

## **Benchmarking intra-group services availed by assessee from AE - TNMM most appropriate method**

**Summary – The Delhi ITAT in a recent case of AT & T Global Network Services (India) (P.) Ltd., (the Assessee) held that TNMM is the most appropriate method to be applied for Benchmarking intra-group services availed by assessee from AE.**

### **Facts**

- The assessee was engaged in the business of providing telecommunication and entered into various international transactions with its Associated Enterprises (AEs).
- The Transfer Pricing Officer (TPO) was of the view that the assessee had not received any benefit from such services and, hence, the Arm's Length Price (ALP) of the alleged services were held to be *NIL* on application of Comparable Uncontrolled Price ('CUP') method.
- The Assessing Officer was directed to make an upward adjustment.
- The Assessing Officer, accordingly, proposed the draft assessment order against which the assessee filed objection before the DRP. The DRP rejected same.
- On the assessee's appeal before the Tribunal:

### **Held**

- The Tribunal while deciding the issue of Intra-Group services availed by the assessee had held that the Transactional Net Margin Method was the most appropriate method to be applied for benchmarking the said services and had deleted the adjustment made in the hands of the assessee. The facts of the instant case are identical to the facts in the earlier years and following the same parity and reasoning, the claim of the assessee is to be allowed.