learned TPO/AO/DRP erred by not including following companies as comparables:
  - a) Evoke Technologies Pvt Ltd
  - b) Sasken Technologies Ltd
  - c) E – Zest Solutions Limited
  - d) DCIS DOT COM Solutions Private Limited
  - e) Akshay Software Technologies Limited
  - f) FCS Software Solutions Limited
  - g) Batchmaster Software Private Limited
  - h) Kals Information Systems Pvt Ltd
  - i) Indianic Infotech Limited
  - j) Minvesta Infotech Limited
  - k) SybrantTechnologies Private Limited
  - l) Happiest Minds Technologies Pvt Ltd
11. That on the facts and circumstances of the case and in law, the Learned TPO/AO erred in rejecting Happiest Minds Technologies Pvt Ltd. on account of persistent loss filter.
12. That on the facts and circumstances of the case and in law, the Learned TPO/AO/DRP erred by not appreciating that the comparables listed in ground 10 are functionally comparable and meets the filter adopted by the TPO and therefore should be included in the list of comparables.
13. That on the facts and circumstances of the case and in law, the Learned TPO/AO/DRP erred in wrong application of persistent loss making filter.

#### **Adjustment for risk differences**

14. That on the facts and circumstances of the case and in law, the Learned TPO/AO/DRP erred in disregarding the risk profile of the Appellant vis-à-vis comparable companies selected by the TPO and not allowing risk adjustment as per the provisions of Rule 10B(1)(e) of the Rules.

#### **Working capital adjustment**

15. That on the facts and circumstances of the case and in law, the Learned TPO/AO/DRP erred in not granting working capital adjustment to the Appellant.

#### **Interest on Rupee Denominated ECB Loan**

16. That on the facts and circumstances of the case and in law, the Learned TPO/AO/DRP erred in rejecting State Bank of India Prime Lending Rate as the arm's length price for the transaction of Interest on External Commercial Borrowings.

17. That on the facts and circumstances of the case and in law, the Learned TPO/AO/DRP erred in not following the judgment of Hon'ble jurisdictional Income Tax Appellate Tribunal in case of Adama India (P) Ltd. Vs ITO, Hyderabad, IT Appeal No. 2314 (HYD.) of 2018 [Assessment Year 2014-15].
18. That on the facts and circumstances of the case and in law, the Learned TPO/AO/DRP erred in not granting advance tax credit amounting to Rs. 63,67,850 while computing the tax demand u/s 156 of the Act.
19. That the consequential effect should be given to the liability of interest under section 234B and 234D.
20. The Appellant craves, to consider each of the above grounds of appeal without prejudice to each other and craves leave to add, alter, delete or modify all or any of the above grounds of appeal.

3. Succinctly stated, the assessee company which is engaged in the business of developing, designing, publishing, licensing and distributing application software, graphics, images, sound interactive platforms and such other components of video games on digital multimedia and other platforms, had filed its return of income for AY 2017-18, on 30/11/2017, declaring an income of Rs. 3,69,10,123/-. Subsequently, the case of the assessee company was selected for complete scrutiny under CASS.

4. During the course of the assessment proceedings, the AO, observing that the assessee company had entered into international transactions referred the matter to the Deputy Commissioner of Income Tax – Transfer Pricing Officer-Hyderabad (in short “TPO”) under Section 92CA of the Act.

5. The TPO vide his order passed under Section 92CA(3) of the Act, dated 28/01/2021 suggested the following adjustments:

Sl no	Description	Adjustment U/s. 92CA(3)
1.	Software Development Services	2,16,96,351
2.	Excess amount of interest paid towards Rupee Denominated External Commercial Borrowings	4,70,287
	Total borrowings U/s. 92CA	2,21,66,638

6. The AO vide his draft assessment order under Section 143(3) r.w.s 144C of the Act made a Transfer Pricing (TP) adjustment of Rs. 2,21,66,638/- (supra) to the Arm's Length Price (in short "ALP") as was determined by the TPO.

7. The assessee company objected to the adjustments made by the AO/TPO and filed objections before the Dispute Resolution Panel-1, Bangalore (in short "DRP").

8. The DRP vide its order passed under Section 144(5) of the Act, dated 28.01.2022 though scaled down the TP adjustment of Software Development Services (SDS) to Rs. 1,60,72,299/-, but upheld the TP adjustment to the interest paid on Indian Rupee (INR) denominated External Commercial Borrowings (ECB's).

