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

Before Shri Manjunatha G., Accountant Member
and
Shri Ravish Sood, Judicial Member

आ.अपी.सं **/ITA No.917/Hyd/2024**
(निर्धारण वर्ष/Assessment Year:2020-21)

Shakti Hormann Private Limited, Hyderabad. PAN: AADCS4024Q	Vs.	DCIT, Circle-3(1), Hyderabad.
(Appellant)		(Respondent)
निर्धारिती द्वारा/Assessee by:	Shri P. Murali Mohan Rao, CA	
राजस्व द्वारा/Revenue by:	Ms. U. Mini Chandran, CIT-DR	
सुनवाई की तारीख/Date of Hearing:	15/10/2025	
घोषणा की तारीख/Date of Pronouncement:	19/12/2025	

आदेश / **ORDER**

PER. RAVISH SOOD, J.M:

The present appeal filed by the assessee company is directed against the final assessment order passed by the Assessing Officer (for short, "A.O.") under Section 143(3) r.w.s 144C(13) r.w.s 144B of the Income Tax Act, 1961 (for short, "the Act") dated 25/07/2024 for the Assessment Year (AY) 2020-21. The assessee company has assailed

the impugned order passed by the CIT(A) on the following grounds of appeal before us:

1. On the facts and in the circumstances of the case, the final Assessment order passed u/s 143(3) r.w.s. 144C(13) of the Act dated 25.07.2024 by the AO and also the order passed u/s 92CA (3) dt 30.07.2023 by the TPO are bad in the eyes of law and thus, unsustainable to the test of appeal.

2.0 The final assessment order passed u/s 143(3) r.w.s. 144C(13) r.w.s. 144B is beyond the time limit prescribed u/s 153 of the Act.

2.1. The Ld. AO ought to have appreciated that the time limit for completion of assessment u/s 153 has been lapsed, therefore the order passed is erroneous and bad-in-law.

2.2. The Ld. AO ought to have appreciated the fact that time limit prescribed u/s 153 would prevail over and above the time limit prescribed u/s 144C. Therefore the Final Assessment Order u/s 143(3) r.w.s 144C(13) r.w.s. 144B of the Income Tax Act is Void and bad in law

2.3. The Ld. AO ought to have appreciated the fact that, the assessment has to be completed within 18 months (shall be extended by twelve months, if any reference u/s 92CA is made) as per Section 153 of the Act.

2.4. The Ld. AO ought to have appreciated the fact that time limit for the completion of assessment u/s 153 has lapsed on 30-09-2023 and hence the order u/s 143(3) r.w.s 144C(13) is invalid and bad-in-law.

3. Erred in upholding the upward adjustment of Arm's Length Price for Rs. 28,87,492/- in respect of payment of Royalty

3.1. The Ld. AO erred in upholding the metho followed by the TPO for determination of "Arms length price of Royalty payment.

3.2. The Ld. AO erred in confirming the adjustment made u/s 92CA(3) of the Act for Rs. 28,87,492/-.

3.3 The Ld. AO has erred in holding that the assessee's inability to provide sufficient evidence and benchmarking details for the current year justifies the TPO's decision with regard to the determination of Arm's length price of the Royalty.

3.4 The Ld. AO erred in rejecting the objection raised with regard of the determination of Royalty by the TPO by observing that the assessee did not provide any documentation showing a direct and substantial benefit that would justify the Royalty payment.

3.5 The Ld. AO ought to have appreciated the fact that the licensor i.e., Hormann KG Verkaufsgesellschaft is a leading manufacture of High-speed doors in the international market and that the assessee company is also manufacturing the same product by using the Technology & know-how of the licensor company for which the assessee is liable to pay consideration to the licensor.

3.6 The Ld. AO ought to have appreciated the fact that for using the technology & Know-how and trademark of licensor company the assessee paid the Royalty to the licensor.

3.7 The Ld. AO ought to have appreciated the fact that the assessee company has paid royalty of 100 Euros to licensor company for each sell of High-speed doors which are manufactured by the technical specifications and standards as per the agreement.

3.8 The Ld. AO ought to have appreciated the fact that the assessee has submitted all the evidences like Agreement, invoices of payment of royalty, invoices of sale of High-speed doors and supporting explanation for payment of Royalty to the licensor company through paper book.

3.9 The Ld. AO ought to have appreciated the fact that the agreement agreed by the assessee and licensor company has been approved by the competent authority i.e. RBI and held that the transaction is at arm's length and hence no further adjustment to be proposed.

3.10 The Ld. AO ought to have appreciate that the assessee had paid royalty of 100 Euros for each sell of high speed door and 0.75% on high speed Doors Turnover to the licensor

3.11 The Ld. AO ought to have appreciated the fact that the issue under consideration has been covered in the previous year where the Ld. TPO has accepted the assessee's determination of arm's length price and that no adjustment has been proposed.

4.0 Erred in upholding adjustment of Rs. 5,42,937/- towards international transaction of Interest on unsecured Compulsorily convertible debentures given to AE's.

4.1 The Ld. AO erred in upholding the adjustment of Rs. 5,42,937/-made to the total income u/s 92CA(3) of the Act.

4.2 The Ld. AO erred in holding that the TPO's use of LIBOR plus 200 basis points deemed appropriate in the appellant's case.

4.3 The Ld. AO has erred in holding that the TPO's approach of benchmarking the transaction against LIBOR rates is justified.

4.4 The Ld. AO has erred in holding that the RBI guidelines pertain to FDI policies and are not directly applicable for determining the Arm's length price of International transactions under the Income tax Act.

4.5 The Ld. AO erred in holding that the TPO had provided a robust analysis and reasonable basis for the adjustment of Rs. 5,42,937/-

4.6 The Ld. AO ought to have appreciated that the interest paid by the assessee is as per the agreed terms while issuing the debentures.

4.7. The Ld. AO erred in holding that the assessee's reliance on RBI guidelines intended for different regularity purposes, does not substitute for a detailed Transfer Pricing analysis required under the Act.

4.8 The Ld. AO ought to have appreciated that no transfer pricing adjustment can be made on hypothetical and notional basis without any material on record.

5. Erred in upholding the adjustment of Rs. 1,19,659/- towards interest on receivables.

5.1 The Ld. AO erred in rejecting the appellant's contention that interest on delayed payment of receivables gets subsumed in the working capital adjustment allowed to the appellant.

5.2 The Id. AO has erred in holding that non-charging or under-charging of interest on the excess period of credit allowed to the AE for realization of invoices amounts to an international transaction and that the ALP of such an international transaction is required to be determined.

