

IN THE INCOME TAX APPELLATE TRIBUNAL
“K” BENCH, MUMBAI
BEFORE SMT. BEENA PILLAI (JUDICIAL MEMBER)
&
SHRI GIRISH AGRAWAL (ACCOUNTANT MEMBER)

I.T.A. No. 6801/Mum/2025
Assessment Year: 2022-23

Gia India Laboratory Private Limited 10 th Floor, Trade Centre, Vidyanagari, S.O, Mumbai -400098 PAN: AACCG9457G	Vs.	Assessment Unit/The Deputy Commissioner of Income Tax, Circle-14(1)(2) Aayakar Bhavan, M.K. Marg, Mumbai-400020
(Appellant)		(Respondent)

Appellant by	Shri J.D Mistri/Mr. Niraj Sheth
Respondent by	Ms. Neena Jeph - CIT D.R.

Date of Hearing	19.01.2026
Date of Pronouncement	02.02.2026

ORDER

Per: Smt. Beena Pillai, J.M.:

Present appeal filed by the assessee arises out of the final assessment order dated 25.08.2025 u/s 143(3) r.w.s.144(C)(13) r.w.s.144(B) of the Act for assessment year 2022-23 on following grounds of appeal:

“1:0 Re.: Non-consideration of modified return of income filed by the Appellant:

1:1 The Assessing Officer has erred in not properly considering and giving effect to the modified return of income filed by the Appellant u/s. 92CD of the Income-tax Act, 1961.

1:2 The Appellant submits that considering the facts and circumstances of its case and the law prevailing on the subject, the Assessing Officer ought to have considered the modified return of income filed on 30 June while passing the Final Assessment Order dated 25 August 2025 u/s. 143(3) r.w.s. 144C(13) r.w.s. 144B of the Income-tax Act, 1961 and the adjustment if any, should have been made in accordance with section 92CD.

1:3 The Appellant submits that the Assessing Officer be directed to consider the total income as per the modified return of income and to re-compute its tax liability accordingly.

2:0 Re.: Taxability of the interest received u/s. 244A of the Act:

2:1 The Assessing Officer has erred not reducing the interest income of Rs. 1,42,05,609/- which was received during the year and offered to tax by the Appellant in the return of income filed by it originally, ignoring the fact that the Appellant was ultimately not entitled to the said interest on giving effect to the Advance Pricing Agreement ["APA"] which has been entered into by it.

2:2 The Appellant submits that considering the facts and circumstances of its case and the law prevailing on the subject, interest of Rs. 1,42,05,609/- u/s. 244A of the Act which the Appellant was not ultimately entitled to receive for the earlier years post the conclusion of the APA, is not taxable.

2:3 The Appellant submits that the Assessing Officer be directed to delete the interest of Rs. 1,42,05,609/- u/s. 244A of the Act and to re-compute its total income and tax liability for the year under consideration accordingly.

3:0 Re.: Credit for self-assessment tax paid of Rs. 34,31,53,350/- not granted:

3:1 The Assessing Officer has erred in not granting credit for the self-assessment tax paid amounting to Rs. 34,31,53,350/- paid on

30 May 2025 while computing the Appellant's tax liability for the year under consideration.

3:2 The Appellant submits that considering the facts and circumstances of its case and the law prevailing on the subject it is entitled to full credit of taxes paid.

3:3 The Appellant submits that the Assessing Officer be directed to grant full credit for taxes paid and to re-compute its tax liability accordingly

4:0 Re.: Short grant of tax deducted at source of Rs. 12,346/-:

4:1 The Assessing Officer has erred in granting credit for tax deducted at source short by Rs. 12,346/- while computing the Appellant's tax liability for the year under consideration.

4:2 The Appellant submits that considering the facts and circumstances of its case and the law prevailing on the subject it is entitled to full credit of tax deducted at source from its income.

4:3 The Appellant submits that the Assessing Officer be directed to grant full credit for tax deducted at source and to re-compute its tax liability accordingly.

5:0 Re.: Excess levy of interest u/s. 234D of the Income-tax Act, 1961:

5:1 The Assessing Officer has erred in levying excess interest u/s. 234D of the Income- tax Act, 1961 on the Appellant.

5:2 The Appellant submits that considering the facts and circumstances of its case and the law prevailing on the subject interest u/s. 234D is leviable as per the provisions of Income-tax Act, 1961 and the stand taken by the Assessing Officer in this regard is misconceived, incorrect, erroneous and illegal.

5:3 The Appellant submits that the Assessing Officer be directed to delete the excess interest u/s. 234D so levied on it and to re-compute its tax liability accordingly.

6:0 Re.: General:

6:1 The Appellant craves leave to add, alter, amend, substitute and/or modify in any manner whatsoever all or any of the foregoing grounds of appeal at or before the hearing of the appeal.”

