

IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ‘ B ‘ Bench, Hyderabad
(Through Video Conferencing)
Before Shri S.S. Godara, Judicial Member
AND
Shri Laxmi Prasad Sahu, Accountant Member

ITA No.2185/Hyd/2017	
Assessment Year: 2013-14	
Corteva Agriscience Services India Private Limited (Formerly known as E.I. DuPont Service Centre India Private Limited), 8 th , 9 th Floor, Tower 2.1, Waverock Building, SYNo.115(P), Nanakramguda Village, Serlingampally, Hyderabad, Rangareddy, Telangana. PAN : AACCE0509M.	Vs. The Asst. Commissioner of Income Tax, Circle 17(1), Hyderabad.
(Appellant)	(Respondent)
Assessee by:	Shri K.R. Vasudevan.
Revenue by:	Sri Rohit Mujumdar – CIT DR.
Date of hearing:	24/11/2021
Date of pronouncement:	26/11/2021

ORDER

Per S. S. Godara, J.M.

This assessee’s appeal for A.Y 2013-14 arises from the Commissioner of Income Tax (Appeals) – 5, Hyderabad’s order dated 31.10.2017 in case No.0520/2016-17/CIT(A)-5 involving proceedings under section 143(3) r.w.s. 92CA(3) of Income Tax Act, 1961 (in short, “the Act”).

Heard both sides. Case file perused.

2. We straight away come to the assessee's sole substantive grievance canvassed in the instant appeal challenging correctness of both the lower authorities' action making arms length price adjustment of Rs.59,45,094/- in the assessment order going by S.B.I's 14.45% interest rate; and that too, without adopting any segmental comparable in the assessee's segment of business support services.

3. We next note with able assistance of both the parties that the Transfer Pricing Officer's order dated 31.10.2016 in para 6.5 to 6.5.3 has relied on assessee's alleged inter-company agreements executed with its associated enterprise only for determining the corresponding credit period in the business transactions as 30 days only. We thus make it clear that the learned lower authorities have not adopted any segmental comparable whilst arriving at the impugned adjustment.

4. Faced with this situation, we quote *Tecnimont Icb Pvt Ltd., Mumbai Vs. ACIT (2012) 138 ITD 23 (Mumbai)* and *Sabic Innovative Plastic India Pvt Ltd Vs. DCIT (2013) 59 SOT 138 (Ahmedabad)* holding that an associate enterprise itself would not to be taken as a comparable since lacking the independent nature of an uncontrolled transaction in forming hallmark of Chapter X of the Act. We thus delete the impugned arms length price adjustment on receivables for this precise reason alone.

5. All the other pleadings on merits are rendered infructuous.
6. This assessee's appeal is allowed in above terms.

Order pronounced in the Open Court on 26th November, 2021.

Sd/- (LAXMI PRASAD SAHU) ACCOUNTANT MEMBER	Sd/- (S.S. GODARA) JUDICIAL MEMBER
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Hyderabad, dated 26th November, 2021.

TYNM/sps

Copy to:

S.No	Addresses
1	Corteva Agriscience Services India Private Limited (Formerly known as E.I. DuPont Service Centre India Private Limited), 8 th , 9 th Floor, Tower 2.1, Waverock Building, SYNo.115(P), Nanakramguda Village, Serlingampally, Hyderabad, Rangareddy, Telangana.
2	The Asst. Commissioner of Income Tax, Circle 17(1), Hyderabad.
3	CIT (A)-5, Hyderabad
4	Pr. CIT – 5, Hyderabad
5	DR, ITAT Hyderabad Benches
6	Guard File

By Order