5.3 The Ld. AO has erred in observing that the deferred receivables constitute separate international transaction and that it has to be benchmarked in regard to delay beyond the reasonable credit period as per TP regulations.

5.4 The Ld. AO has erred in holding that the TPO has correctly treated deferred receivables beyond credit period as international transaction as per TP regulations and has not in any manner re-characterized the transaction.

5.5 The Ld. AO ought to have appreciated that the amendment in 2012 finance Act does not cover outstanding receivables arising out of assessee's sale transaction as the word Capital financing used there, particularly refers to loans and advances during the normal course of business.

5.6 The Ld. AO ought to have appreciated that in the appellant's case there are outstanding receivables arising out of services rendered which can not be equated with Capital Financing.

5.7 The Ld. AO ought to have appreciated that outstanding receivables are linked to the sale of services to the AE during the normal course of business and that charging of interest on outstanding receivables is unwarranted.

5.8 The Ld. AO ought to have appreciated that interest on receivables cannot be coined as separate international transaction as envisaged u/s 93B of the Act.

5.9 The Ld. AO ought to have appreciated that no interest can be charged on receivables when the principal transaction is at arms length price which has been accepted by the TPO.

5.10 The Ld. AO ought to have appreciated that the outstanding receivables are foreign currency receivables and that the same have to be benchmarked with the LIBOR rate and not with SBI rate.

6. Appellant may, add or alter or amend or modify or substitute or delete and/or rescind all or any of the grounds of appeal at any time before or at the time of hearing of the appeal."

2. Succinctly stated, the assessee company, which is engaged in the business of manufacturing and sale of Steel Doors and Industrial Doors and light hardware items, besides installation of doors and windows, had filed its return of income for AY 2020-21on 14/02/2021, declaring its total income at Rs. 16,95,19,720/-. The case of the assessee company was thereafter selected for scrutiny assessment under CASS based on its international transactions relating to the lending and borrowing of money.

3. During the course of the assessment proceedings, the AO for benchmarking the international transactions of the assessee company referred the matter to the Transfer Pricing Officer (TPO) on 16/01/2022 under section 92CA of the Act.

4. The assessee furnished information before the TPO, who after necessary deliberations, passed an order under section 92CA of the Act, dated 30/07/2023, proposing three Transfer Pricing adjustments aggregating to Rs. 35,50,088/-, viz., (i) Royalty: Rs.28,87,492/-; (ii) Interest on unsecured compulsorily convertible debentures (UCCDs): Rs. 5,42,937/- and (iii) Interest on trade receivables: Rs.1,19,659/-.

5. The AO further examined various corporate tax issues pursuant to the notices issued under section 142(1) of the Act. In response, the assessee company furnished explanations, supporting documents regarding the aforementioned multi-facet issues, viz., (i) reversal of provisions; (ii) deduction under section 43B of the Act; (iii) other income; (iv) sales commission; (v) Government grants; (vi) TDS related disallowances; and (vii) prior year adjustments. After necessary verifications, the AO accepted the assessee's explanation on the issues other than the TP adjustment that was suggested by the TPO.

6. The AO thereafter issued a draft assessment order under section 144C(1) of the Act, dated 26/09/2023, wherein, after incorporating the TP adjustments, he proposed to assess the income of the assessee company at Rs. 17,30,69,808/-. The assessee company filed objections before the Dispute Resolution Panel (DRP)-1, Bangalore in Form-35 on 20/10/2023.

7. The DRP-1, Bangalore, after considering the objections, issued directions under section 144C(5) of the Act, dated 21/06/2024, wherein it upheld all three TP adjustments after detailed reasoning with reference to TP documentation, comparable analysis, bona fide test for royalty,

credit period analysis for receivables and interest benchmarking of UCCDs.

8. Thereafter, the DCIT/ACIT-TP-3, Hyderabad, passed an order giving effect to the DRP directions of 11/07/2024. The AO, thereafter, passed the final assessment order under section 143(3) r.w.s 144C(13) r.w.s 144B of the Act, dated 25/07/2024.

9. The assessee company, being aggrieved with the order passed by the AO under section 143(3) r.w.s 144C(13) r.w.s 144B of the Act, dated 25/07/2024, has carried the matter in appeal before us.

10. We have heard the Learned Authorised Representatives of both parties, perused the orders of the authorities below, 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.

11. Before proceeding further, we deem it apposite to cull out the issues involved in the present appeal arising from the assessment order, DRP directions and grounds of appeal, viz., (i) TP adjustment towards payment of royalty to Associated Enterprises (AEs): Rs.28,87,492/-; (ii) TP adjustment towards interest on unsecured compulsory convertible

debentures (UCCDs): Rs.5,42,937/-; and (iii) TP adjustment towards imputed interest on trade receivables: Rs.1,19,659/-.

12. Shri P. Murali Mohan Rao, CA, the Learned Authorised Representative (for short, "Ld. AR") for the assessee company, at the threshold of hearing of the appeal assailed the validity of the final assessment order, dated 25/07/2024, on the ground that it is barred by limitation as per the mandate of section 153 of the Act. Elaborating on his contention, the Ld. AR submitted that for AY 2020-21, the statutory time limit for completion of assessment, even after extension of TP reference, expired on 30/09/2023. The Ld. AR submitted that although the draft assessment order under section 144C(1) of the Act, dated 26/09/2023 was issued on 26/09/2023, the final assessment order passed under section 143(3) r.w.s 144C(13) r.w.s 144B of the Act, dated 25/07/2024 is much beyond the statutory time limit, and, therefore, the same is void and non-est in the eyes of law. The Ld. AR to buttress his contention had relied upon the judgment of the **Hon'ble High Court of Madras** in the case of **CIT. v. Roca Bathroom Products P. Ltd (2022) 445 ITR 537 (Madras)**.

13. Per contra, Ms. U. Mini Chandran, Ld. CIT-DR, submitted that the final assessment order under section 143(3) r.w.s 144C(13) r.w.s 144B

of the Act, dated 25/07/2024, was passed within one month of the DRP directions as required under section 144C(13) of the Act, and therefore, the assessment is valid.