Brief facts of the case are as under:

2. The assessee company filed its return of income u/s 139(1) of the Income Tax Act, 1961 on 30.11.2022 at total income of Rs. 3,39,09,38,368/- for A.Y.2022- 23 and claimed refund of Rs. 33,56,15,540/- therein. Further, the assessee filed revised ITR u/s 139(5) of the Act, on 31.12.2022 at total income of Rs. 3,94,09,38,370/- and claimed refund of Rs. 33,56,37,220/ in it. The ITR of the assessee was processed u/s 143(1) of the Act on 30.06.2023 at the income of Rs. 3,94,09,38,370/-.

2.1 The case of the assessee was selected for compulsory scrutiny for the year under consideration. Subsequently, draft order dated 22.02.2025 passed u/s 144C(1) of the Act, proposing addition of Rs. 1,16,97,53,564/- vis-à-vis transfer pricing adjustment.

2.1.1 It is submitted that the Ld. TPO determined the Arm's Length Price (ALP) of royalty payment at the rate of 53.5%, as against the rate of 65% claimed and paid by the assessee. Consequently, an adjustment amounting to Rs. 116,97,53,564/- was proposed on account of such difference.

2.2 Being aggrieved by the aforesaid Draft Order, the assessee filed its objections before the Hon'ble Dispute Resolution Panel (DRP) on 20.03.2025.

2.3 Subsequently, the assessee signed the Unilateral Advance Pricing Agreement (APA) on 27.03.2025 which it had entered into with the Central Board of Direct Tax u/s 92CC of the Act,

covering Assessment Years 2019-20 to 2023-24. The captioned assessment year stands covered under the said APA.

2.3.1 As per the UAPA, the assessee agreed and accepted the royalty rate at 53.5% as determined. Accordingly, the adjustment proposed by the Ld. TPO stands subsumed within the term of the said UAPA, and the assessee is bound by its acceptance of the 53.5% royalty rate for the relevant period.

2.4 Directions of the Dispute Resolution Panel u/s 144C(5) of the Income-tax Act, 1961 was passed on 29.07.2025. The DRP directed to examine the compute the arm's length price in respect of the covered transactions as per the APA (Unilateral Advance Pricing Agreement) between the CBDT and the Applicant, signed on 27.03.2025 as per the provision of the sub-section 92CD(4) of the Income Tax Act, 1961. It is submitted that the Ld. TPO determined the Arm's Length Price (ALP) of royalty payment at the rate of 53.5%, as against the rate of 65% claimed and paid by the assessee. Consequently, an adjustment amounting to Rs. 116,97,53,564/- was proposed on account of such difference. As per the UAPA, the assessee agreed and accepted the royalty rate at 53.5% as determined. Accordingly, the adjustment proposed by the Ld. TPO stands subsumed within the term of the said UAPA, and the assessee is bound by its acceptance of the 53.5% royalty rate for the relevant period.

2.5 The DRP also directed the Ld. AO to complete the assessment giving full effect to the modified return under section 92CD by necessary steps and procedures like consideration of the compliance report, compliance audit etc. It was directed that the

adjustment will be restricted only to non-covered transactions, if any, and for covered transactions, no adjustment divergent from the APA is permissible in view of the binding nature of the APA between the CBDT and the applicant, signed on 27.03.2025.

3. The Ld. AR before us submitted that in view of the APA assessee filed modified return declaring total income at Rs.5,12,21,75,270/- however, while passing the order u/s 154 in para 5 the amount that has been offered to tax by the assessee in the modified return as a consequence of APA has been wrongly mentioned as Rs.116,97,53,564/-. He submitted that this figure needs to be corrected as it is not as per the modified return filed by the assessee.

4. The Ld. Departmental Representative (DR) did not object to the submissions furnished by the Ld. AR.

5. We have perused the submissions advanced by both sides in the light of the records placed before us. It is noted that a typographical error has crept in order dated 08.01.2026 passed u/s 154 of the Act in mentioning the amount that declared by the assessee as a consequence of the APA in para 5. It is noted that in the computation the Ld. AO has correctly considered the figure based on the modified return. We thus direct the Ld. AO to correct the figures mentioned in para 5 of the 154 order, and the AO is directed to issue a fresh computation in accordance with the modified return filed by the assessee.

5.1 Accordingly, Ground No.1 & 2 raised by the assessee stands allowed.

5.2 Ground No.3, 4 & 5 raised by the assessee is in respect of credit for self assessment taxed paid and short grant of TDS. The Ld. AR submitted that the said issue has been resolved in the order passed by the Ld. AO u/s 154 of the Act and therefore these issues will not survive at this stage.

Accordingly, the grounds raised by the assessee stands partly allowed.

In the result, appeal filed by the assessee stands partly allowed.

Order pronounced in the open court on 02/02/2026

Sd/-

**(GIRISH AGRAWAL)
Accountant Member**

Sd/-

**(BEENA PILLAI)
Judicial Member**

Mumbai:

Dated: 02/02/2026

Ashwani Rao

Sr. Private Secretary

Copy of the order forwarded to:

- (1)The Appellant
- (2) The Respondent
- (3) The CIT
- (4) The CIT (Appeals)
- (5) The DR, I.T.A.T.

True Copy

By order

(Asstt. Registrar)
ITAT, Mumbai