



**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

**THURSDAY, THE NINETEENTH DAY OF FEBRUARY
TWO THOUSAND AND TWENTY SIX**

PRESENT

**THE HONOURABLE SRI JUSTICE P.SAM KOSHY
AND
THE HONOURABLE SRI JUSTICE NARSING RAO NANDIKONDA**

INCOME TAX TRIBUNAL APPEAL NO: 288 OF 2011

Income Tax Tribunal Appeal Under Section 260A of the Income Tax Act, 1961 against the Order dated 25-04-2008 passed in ITA No.1220/Hyd/2007 for the Assessment Year 2004-2005 on the file of the Income Tax Appellate Tribunal, Hyderabad Bench 'A', Hyderabad.

Between:

The Commissioner Of Income Tax IV, Hyderabad.

...Appellant

AND

M/s Navabharat Ferro Alloys Limited, Navabharath Chambers, 6-3-1109/1,
Rajbhavan Road, Somajiguda, Hyderabad-500482

...Respondent

**Counsel for the Appellant: SRI K SUDHAKAR REDDY
(SENIOR SC FOR INCOME TAX)**

Counsel for the Respondent: SRI C V NARASIMHAM

The Court made the following: JUDGMENT



2026:TSHC:7920-DB

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

**THE HONOURABLE SRI JUSTICE P.SAM KOSHY
AND
THE HONOURABLE SRI JUSTICE NARSING RAO
NANDIKONDA**

ITTA No.288 of 2011

19.02.2026

Between:

The Commissioner of Income Tax IV,
Hyderabad.

...Appellant

A N D

M/s.Navabharat Ferro Alloys Ltd.,
Navbharath Chambers, Somajiguda,Hyderabad.

...Respondent

JUDGMENT: *(per Hon'ble Sri Justice P.Sam Koshy)*

Heard Mr.K.Sudhakar Reddy, learned Senior Standing Counsel for the Income Tax Department, appearing for the appellant and Mr.C.V.Narasimham, learned counsel appearing for the respondent and perused the record.

2. The instant appeal is one preferred by the Revenue under Section 260A of the Income Tax Act, 1961 (for short " the Act, 1961") assailing the order passed by the Income Tax Appellate



Tribunal, Hyderabad Bench-A, in ITTA.No.1220/Hyd/2007 pertaining to the assessment year 2004-05.

3. The appeal stood admitted for hearing on the following substantial questions of law:

“1. Whether on the facts and in the circumstances of the case, the Tribunal is correct in law in holding that the assessee is entitled for deduction of Rs.11,32,97,807/- under Section 80IA of the Act?

2. Whether on the facts and in the circumstances of the case, the Tribunal is correct in law in holding the MAT Credit should be given credit to before levying interest under Section 234B & 234 C?”

4. Today, when the matter is taken-up for hearing, learned counsel appearing for the respondent-Assessee brought before this Court, the judgments pertaining to two questions of law framed to be adjudicated upon in the instant appeal. So far as the first question of law is, whether the Assessee is entitled for deduction of Rs.11,32,97,807/- under Section 80IA of the Act, 1961. The said question of law consequently answered by this very Bench in another ITTA.No.251 of 2014, which was decided on 18.06.2025. The said appeal was between the parties. In view of the same, the question of law stands answered against the Revenue and in favour of the Assessee.



5. So far as the question of law, whether the Tribunal was justified in holding that the MAT Credit should be given credit to before levying interest under Section 234B & 234 C, learned counsel appearing on either side fairly conceded the issue has already been laid to rest by the decision of the Hon'ble Supreme Court in the case of **Commissioner of Income Tax, Chennai v. Tulsyan NEC Limited¹**.

6. In view of the authoritative decision of the Hon'ble Supreme Court referred to above, the second substantial question of law also stands decided against the Revenue and in favour of the Assessee.

7. The Appeal fails and is accordingly dismissed. There shall be no order as to costs.

Miscellaneous applications pending, if any, shall stand closed.

**SD/- MOHD.ISMAIL
DEPUTY REGISTRAR**

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SECTION OFFICER

To,

1. The Income Tax Appellate Tribunal, Hyderabad Bench 'A', Hyderabad.
2. One CC to Sri K Sudhakar Reddy (Sr SC FOR INCOME TAX), Advocate [OPUC]
3. One CC to Sri C V Narasimham, Advocate [OPUC]
4. Two CD Copies

ABK /PSL



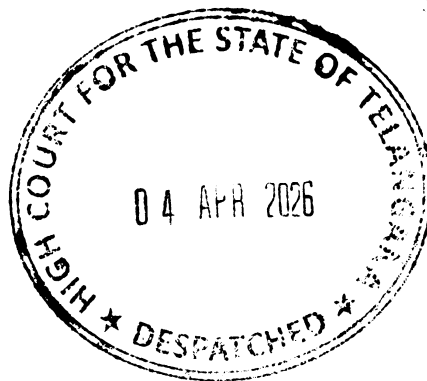
2026:TSHC:7920-DB

HIGH COURT

DATED: 19/02/2026

JUDGMENT

ITTA.No.288 of 2011



DISMISSING THE ITTA

WITHOUT COSTS

(6) — JKS
16/3/26