14. We have considered the rival submissions and perused the record, and the chronology of the dates relevant to the issue of limitation in the present case of the assessee company for AY 2020-21 are culled out as under:

Particulars	Date
Filing of original Return	14/02/2021
Reference U/sec. 92CA to TPO	19/12/2021
Order of TPO U/sec. 92CA(3) of the Act	30/07/2023
Draft Assessment Order U/sec. 144C(1) of the Act.	26/09/2023
DRP Order U/sec. 144C(5) of the Act	21.06.2024
Final Assessment Order U/sec. 143(3) r.w.s 144C(13 r.w.s 144B of the Act	25/07/2024

15. We find that for AY 2020-21, the limitation period for completion of assessment under Section 153(1) of the Act r.w. "2nd Proviso", as extended by 12 months as contemplated in Section 153(4) pursuant to a reference to the TPO U/sec. 92CA of the Act, expired on 30/09/2023. Although the "draft assessment order" was issued 04 days prior to the period of expiry of the limitation period, but admittedly the final assessment order was passed only on 25/07/2024, i.e., approximately 10 months after expiry of the period of limitation.

16. We find that the Hon'ble High Court of Madras in the case of **CIT. v. Roca Bathroom Products P. Ltd (supra)** has held that the limitation under section 153 is a statutory bar and the procedure under section 144C does not override the limitation prescribed under section 153 of the Act. Accordingly, the Hon'ble High Court had observed that, wherein the assessment is barred by limitation under section 153 of the Act, the subsequent issuance of an assessment order by drawing support from section 144C(13) of the Act cannot revive the jurisdiction.

17. We find that a coordinate Bench of the Tribunal, i.e., ITAT, Hyderabad, "A" Bench, had recently, in the case of **Aveva Solutions India LLP, Hyderabad Vs. The ITO, Ward 8(1), Hyderabad**, **ITA No. 1170/Hyd/2024, dated 19.11.2025**, followed the judgment of the **Hon'ble High Court of Madras** in the case of **CIT. v. Roca Bathroom Products P. Ltd (supra)**, and had held the assessment order passed by the AO in the case before them as barred by limitation by observing as under:

> "7. We have considered the rival submissions as well as relevant material on record. In the case in hand, the assessee has challenged the validity of the assessment order passed u/sec.143(3) r.w.s.144C(13) of the Act dated 18.10.2024 being barred by limitation as provided u/sec.153 of the Act. At the outset, it is noted that the limitation for passing the assessment orders is

provided u/sec.153 of the Act and the relevant provisions are in subsec.(1) and sub-sec.(4) of sec.153 reads as under:

> *"153. Time limit for completion of assessment, reassessment and re-computation.—*
>
> *(1) No order of assessment shall be made under section 143 or section 144 at any time after the expiry of twenty-one months 12 ITA.No.1170/Hyd./2024 from the end of the assessment year in which the income was first assessable.*
>
> ***Provided** that in respect of an order of assessment relating to the assessment year commencing on the 1st day of April, 2018, the provisions of this sub-section shall have effect, as if for the words "twenty-one months", the words "eighteen months" had been substituted:*
>
> ***Provided further** that in respect of an order of assessment relating to the assessment year commencing on –*
>
> *(i) the 1st day of April, 2019, the provisions of this sub-section shall have effect, as if for the words "twenty-one months", the words "twelve months" had been substituted.*
>
> *(ii) the 1st day of April, 2020, the provisions of this sub-section shall have effect, as if for the words "twenty-one months", the words "eighteen months" had been substituted.*
>
> ***Provided also that** in respect of an order of assessment relating to the assessment year commencing on the 1st day of April, 2021, the provisions of this sub-section shall have effect, as if for the words "twenty-one months", the words "nine months" had been substituted:*
>
> ***Provided also** that in respect of an order of assessment relating to the assessment year commencing on the 1st day of April, 2022, the*

provisions of this sub-section shall have effect, as if for the words "twenty-one months", the words "twelve months" had been substituted:

(1A)	*xxxxx*	*xxxxx*
(1B)	*xxxxx*	*xxxxx*
(2)	*xxxxx*	*xxxxx*
(3)	*xxxxx*	*xxxxx*
(3A)	*xxxxx*	*xxxxx*

(4). Notwithstanding anything contained in sub-sections (1), (1A), (2) (3) and (3A), where a reference under sub-section (1) of section 92CA is made during the course of the proceeding for the assessment or reassessment, the period available for completion of assessment or reassessment, as the case may be, under the said sub-sections (1), (1A), (2), (3) and (3A) shall be extended by twelve months.

(5) Where effect to an order under section 250 or section 254 or section 260 or section 262 or section 263 or section 264 is to be given by the Assessing Officer [or the Transfer Pricing Officer, as the case may be], wholly or partly, otherwise than by making a fresh assessment or reassessment [or fresh order under section 92CA, as the case may be], such effect shall be given within a period of three months from the end of the month in which order under section 250 or section 254 or section 260 or section 262 is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be, the order under section 263 or section 264 is passed by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be.

***Provided** that where it is not possible for the Assessing Officer [or the Transfer Pricing Officer, as the case may be,] to give effect to such order within the aforesaid period, for reasons beyond his control, the Principal Commissioner or Commissioner on*

receipt of such request in writing from the Assessing Officer [or the Transfer Pricing Officer, as the case may be], if satisfied, may allow an additional period of six months to give effect to the order.

***Provided further** that where an order under section 250 or section 254 or section 260 or section 262 or section 263 or section 264 requires verification of any issue by way of submission of any document by the assessee or any other person or where an opportunity of being heard is to be provided to the assessee, the order giving effect to the said order under section 250 or section 254 or section 260 or section 262 or section 263 or section 264 shall be made within the time specified in subsection (3).”*

8. A co-joined reading of sub-sec.(1) with third proviso of this sub-section of sec.153 makes it clear that in normal course, no order of assessment shall be made after the expiry of 9 months from the end of the assessment year in which the income was first assessable. The third proviso 15 ITA.No.1170/Hyd./2024 is relevant for the case in hand because the assessment year under consideration is 2021-2022 and, therefore, the period of 21 months from the end of the assessment year is reduced to 9 months. Sub-sec.(4) contemplates the cases where a reference u/sec.92CA(1) is made during the course of assessment proceedings, then, the period available for completion of the assessment shall be extended by 12 months. It is an undisputed fact that the present case is falling in the category of an “eligible assessee” where reference u/sec.92CA(1) was made by the Assessing Officer to the TPO and, therefore, the time limit for completing the assessment was extended by 12 months whereby the Assessing Officer was required to complete the assessment by 31.12.2023. The Assessing Officer has passed the Final Assessment Order on 18.10.2024 in pursuance to the Directions dated 24.09.2024 of the DRP. This controversy of the limitation applicable u/sec.153 or u/sec.144C(13) was considered by the Hon’ble Madras High Court in the case of CIT vs., Roca Bathroom Products (P.) Ltd., (supra) and held in Paras-18 to 28 as under:

> “**18.** The main contentions of the Department, through their counsel are that Section 144C is a code in itself and hence on remand by the ITAT, the power of DRP to take up the dispute on

additions by TPO, is not circumscribed by Section 153 and that in the absence of any express time limits contemplated under the Act, the time limits under Section 153 for reassessment cannot be read into Section 144C more particularly when the provisions of Section 153 are excluded by the non-obstante clause in section 144C(13) and hence the proceedings are not barred by limitation. Per contra, it has been contended by the learned senior counsels appearing for the respondent(s)/assessees that the outer time limit under Section 153 is applicable to every proceedings on remand and the department having slept over the issue for several years, cannot now redo the proceedings afresh, after certain rights have vested with the assessees. Even if specific provisions are not there to deal with this situation, the proceedings must be concluded within a reasonable time and hence the impugned proceedings are liable to be struck down and rightly done so by the learned Judge.