9. Thereafter, the A.O vide his final order of assessment passed under Section 143(3) r.w.s 144C(13) r.w.s 144B of the Act, dated 21/03/2022, determined the income of the assessee company at Rs. 4,18,47,696/-.

10. The assessee company being aggrieved with the order passed by the A.O under Section 143(3) r.w.s 144C(13) r.w.s 144B of the Act, dated 21/03/2022 has carried the matter in appeal before us.

11. We have heard the Learned Authorized Representatives of both parties, perused the orders of the lower authorities and the material available on record, as well as considered the judicial pronouncements that have been pressed into service by them to drive home their respective contentions.

12. Sri S.P. Chidambaram, Learned Authorized Representative (in short, "Ld. AR") for the assessee company, at the threshold of hearing of the appeal, submitted that the TPO has wrongly selected certain comparables for benchmarking the Arms Length Price (ALP) for the Software Development Services provided by the assessee company to its Associate Enterprise (AE). Elaborating further on his contention, the Ld. AR submitted that if five (5) of the comparables viz., (i). Infosys Ltd; (ii). Wipro; (iii). Larsen & Turbo Infotech Ltd; (iv). Mindtree Ltd; and (v). Tata Elxsi Ltd, which were incomparable, inter alia, for the very reason that they had substantially high turnover as in comparison to the assessee company were excluded, then, the margin of the assessee company would be at arm's length.

13. Apropos the TP adjustment carried out by the TPO/DRP regarding the interest paid by the assessee company on the India Rupee

Denominate (INR) External Commercial Borrowings (in short “ECB”), the Ld. AR submitted that there was no justification on their part for rejecting the benchmarking that was done by the assessee company by applying SBI-PLR, and substituting the same by adopting interest rate on “Masala Bonds” transactions as a comparable under the CUP method. The Ld. AR to fortify his contention that the interest paid on the unsecured loans in the form of ECBs denominated in Indian Rupees was rightly benchmarked by the assessee company by adopting SBI-PLR, had drawn support from the order of the ITAT, Hyderabad in the case of Adama India Private Limited vs. ITO, Ward1(3), Hyderabad - ITA No. 2314/Hyd/2018, dated 03/07/2019 and the order of the “Special Bench” of the Tribunal in the case of Invesco (India) Private Limited vs. DCIT, Circle 2(2), Hyderabad – ITA-TP No. 111/Hyd/2022 & 506/Hyd/2022; dated 29/01/2025.

14. Per contra, the Learned Departmental Representative (in short “Ld. DR”) supported the order of the A.O/TPO. It was submitted by him that as the AO had applied the appropriate filters and the selected comparables were functionally comparable, therefore, there was no substance in the Ld. AR’s claim for exclusion of the aforesaid five (5) comparables for the solitary reason that they had a higher turnover as in comparison to the assessee company.

15. Apropos, the benchmarking of the interest paid by the assessee company to its AE on the ECB denominated in Indian rupees, the Ld. DR supported the orders of the AO/TPO. It was submitted by him that since the ECB was denominated in Indian rupees, it was factually a “Masala Bond” Transaction of the assessee, and therefore, there was no infirmity on the part of the TPO/DRP in benchmarking the same based on the other public Masala Bond rates as the most appropriate method under CUP. It was submitted by him that the domestic rates like SBI-PLR could not be adopted as a comparable for benchmarking the ECB transaction even if the same is denominated in Indian rupees.

16. We have thoughtfully considered the contentions advanced by the learned Authorized Representatives of both parties in the backdrop of the orders of the lower authorities.

17. Controversy involved in the present appeal lies in a narrow compass, viz., (i). as to whether or not the TPO/DRP are justified in benchmarking the international transactions of providing of Software Development Services (in short “SDS”) by the assessee company by not applying the turnover filter and including the comparables with exceptionally high turnovers in the final list of comparables; and (ii). as to whether or not the TPO/DRP are justified in rejecting the benchmarking of the interest paid by the assessee on ECB denominated in India Rupees to its AE by applying SBI-PLR, and substituting the

same with the interest rate on Masala Bonds Transactions available in the public database.

18. As observed by us herein above, the assessee company is engaged in the business of providing Software Development Services (SDS). It had during the subject year carried out international transactions by providing SDS to its Associated Enterprises (in short "AE"), which was subjected to a TP adjustment of Rs. 1,60,72,299/- by the TPO.

