

HIGH COURT FOR THE STATE OF TELANGANA

MAIN CASE: ITTA No.190 of 2025

PROCEEDINGS SHEET

Sl. No.	Date	ORDER	OFFICE NOTE
1.	04.11.2025	<u>PSK,J & SCR,J</u> Counsel for the appellant : Ms. J.Sunitha, learned Senior Standing Counsel for the Income Tax Department <u>I.A.No.1 of 2025</u> Dispensed with for the present. <u>I.A.No.2 of 2025</u> Heard on I.A.No.2 of 2025. The delay of 123 days in representing the appeal is condoned. I.A.No.2 of 2025 stands allowed. <u>ITTA No.190 of 2025</u> The appeal is admitted on the following substantial questions of law: 1. Whether on the facts and in the circumstances of the case and in law, the Hon'ble ITAT was correct in ruling that the arm's length price for CCDs should be the Prime Lending Rate (PLR) without first going into the question of whether CCDs are debt or equity in nature? 2. Whether on the facts and in the circumstances of the case and law, the Hon'ble ITAT was correct in concluding that the interest amount paid on INR denominated debentures should be benchmarked using the Prime Lending Rate	Transferred to i/o folder, before corrections, if any.

		(PLR) as against London Interbank Offered Rate (LIBOR), especially when LIBOR is not even applied in this case and different methodology of adjustment using other method was followed by the TPO considering the economic principles, market conditions and contractual terms of the investment source in line with Rule 10B(2) of Income Tax Rules? Let notice be issued to the respondent and appeal be listed for hearing along with ITTA No.161 of 2025 in its usual course. PSK,J SCR,J <i>Lrkm/Aks</i>	
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