19. Admittedly, the facts including the dates are not under dispute. As regards the appeal in W.A.No.1854 of 2021, even though the remand was on 24.01.2013 and the assessee had received the order on 08.02.2013, the first notice by the DRP was issued on 19.02.2014 and the first hearing in the Chennai office was on 10.03.2014. Therefore, it is lucid that the DRP had the knowledge of the order before 19.02.2014. The matter was heard on various dates in Chennai office and written submissions were also filed. Thereafter, the files have been transferred to Bengaluru by the CBDT notification dated 31.12.2014. The Learned Judge relying upon the findings in the batch of cases which was decided first and rendered additional findings, which have been extracted in paragraphs 10 and 11 above, has allowed the writ petitions holding that the time limit under Section 153 (2A) was not adhered to and in any case, the proceedings have not been concluded within a reasonable time.

20. As rightly contended by the learned senior counsels and affirmed by the Learned Judge, the DRP proceedings is a continuation of assessment proceedings. To put it further, it is a part of assessment proceedings, once the objections are filed and under section 144C (12) a period of 9 months is prescribed, within which, directions are to be issued by the DRP, failing which any directions are to be treated as otiose. As seen from the timeline discussed in the earlier paragraphs, the original assessment proceedings are to be completed within 21 months and the additional time of 12 months is granted when proceedings before TPO is pending. The TPO has to pass orders before 60 days prior to the last date. Then 30 days time is given

to the assessee to file their objection before the DRP and the DRP is given 9 months time and thereafter, within one month from the end of the month of receipt of directions from DRP, the final order is to be passed. This court is not in consonance with the contention of the learned senior panel counsel for the appellants/ revenue that the time period of 33 months, provided initially is for the draft order and not for the final order. A careful perusal of the timeline would indicate that the time limit is for the final assessment and not for the draft order. The anomaly in the argument is that in the present cases, no fresh draft order was passed, but the DRP had issued the notices. If the contention of the appellants / revenue was to hold some water, they must have passed the draft assessment order immediately on receipt of the order from the Tribunal, but instead, notice was issued by the DRP. In any case, it is a far cry for the revenue as because no order has been passed for more than 5 years.

21. As held above, the assessment has to be concluded within 21 months when there is no reference and when there is a reference, it has to be concluded within 33 months. In the additional 12 months, the draft order is to be passed, the objections have to be filed, the DRP has to issue the directions and the final order is to be passed. The provisions under section 144C and section 153 are not mutually exclusive as both contain provisions relating to Section 92CA and are inter-dependant and overlapping. On remand, prior to amendment as per Section 153 (2A), the Assessing officer is given 12 months to pass a fresh assessment order. Therefore, it is incumbent on him to do so, irrespective of the fact that DRP has completed the hearing and issued the directions or not. As rightly held by the learned judge, we are of the view that the DRP ought to have concluded the proceedings within 9 months from the date of receipt of the Tribunal's order, when it had issued a notice on 19.02.2014 and conducted the hearing as early as on 10.03.2014 and on several dates. The DRP at Chennai, in fact ought to have passed orders before 19.11.2014, even if the date of receipt of the notice is taken as 19.02.2014. In that event, the assessing officer ought to have passed the order before 31.12.2014 or at the latest before 31.03.2015 considering that the order was received during the Financial year 2013-14. The transfer of the files to Bengaluru, after the lapse of the time, will not indefinitely extend the time and can have no impact on the time lines. It is an inter-department arrangement and it cannot defeat the rights of the assessee.

22. Insofar as the non-obstante clause in Section 144C(13) is concerned, we concur with the view of the Learned Judge. The exclusion of applicability of Section 153 or Section 153 B is for a limited purpose to ensure that dehors larger time is available, an order based on the directions of the DRP has to be passed within 30 days from the end of the month of receipt of such directions. The section and the sub-section have to be read as a whole with connected provisions to decipher the meaning and intentions. At this juncture it would be useful to refer to the following decisions:
(i) Sultana Begum v. Prem Chand Jain, (1997) 1 SCC 373 at page 381:

"11. The statute has to be read as a whole to find out the real intention of the legislature.

12. In Canada Sugar Refining Co. v. R. [1898 AC 735 : 67 LJPC 126] , Lord Davy observed:

"Every clause of a statute should be construed with reference to the context and other clauses of the Act, so as, as far as possible, to make a consistent enactment of the whole statute or series of statutes relating to the subject-matter." …….

14. This rule of construction which is also spoken of as "ex visceribus actus" helps in avoiding any inconsistency either within a section or between two different sections or provisions of the same statute.

15. On a conspectus of the case-law indicated above, the following principles are clearly discernible:

> (1) It is the duty of the courts to avoid a head-on clash between two sections of the Act and to construe the provisions which appear to be in conflict with each other in such a manner as to harmonise them.
>
> (2) The provisions of one section of a statute cannot be used to defeat the other provisions unless the court, in spite of its efforts, finds it impossible to effect reconciliation between them.
>
> (3) It has to be borne in mind by all the courts all the time that when there are two conflicting provisions in an Act, which cannot be reconciled with each other, they should be so interpreted that, if possible, effect should be given

to both. This is the essence of the rule of "harmonious construction".

(4) The courts have also to keep in mind that an interpretation which reduces one of the provisions as a "dead letter" or "useless lumber" is not harmonious construction.

(5) To harmonise is not to destroy any statutory provision or to render it otiose."

(ii). CIT v. Hindustan Bulk Carriers, (2003) 126 Taxman 321/259 ITR 449.

"16. The courts will have to reject that construction which will defeat the plain intention of the legislature even though there may be some inexactitude in the language used. (See Salmon v. Duncombe [(1886) 11 AC 627 : 55 LJPC 69 : 55 LT 446 (PC)] AC at p. 634, Curtis v. Stovin [(1889) 22 QBD 513 : 58 LJQB 174 : 60 LT 772 (CA)] referred to in S. Teja Singh case [AIR 1959 SC 352 : (1959) 35 ITR 408).