19. The Ld. AR, at the threshold of hearing of the appeal, had submitted, that the TPO had grossly erred in law and facts of the case in not applying the turnover filter and including companies with substantial turnover which had vitiated the comparability analysis. It was submitted by him that if the aforesaid comparables are excluded, then, the margin of the assessee company will fall within the arm's length price.

20. Considering the aforesaid contention of the Ld. AR, we shall first deal with the aforesaid issue i.e., as to whether or not the aforesaid 5 (five) comparables had rightly been included by the TPO for benchmarking the assessee's international transactions of providing Software Development Services.

21. Ostensibly, a perusal of the record reveals that the TPO while benchmarking the aforesaid international transaction i.e., SDS had included in the final list of comparables the following 5 (five) entities:

Sl No	Name of the company	Margin	Turnover (in crores)
1.	Infosys Ltd.	39.55%	59,289.0
2.	Wipro Ltd	25.63%	45,639.6
3.	Larsen & Toubro Infotech Ltd	22.23%	6,182.9
4.	Mindtree Ltd	17.83%	4,752.6
5.	Tata Elxsi Ltd	24.58%	1,233.6

22. Ostensibly, the financials of the assessee company reveal that its turnover for the subject year was 25.56 crore (approx.). Considering the turnover of the assessee company, we concur with the Ld. AR that the aforementioned five (5) comparable selected by the TPO having exceptionally high turnovers are typically the market leaders possessing significant brand value, economies of scale and access to advanced technology and larger client basis, which, thus, fundamentally differentiates them from a smaller or medium sized company like the assessee company before us. We are of the firm conviction that the TPO/DRP had erred in not appreciating the significance of the “turnover filter” while identifying the appropriate parties for the SDS segment of the assessee company. Also, we find substance in the Ld. AR’s claim that the aforesaid comparables viz., (i). Infosys Ltd; (ii). Wipro; (iii). Larsen & Turbo Infotech Ltd; (iv). Mindtree Ltd; and (v). Tata Elxsi Ltd., having substantial turnovers, are the leaders of the industry, which are often engaged in high-end development, consulting, and diverse service offerings, unlike a SDS provider like the assessee company before us. Considering the aforesaid facts, we find substance in the Ld. AR’s claim

that the profit margins of such leaders of the industry cannot be feasibly compared with those of the relatively smaller or a medium sized company like the one before us.

23. At this stage, we may herein above observe that the Courts/ Tribunals have consistently emphasized the relevance and the applicability of the “turnover filter”, specifically in a case where there is a substantial difference in the turnover of the assessee and the selected comparables, indicating a difference in their functional risk profiles. Our aforesaid view is supported by the judgment of the Hon’ble High Court of Bombay in the case of CIT vs. Pentair Water India (P) Ltd [2016] 381 ITR 216 (Bombay). The High Court had while confirming the view taken by the Tribunal, inter alia, held that as the comparables selected by the Department were no doubt large and distinct companies, therefore, the profit earned therefrom cannot be benchmarked or equated with that of the assessee company. In the case before them, the Tribunal had observed that the inclusion of certain comparables having substantial turnover by the TPO, viz., (i) HCL Comnet Systems & Services Ltd (turnover of Rs. 260.18 crores); (ii) Infosys BPO Ltd (turnover of Rs. 649.56 crores); and (iii) Wipro Ltd (turnover Rs. 939.78 crores) could not have been compared with the assessee company which had a turnover of around Rs. 11 crores. Also, we find that a similar view had been taken by the Hon’ble High Court of Punjab & Haryana in the

case of Principal Commissioner of Income Tax vs. Equant Solutions India (P.) Ltd [2020] 421 ITR 655 (Punjab & Haryana). It was observed by the High Court that in the case of the assessee company which was providing SDS to its AE, a company that was a subsidiary of another company having a considerable brand value and turnover which was 24 times the turnover of the assessee company could not have been accepted as a comparable. Further, we find that the Hon'ble High Court of Delhi in the case of Principal Commissioner of Income Tax vs. Freescale Semiconductor India (P.) Ltd [2024] 169 taxmann.com 48 (Del.), had, inter alia, observed that where the selected company had a turnover that was significantly higher than that of the assessee company, the same was to be excluded from the list of comparables. Further, we find that the ITAT, Hyderabad "A" Bench in the case of Infor (India) Private Limited vs. DCIT [2022] 143 taxmann.com 212 (Hyd.), had held that where the selected company was having a huge turnover and high profit margin as compared to the assessee company, it could not be selected as a comparable. Also, a similar view had been taken by the Bangalore "B" Bench of the Tribunal in the case of Tektronix India (P.) Ltd vs. ACIT [2023] 153 taxmann.com 30 (Bangalore – Trib.). The Tribunal taking cognizance of the fact that the turnover of the assessee company was Rs. 90.90 crores, had directed that the companies having turnover of less than Rs. 1 Cr or turnover more than Rs. 200 crores were to be excluded from the comparability analysis.

