

## Zuari Cement Limited – Supreme Court

---

### **Decision Outcome: In favour of the taxpayer**

Supreme Court dismisses ‘Special Leave Petition’ (‘SLP’) filed by the revenue department against the ruling of Andhra Pradesh High Court (‘HC’). The HC held in its ruling that the assessment order cannot be passed without complying with the provisions of Section 144(C). The Assessing Officer should necessarily pass a Draft Assessment Order and provide an opportunity to raise objections before the Dispute Resolution Panel (‘DRP’) before such order is finalized with directions received from the DRP.

## Michael Aram Exports Private Limited – Delhi ITAT

---

### **Outcome: Against the taxpayer**

Multiple year data for comparable companies can be used only if such data influences the determination of transfer prices for the taxpayer. Otherwise, only single year margins have to be considered. Further, the decision holds that only functionally similar companies need to be selected. The case states that continuous loss making companies cannot be selected as comparables.

**TransPrice Comments:** Important to prove that the transfer prices are based on past trends and not only by using a single year data. To use multiple year data, one can conduct preliminary benchmark studies at the time of budgeting of transfer prices, that will act as evidence that the transfer prices are indeed based on past trends and multiple year data.