18. The statute must be read as a whole and one provision of the Act should be construed with reference to other provisions in the same Act so as to make a consistent enactment of the whole statute.

19. The court must ascertain the intention of the legislature by directing its attention not merely to the clauses to be construed but to the entire statute; it must compare the clause with other parts of the law and the setting in which the clause to be interpreted occurs. (See R.S. Raghunath v. State of Karnataka [(1992) 1 SCC 335 : 1992 SCC (L&S) 286 : (1992) 19 ATC 507 : AIR 1992 SC 81] .) Such a construction has the merit of avoiding any inconsistency or repugnancy either within a section or between two different sections or provisions of the same statute. It is the duty of the court to avoid a head-on clash between two sections of the same Act. (See Sultana Begum v. Prem Chand Jain [(1997) 1 SCC 373 : AIR 1997 SC 1006])."

(iii). Franklin Templeton Trustee Services (P) Ltd. v. Amruta Garg, (2021) 124 taxmann.com 324/164 SCL 720

"17. The concept of "absurdity" in the context of interpretation of statutes is construed to include any result

> which is unworkable, impracticable, illogical, futile or pointless, artificial, or productive of a disproportionate counter-mischief [See Bennion on Statutory Interpretation, 5th Edn., p. 969.]. Logic referred to herein is not formal or syllogistic logic, but acceptance that enacted law would not set a standard which is palpably unjust, unfair, unreasonable or does not make any sense. [Bennion on Statutory Interpretation, 5th Edn., p. 986.] When an interpretation is beset with practical difficulties, the courts have not shied from turning sides to accept an interpretation that offers a pragmatic solution that will serve the needs of society [Id, p. 971, quoting Griffiths, L.J.] . Therefore, when there is choice between two interpretations, we would avoid a "construction" which would reduce the legislation to futility, and should rather accept the "construction" based on the view that draftsmen would legislate only for the purpose of bringing about an effective result. We must strive as far as possible to give meaningful life to enactment or rule and avoid cadaveric consequences [See Principles of Statutory Interpretation by Justice G.P. Singh, 14th Edn., p. 50.]"

23. Further, similar non-obstante clause is also used in section 144C(4) with a same limited purpose to imply, even though there might be a larger time limit under Section 153, once the order of TPO is accepted or not objected to, causing a deeming fiction of acceptance, the final order is to be passed immediately. The object is to conclude the proceedings as expeditiously as possible and the authority need not wait for the last date to pass the orders. The limitation prescribed under the statute is for the assessing officer and therefore, it is his duty to pass order in time irrespective of whether the directions are received from DRP or not. As held by us above, the DRP will have no authority to issue directions after nine months and a further period of one month as per section 144C (13) and three months under section 153 (2A) is available, within which period no orders have been passed in the present cases. The reference made by the learned senior counsels on the judgments in Nokia India Private Ltd (supra) and Vedanta Ltd (Supra) is well founded. The timeline given under the Act is to be strictly followed.

24. Insofar as the challenge to the show cause notice issued is concerned, though generally, the High Court will be circumspected to interfere at the stage of show cause notice, the law on the point is well settled with exceptions carved in the following cases;

a. when the notice is issued beyond the period of limitation,

b. when the notice is without authority,

c. when notice is issued without following the procedures under the applicable Act or the rules framed thereunder and

d. when the notice is issued with a prejudiced mind.

The challenge must be available ex-facie leaving no room for the court to peruse or discuss intricate facts. In the present case, the challenge is on the ground of limitation and hence, we hold that the proceedings under Article 226 of the constitution are maintainable.

25. As regards the relief sought in other appeals viz., W.A.No.1517/2021 etc. batch, the findings rendered above are equally applicable. In these cases, for the assessment year 2009-10, the order of remand to the Assessing officer was passed on 18.12.2015 and insofar as the assessment year 2010-11 is concerned, for one issue, it was passed on 18.12.2015 and for other two issues, it was passed on 23.09.2016 after the amendment, by which time, the time limit was brought down to 9 months. As such, fresh orders ought to have been passed before 31.03.2017 for the assessment year 2009-10 and for one issue relating to the assessment year 2010-11 reckoning the 12 months from the financial year 2015-16 and on or before 31.12.2017 reckoning 9 months from the financial year 2016-17. Therefore, the Assessing officer ought to have passed a draft assessment order immediately and asked the assessee to file their objections with the DRP. For the mistake and the lapse of the Assessing officer, the vested right of the Assessee cannot be taken away.

26. We are not oblivious of the fact that any finding on the aspect of reasonableness in time in passing orders when no time is provided would be superfluous in view of our decision in earlier paragraphs. It is necessary to decide on the issue as in this case, the revenue has taken more than 5 years in one appeal and 4 years in other appeals, which is unacceptable as rightly held by the learned judge. We are not alone on this issue and are fortified by the following judgments of the Hon'ble Supreme Court in this regard.

(i) Bharat Steel Tubes Ltd. v. State of Haryana, 1988 taxmann.com 76

"15. Before we part with the case, we would like to indicate that assessment of tax should be completed with expedition. It involves the revenue to the State. In the case of a registered dealer who collects sales tax on behalf of the State, there is no justification for him to withhold the payment of the tax so collected. If a timely assessment is completed, the dues of the State can be conveniently ascertained and collected. Delay in completion of assessment often creates problems. The assessee would be required to keep up all the evidence in support of his transactions. Where evidence is necessary, with the lapse of time, there is scope for its being lost. Oral evidence as and when required to be produced by the assessing authority may not be available if a long period intervenes between the transactions and the consideration of the matter by the assessing authority. Long delay thus is not in the interest of either the assessee or the State. In view of the fact that a period of limitation has been prescribed for bringing the escaped turnover into the net of taxation, such an eventuality cannot be grappled with appropriately unless timely assessment is completed. In several taxing statutes, even in a situation like this, where assessment under Section 11(3) or 28(3) of the respective Acts is contemplated, a period of limitation is provided. Until by statute, such a limitation is provided, it is proper for the State Governments to require, by statutory rules or appropriate instructions, to ensure completion of assessments with expedition and reasonable haste but subject to rules of natural justice."