Also, the ITAT, Bangalore “C” Bench in the case of IG Infotech (India) (P.) Ltd vs. ACIT [2023] 153 taxmann.com 684 (Bangalore – Trib.) had held that where the assessee providing SDS had a turnover of Rs. 48.8 crores, the companies whose turnover in the current year was more than Rs. 200 crores should be excluded from the list of comparables.

24. Considering the principle laid down in the aforesaid judicial pronouncements, we are of the firm conviction that the TPO/DRP had grossly erred in including the aforesaid five comparables in the final list viz., (i). Infosys Ltd; (ii). Wipro; (iii). Larsen & Turbo Infotech Ltd; (iv). Mindtree Ltd; and (v). Tata Elxsi Ltd. We thus, in terms of our aforesaid deliberations direct the TPO/ DRP to exclude the aforesaid five comparables from the final list of comparables. With this view of the matter, we direct the TPO/AO to take the range of turnover filter at ten times on both the ends and conduct afresh search to arrive at a plausible view. We thus, in terms of our aforesaid deliberations restore the matter to the file of the TPO for carrying out a fresh benchmarking of the international transaction of SDS provided by the assessee company during the subject year.

25. We shall now deal with the benchmarking of the international transaction of the interest paid by the assessee company to its AE on the Indian Rupee denominated External Commercial Borrowings (ECB).

26. Ostensibly, the assessee company had reported an international transaction of Rs. 25,82,287/- as interest payment on an unsecured loan i.e. an Indian Rupee denominated External Commercial Borrowings (ECB) of Rs. 5,50,00,000/- to its AE. The terms of payment of interest on the said loan were three months MIBOR (Mumbai Interbank Offered Rate) + 350 Basis Points which worked out at 10.45%. The assessee company had benchmarked the aforesaid international transaction by choosing "Other Method" i.e., SBI Prime Lending Rate (PLR) which was determined at Rs. 13.75% for the subject year. As the assessee company had paid interest to its AE at 10.45%, therefore, it had claimed the said transaction as being at Arm's Length as the interest rate was lower than the benchmarked rate.

27. The TPO rejected the benchmarking approach adopted by the assessee company. It was observed by him that since the assessee company was required to discharge its interest and principal in Indian rupees only, therefore, the transaction was similar to "Masala Bonds". Accordingly, the TPO held a conviction that the assessee company had wrongly compared its Indian rupee denominated ECB transaction with a domestic transaction i.e. SBI-PLR. The TPO was of the view that as the assessee company was required to discharge its interest liability and principal amount liability in terms of Indian Rupees only, which was popularly known as Masala Bonds concept. The TPO based on his

aforesaid conviction identified the interest rates of two comparable transactions (Masala Bonds) from the public data basis, viz., (i) HDFC: 7.875%; and (ii) NTPC: 7.48%, and called upon the assessee company to explain that as to why the “Comparable Uncontrolled Price” (in short, “CUP”) method be not adopted for benchmarking the transaction of interest payment on the Indian rupee denominated ECBs. The TPO after considering the average interest rate of 7.68% per annum (average of HDFC and NTPC rates), based on his aforesaid observations made a TP adjustment of Rs. 4,70,287/-. The aforesaid TP adjustment made by the TPO was thereafter upheld by the DRP.

28. As observed hereinabove, the Ld. AR has assailed the rejection by the TPO/DRP of the benchmarking of its aforesaid international transaction, i.e interest paid on Indian Rupee denominated ECBs that was done by applying SBI-PLR, and thereafter substituted the same by applying the CUP Method taking the interest rate paid on Masala Bond transactions as comparable.

29. Controversy involved regarding the aforesaid issue in hand lies in a narrow compass i.e., as to whether or not the TPO/DRP are justified in rejecting the benchmarking of the interest paid on the Indian Rupee denominated ECBs by the assessee company to its AE by applying the SBI-PLR, and substituting the same by adopting the interest rate paid

on Masala Bonds rates gathered from the public database, as the Most Appropriate Method under CUP.

30. Having given thoughtful consideration, we are of the view that in the case of Masala Bonds the foreign entities are allowed to raise funds in Indian rupees from overseas investors, the currency risk is primarily borne by the investor in foreign currency terms because the repayment in Indian rupees needs to be converted back to their home currency. However, from the perspective of the Indian borrower, the liability is purely in Indian rupees. Accordingly, the obligation of the borrower to pay interest and principal is fixed in Indian rupees which, thus, insulates him from the foreign fluctuation risks. Considering the aforesaid facts, we are of the firm conviction that now when the borrower's liability is in Indian rupees, then, the appropriate benchmark should generally be an Indian Rupee denominated lending rate available in the Indian domestic market. We thus, are of the firm conviction that the risk profile of the borrower in Indian rupee denominated ECB is similar to a domestic Indian rupee loan and cannot be equated with a foreign currency loan.

31. We find that the ITAT, Hyderabad Bench in the case of Adama India Pvt Ltd vs. ITO (supra), had observed, that as in the case of an Indian rupee denominated loan the currency risk is not borne by the assessee as the loan is denominated in Indian rupees, therefore, the

interest rate on such loan should be benchmarked with the Indian domestic rates. We are of the view that the aforesaid order of the Tribunal supports the claim of the assessee company that for an Indian Rupee – denominated ECB, where the borrower’s liability is in Indian Rupees, the appropriate benchmark is the domestic Indian rupee lending rate.

32. Apart from that, we find that the “Special Bench” of the ITAT, Hyderabad in the case of Invesco (India) Private Limited vs. DCIT (supra), while deliberating on the issue of foreign currency denominated loans, had discussed the underlying principles for benchmarking different types of borrowings. It was observed, that there is a need to consider the currency of the loan and the currency risk bearer. Also, it was observed that for foreign currency loans the currency risk premium needs to be factored in, but this risk is absent for the borrower in Indian rupee denominated loan. We thus, in the back drop of the observations of the “Special Bench” of the Tribunal are of the view that a loan whose liability for a borrower is in Indian rupee should be benchmarked against domestic Indian rupee lending rates, and not against external Masala Bond rates which carry a different risk for the lender. We, thus, are of the firm conviction that as the assessee company had benchmarked its interest payment on INR denominated ECB of 10.45% against SBI-PLR of 13.75%, therefore, the same based on our aforesaid

observations read along with the judicial pronouncements can safely be held to be within Arm's Length. Accordingly, we direct the AO/ TPO to vacate the TP adjustment of Rs. 4,70,287/- qua the interest paid by the assessee company on the INR denominated ECB to its AE.

33. Apropos the claim of the assessee company that the AO while computing the tax demand had erred in not granting the advance tax credit, despite the fact that the same was disclosed in its 26AS, we are of the view that as the said issue will require necessary verification, therefore, the AO is directed to look into the matter. If the claim of the assessee company is found to be in order, then credit of the amount of the advance tax deposited by the assessee company be allowed as per the extant law.

34. Resultantly, the appeal filed by the assessee company is allowed in terms of our aforesaid observations.

2<sup>nd</sup> जून, 2025 को खुली अदालत में सुनाया गया आदेश।

Order pronounced in the Open Court on 2<sup>nd</sup> June, 2025.

<b>Sd/-</b> (मधुसूदन सावडिया) <b>(MADHUSUDAN SAWDIA)</b> लेखा सदस्य/ <b>ACCOUNTANT MEMBER</b>	<b>Sd/-</b> (रवीश सूद) <b>(RAVISH SOOD)</b> न्यायिक सदस्य/ <b>JUDICIAL MEMBER</b>
---	---

Hyderabad,  
Dated June, 2025

**\*OKK, SPS**

Copy to:

S.No	Addresses
1	M/s Griptonite Games India Private Limited, 3 <sup>rd</sup> Floor, Western Pearl, Kondapur B.O., Serlingampally, K.V.Rangareddy, Hyderabad
2	The Deputy Commissioner of Income Tax, Circle-2(1), Signature Towers, Hyderabad
3	The Director of Income Tax (IT-TP), Hyderabad.
4	The Dispute Resolution Panel, Bangalore.
5	The DR, ITAT Hyderabad Benches
6	Guard File

*By Order*