(ii) Govt. of India v. Citedal Fine Pharmaceuticals, [(1989) 3 SCC 483:

"6. Learned counsel appearing for the respondents urged that Rule 12 is unreasonable and violative of Article 14 of the Constitution, as it does not provide for any period of limitation for the recovery of duty. He urged that in the absence of any prescribed period for recovery of the duty as contemplated by Rule 12, the officer may act arbitrarily in recovering the amount after lapse of long period of time. We find no substance in the submission. While it is true that Rule 12 does not prescribe any period within which

recovery of any duty as contemplated by the rule is to be made, but that by itself does not render the rule unreasonable or violative of Article 14 of the Constitution. In the absence of any period of limitation it is settled that every authority is to exercise the power within a reasonable period. What would be reasonable period, would depend upon the facts of each case. Whenever a question regarding the inordinate delay in issuance of notice of demand is raised, it would be open to the assesee to contend that it is bad on the ground of delay and it will be for the relevant officer to consider the question whether in the facts and circumstances of the case notice of demand for recovery was made within reasonable period. No hard and fast rules can be laid down in this regard as the determination of the question will depend upon the facts of each case."

(iii) State of Punjab v. Bhatinda District Coop. Milk Producers Union Ltd., [(2007) 11 SCC 363:

"17. A bare reading of Section 21 of the Act would reveal that although no period of limitation has been prescribed therefor, the same would not mean that the suo motu power can be exercised at any time.

18. It is trite that if no period of limitation has been prescribed, statutory authority must exercise its jurisdiction within a reasonable period. What, however, shall be the reasonable period would depend upon the nature of the statute, rights and liabilities thereunder and other relevant factors.

19. Revisional jurisdiction, in our opinion, should ordinarily be exercised within a period of three years having regard to the purport in terms of the said Act. In any event, the same should not exceed the period of five years The view of the High Court, thus, cannot be said to be unreasonable. Reasonable period, keeping in view the discussions made hereinbefore, must be found out from the statutory scheme. As indicated hereinbefore, maximum period of limitation provided for in sub-section (6) of Section 11 of the Act is five years.

21. In S.B. Gurbaksh Singh v. Union of India [(1976) 2 SCC 181: 1976 SCC (Tax) 177: (1976) 37 STC 425] Untwalia, J., speaking for the Bench, opined: (SCC p. 188, para 15)

> "15. Apropos the fourth and the last submission of the appellant, suffice it to say that even assuming that the revisional power cannot be exercised suo motu after an unduly long delay, on the facts of this case it is plain that it was not so done. Within a few months of the passing of the appellate order by the Assistant Commissioner, the Commissioner proceeded to revise and revised the said order. There was no undue or unreasonable delay made by the Commissioner. It may be stated here that an appeal has to be filed by an assessee within the prescribed time and so also a time-limit has been prescribed for the assessee to move in revision. The appellate or the revisional powers in an appeal or revision filed by an assessee can be exercised in due course. No time-limit has been prescribed for it. It may well be that for an exercise of the suo motu power of revision also, the revisional authority has to initiate the proceeding within a reasonable time. Any unreasonable delay in exercise may affect its validity. What is a reasonable time, however, will depend upon the facts of each case."
>
> 23. The question as to what would be the reasonable period did not fall for consideration therein. The binding precedent of this Court, some of which had been referred to us heretobefore, had not been considered. The counsel appearing for the parties were remiss in bringing the same to the notice of this Court. Furthermore, from a perusal of the impugned notice dated 4-92006, it is apparent that the revisional authority did not assign any reason as to why such a notice was being issued after a period of 5½ years."

Generally, no hard and fast rule can be laid down to indicate what is a reasonable time. It though depends upon the facts of the each case, drawing a clue from Article 113 of the Limitation Act, the residual entry, it would be reasonable to conclude that in such cases, action is to be concluded within 3 years. Needless to say, if the statute prescribes shorter period, the doctrine of https://www.mhc.tn.gov.in/judis 50/55WA No. 1517 of 2021 etc. batch reasonable time will not be applicable and the timeline under the statute is to be strictly followed.

27. For the reasons set out herein before, we conclude as under:

(a). The provisions of Sections 144C and 153 are not mutually exclusive, but are rather mutually inclusive. The period of limitation

prescribed under Section 153 (2A) or 153 (3) is applicable, when the matters are remanded back irrespective of whether it is to the Assessing Officer or TPO or the DRP, the duty is on the assessing officer to pass orders.

(b) Even in case of remand, the TPO or the DRP have to follow the time limits as provided under the Act. The entire proceedings including the hearing and directions have to be issued by the DRP within 9 months as contemplated under Section 144C (12) of the Income Tax Act,

(c) Irrespective of whether the DRP concludes the proceedings and issues directions or not, within 9 months, the Assessing officer is to pass orders within the stipulated time,

(d) In matter involving transfer pricing, upon remand to DRP, the Assessing officer is to pass a denova draft order and the entire proceedings as in the original assessment, would have to be completed within 12 months, as the very purpose of extension is to ensure that orders are passed within the extended period, as otherwise the extension becomes meaningless.

(e) The outer time limit of 33 months in case of reference to TPO under Section 153, would not refer to draft order, but only to final order and hence, the entire proceedings would have to be concluded within the time limits prescribed,

(f) The non-obstante clause would not exclude the operation of Section 153 as a whole. It only implies that irrespective of availability of larger time to conclude the proceedings, final orders are to be passed within one month in line with the scheme of the Act,

(g) When no period of limitation is prescribed, orders are to be passed within a reasonable time, which in any case cannot be beyond 3 years. However, when the statute prescribes a particular period within which orders are to be passed, then such period, irrespective of whether it is short or long, shall be applicable.

28. With the above directions, all the writ appeals are dismissed. However, there will be no order as to costs. Consequently, connected miscellaneous petitions are closed. “

9. Thus, the Hon’ble Madras High Court has held that provisions of sec.144C and 153 are not mutually exclusive, but, are rather mutually inclusive. The period of limitation u/sec.153 is applicable for completing the assessment and sec.144C(13) is only in the nature of restricting the time period, within which, the Assessing Officer is required to pass the

Final Assessment Order after the Directions of the DRP and not enlarging the limitation provided u/sec.153 of the Act.

10. Similar view has been taken by the Hon'ble Bombay High Court in the case of Shelf Drilling Ron Tappmeyer Ltd., vs., ACIT, International Taxation (supra) in Paras-23 to 34 as under:

> "23. No doubt, section 144C of the Act is a self contained code of assessment and time limits are inbuilt at each stage of the procedure contemplated. Section 144C envisions a special assessment, one which includes the determination of Arms Length Price (ALP) of international transactions engaged in by the assessee. The DRP was constituted bearing in mind the necessity for an expert body to look into intricate matters concerning valuation and transfer pricing and it is for this reason that specific timelines have been drawn within the framework of section 144C to ensure prompt and expeditious finalisation of this special assessment. The purpose is to fast-track a special type of assessment. That cannot be considered to mean that overall time limits prescribed have been given a go by in the process.
>
> 24. We find it difficult to accept the submissions of Mr. Suresh Kumar because it would in fact mean that, notwithstanding the twelve month period prescribed under section 153 (3) of the Act, where it says that an order of fresh assessment in pursuance of an order under section 254 of the Act may be made at any time before the expiry of twelve months from the end of the financial year in which order under section 254 of the Act is received by the Commissioner, would not apply to a case where section 144C of the Act is applicable. It would also mean that the time prescribed in section 153 (1) of the Act cannot apply where section 144C of the Act is applicable in the case of an eligible assessee. If Mr. Suresh Kumar was correct, then in our view, it would have been specifically so provided in section 153 of the Act. We would agree with Mr. Mistri that wherever the legislature intended extra time to be provided, it is expressly provided in section 153 of the Act. Sub-section (3) of section 153 of the Act also applies to fresh order under section 92 CA of the Act being passed in pursuance to an order under section 254 of the Act. Sub-section (4) of section 153 of the Act specifically provides that notwithstanding anything contained in sub-sections (1), (1-A), (2), (3) and (3-A) of the Act, where a reference under sub-section (1) of section 92 CA of the

Act is made during the course of the proceeding for assessment or re-assessment, the period available for completion of assessment or re-assessment, as the case may be, under the said sub-sections (1), (1-A), (2), (3) and (3-A) of the Act shall be extended by twelve months.

25. Moreover, *Explanation*-1 below section 153 of the Act also provides for the periods which have to be excluded while computing the twelve months period mentioned in section 153 (3) of the Act. For example - it provides for exclusion of the period commencing from the date on which the Assessing Officer directs the assessee to get his accounts audited or inventory valued under sub-section (2-A) of section 142 of the Act or in a case where an application made before the Income-tax Settlement Commission is rejected by it or is not allowed to be proceeded with by it, the period commencing from the date on which an application was made before the Settlement Commission and ending with the date on which the order is received by the Principal Commissioner or Commissioner or where the period commencing from the date on which an application is made before the Authority for Advance Rulings or before the Board for Advance Rulings under sub-section 1 of section 245Q of the Act and ending with the date on which the Advance Ruling pronounced by it is received by the Commissioner or where reference for exchange for information is made by an authority competent under an agreement referred to in section 90 or section 90-A of the Act or where a reference for declaration of an arrangement to be an impermissible avoidance arrangement is received by the Principal Commissioner etc., shall be excluded. There is no mention anywhere about section 144C of the Act.

26. If we accept the submissions of Shri Suresh Kumar that when there is a remand as in this case, the AO is unfettered by limitation, it would run counter to the avowed object of provisions that were considered while framing the provisions of section 144C of the Act. Having set time limits every step of the way, it does not stand to reason that proceedings on remand to the AO may be done at leisure sans the imposition of any time limit at all.

27. Having considered the language of sections 144C and 153, we cannot accept that the provisions of section 153 are excluded to the operation of section 144C.

28. Mr. Mistri, therefore, is correct in his submissions that the time limit prescribed under section 153 of the Act would prevail over and above the assessment time limit prescribed under section 144C of the Act. This is because the Assessing Officer may follow the procedure prescribed under section 144C of the Act, if he deems fit necessary but then the entire procedure has to be commenced and concluded within the twelve months period provided under section 153 (3) of the Act. This is because, the procedure under section 144C(1) of the Act also has to be followed by the Assessing Officer only if he proposes to make any variation which is prejudicial to the interest of the eligible assessee. If the Assessing Officer did not wish to make any variation which is prejudicial to the interest of the eligible assessee, he need not go through the procedure prescribed under section 144C of the Act.

29. In our view, the assessment has to be concluded within twelve months as provided in section 153(3) of the Act when there has been remand to the AO by the ITAT under section 254 of the Act. Within this twelve months prescribed, the AO has to ensure that the entire procedure prescribed under section 144C is completed and pass a final assessment order. For this the AO has to be prompt in passing an order contemplated under section 144C(1) of the Act and not wait to be reminded like in this case and still take almost two years to start the process. Sub-section (13) of section 144C provides that an assessment officer shall, upon receipt of the directions, issued under sub-section (5), in conformity with the directions complete, notwithstanding anything to the contrary contained in section 153, the assessment without providing any further opportunity of being heard to the assessee, within one month from the end of the month in which such direction is received. What is contemplated under section 144C (13) is the passing of the final assessment order. Twelve months as provided under section 153(3) would start from the end of the financial year in which the Principal Commissioner received the order under section 254 from the ITAT. The assessing officer should have taken steps to pass the final order under sub-section (13) of section 144C within 12 months period.

30. The exclusion of applicability of section 153, in so far as *non-obstante* clause in sub-section (13) of section 144C is

concerned, it is for limited purpose to ensure that dehors larger time available, an order based on the directions of the DRP has to be passed within 30 days from the end of the receipt of such directions. The section and sub-section have to be read as a whole with connected provisions to decipher the meaning and intentions.

31. We would also observe that a similar *non-obstante* clause is also used in section 144C(4) of the Act with the same limited purpose to imply, even though there might be a larger time limit under section 153, once the matter is remanded to AO by the ITAT under section 254, the process to pass final order under section 144C has to be taken immediately.

32. The object is to conclude the proceedings as expeditiously as possible. There is a limit prescribed under the statute for the AO and therefore, it is his duty to pass an order in time. After 30th September 2021, the AO will have no authority to pass any final assessment order in this Case.

33. We cannot accept the submissions of Shri Suresh Kumar that passing of draft assessment order before 30th September 2021 would suffice. We find support for this view in Roca Bathroom (SB) (*supra*) and Roca Bathroom (DB) (*supra*).

34. In the circumstances, since no final assessment order can be passed in the present case as the same is time barred, the Return of Income as filed by Petitioner be accepted. This would however, not preclude the Revenue from taking any other steps in accordance with law."

11. Therefore, following the Judgments of Hon'ble Madras High Court as well as Hon'ble Bombay High Court cited (surpa), we hold that the assessment order passed by the Assessing Officer on 18.10.2024 is barred by limitation and consequently, the same is liable to be quashed. We order accordingly.

12. Since the issue is pending adjudication before the Hon'ble Supreme Court in the case of ACIT-[International Taxation] vs., Shelf Drilling Ron Tappmeyer Ltd., [2025] 177 taxmann.com 262 (SC) and the first attempt to resolve the dispute by the Hon'ble Supreme Court is not successful due to divergent views of the Division Bench of the Hon'ble Supreme

Court and, therefore, the matter is required to be resolved by the Larger Bench of the Hon'ble Supreme Court. Since the matter is yet to be resolved by the Hon'ble Supreme Court, therefore, we allow the parties to get this appeal revived if the decision of the Hon'ble Supreme Court on this issue necessitates modification of this order.

13. The Hon'ble jurisdictional High Court in the case of Kotha Kantaiah vs., Income Tax Officer in WP.No.344 of 2025 vide order dated 24.04.2025 while dealing with the issue of validity of the notice issued u/sec.148 issued by the Jurisdictional Assessing Officer [in short "JAO"] instead of Faceless Assessing Officer [in short "FAO"] as per the Faceless Assessment Scheme has quashed the notice issued u/sec.148 by the JAO and consequently, re-assessment order, but, granted the liberty to the parties to get the petition revived as per the outcome of the Judgment of the Hon'ble Supreme Court on the identical issue. The relevant part of the Judgment of Hon'ble Jurisdictional High Court of Telangana in the case of Kotha Kantaiah vs., Income Tax Officer (supra) in Paras-15 to 18 of the said judgement is as under :

> "15. What is worrying this Bench more is the fact that an endeavour is being made whole heartedly to ensure not to generate further litigation on issues which have been laid to rest by a large number of High Courts all of whom have taken a consistent stand that the action of the Income Tax Department being violative of the 15 Finance Act, 2020 and Finance Act, 2021. Now, in order to protect the interest of the Revenue as also that of the assessee, it would be trite at this juncture, if we dispose of the writ petition with an observation/direction that the disposal of the instant writ petition in terms of the judgment rendered by this High Court in the case of Kankanala Ravindra Reddy (1 supra) shall however be subject to the outcome of the SLPs which were filed by the Income Tax Department and which is pending consideration before the Hon'ble Supreme Court.
>
> 16. In the given facts and circumstances, this Bench is of the considered opinion that unless and until we do not timely dispose of matters which are squarely covered by the decision of this Court and which stands fortified by the decisions of the various other High Courts on the very same issue, the pendency of this High Court would further be burdened which otherwise can be decided and disposed of as a covered matter.
>
> 17. So far as the interest of the Revenue is concerned, we are of the considered opinion that the interest of the Revenue has already been

considered and protected, as has been observed in paragraphs 16 36, 37 and 38 of the order which, for ready reference, is reproduced hereunder:

> 36. For all the aforesaid reasons, the impugned notices issued and the proceedings drawn by the respondentDepartment is neither tenable, nor sustainable. The notices so issued and the procedure adopted being per se illegal, deserves to be and are accordingly set aside/quashed. As a consequence, all the impugned orders getting quashed, the consequential orders passed by the respondent-Department pursuant to the notices issued under Section 147 and 148 would also get quashed and it is ordered accordingly. The reason we are quashing the consequential order is on the principles that when the initiation of the proceedings itself was procedurally wrong, the subsequent orders also gets nullified automatically.
>
> 37. The preliminary objection raised by the petitioner is sustained and all these writ petitions stands allowed on this very jurisdictional issue. Since the impugned notices and orders are getting quashed on the point of jurisdiction, we are not inclined to proceed further and decide the other issues raised by the petitioner which stands reserved to be raised and contended in an appropriate proceedings.
>
> 38. Since the Hon'ble Supreme Court had, in the case of Ashish Agarwal , supra, as a one-time measure exercising the powers under Article 142 of the Constitution of India, permitted the Revenue to proceed under the substituted provisions, and this Court allowing the petitions only on the procedural flaw, the right conferred on the Revenue would remain reserved to 17 proceed further if they so want from the stage of the order of the Supreme Court in the case of Ashish Agarwal, supra.

18. We would only further like to make observations that since we are inclined to dispose of the instant writ petition, conscious of the fact that the earlier order of this High Court in the case of ***Kanakala Ravindra Reddy*** (1 supra) is subjected to challenge before the Hon'ble Supreme Court in SLP No.3574 of 2024, preferred by the Income Tax Department, we make it clear that allowing of the instant writ petition is subject to outcome of the aforesaid SLP preferred by the Revenue against the decision of

> this High Court in the case of ***Kanakala Ravindra Reddy*** (1 supra). This, in other words, would mean that either of the parties, if they so want, may move an appropriate petition seeking revival of this writ petition in the light of the decision of the Hon'ble Supreme Court in the pending SLP on the very same issue."
>
> 14. Accordingly, we dispose of this appeal on this legal issue and keep open the other issues raised by the assessee on the merits if the Hon'ble Supreme Court decides this issue otherwise. 30 ITA.No.1170/Hyd./2024
>
> 15. In the result, appeal of the Assessee is allowed."

18. As the issue involved in the present appeal of the assessee company before remains the same as was there in the aforesaid order of the coordinate bench of the Tribunal in the case of **Aveva Solutions India LLP, Hyderabad Vs. The ITO, Ward 8(1), Hyderabad**, **ITA No. 1170/Hyd/2024, dated 19.11.2025,** therefore, we respectfully follow the aforesaid order and on the same terms hold the final assessment order passed by the AO under section 143(3) r.w.s 144C(13) r.w.s 144B of the Act, dated 25/07/2024, as barred by limitation.

19. In view of our aforesaid observations, we hold the assessment order passed by the AO under section 143(3) r.w.s 144C(13) r.w.s 144B of the Act, dated 25/07/2024, as barred by limitation. Accordingly, the final assessment order passed under section 143(3) r.w.s 144C(13) r.w.s 144B of the Act, dated 25/07/2024, is quashed as void ab initio.

20. As we have quashed the final assessment order passed by the AO under section 143(3) r.w.s 144C(13) r.w.s 144B of the Act, dated 25/07/2024, as barred by limitation, therefore, we refrain from adverting to and adjudicating the other grounds of appeal based on which the impugned additions made by the AO have been assailed before us, which, thus, are left open.

21. In the result, the appeal of the assessee company is allowed in terms of our aforesaid observations.

Order pronounced in the open court on 19th December, 2025.

Sd/- **(MANJUNATHA G.)** **ACCOUNTANT MEMBER**	**Sd/-** **(RAVISH SOOD)** **JUDICIAL MEMBER**

Hyderabad,
Dated 19th December, 2025
OKK / SPS

Copy to:

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2	DCIT, Circle-3(1), Hyderabad, Telangana.
3	The Pr.CIT, Hyderabad
4	The DR, ITAT Hyderabad Benches
5	Guard File

By Order

Sr. Private Secretary,
ITAT, Hyderabad.