Commissioner of Income Tax (International Taxation)-3 v. Veritas Storages Singapore Pte. Ltd.

ITA 307/2025 & ITA 309/2025

ITA 307/2025 & ITA 309/2025 (Delhi HC, decided 2026-05-12) | 2026-05-12

Veritas: remand for omitted maintenance and training issues refused because TSYS Card Tech coverage was undisputed; both Revenue appeals dismissed.

Income-tax Act, 1961: sections 9(1)(vi), 195 (quoted Engineering Analysis passage)

High Court of Delhi | 2-judge bench (Division Bench) | Justice Dinesh Mehta | Justice Vinod Kumar

Assessment years: Not specified in supplied order

Source wording and assessment year limits

Paragraph 7 labels the remaining issues differently from paragraphs 4, 6 and 10. The remand reasoning concerns maintenance/support and education/training. AY 2020–21 is a subsequent year, not an identified appealed year.

01 FACTS OF THE CASE

The AO's order of 27 June 2022 dealt with hardware, software licences, maintenance/support, and education/training receipts. The Tribunal relied on Engineering Analysis. Revenue acknowledged that no separate hardware addition had been made and sought remand for maintenance/support and education/training. The appealed assessment years are not specified; AY 2020–21 onward is described as subsequent years.

Source: PDF p.1

02 DISCUSSION BY THE HON'BLE COURT

The Division Bench agreed that the ITAT's reasoning had only cited Engineering Analysis without separately dilating on (iii) maintenance support and (iv) education and training services. However, Junior Standing Counsel for the Revenue could not dispute Senior Counsel's submission that both remaining issues were squarely covered in favour of the assessee by the coordinate bench judgment dated 16.07.2024 in CIT (International Taxation)-3 v. TSYS Card Tech Ltd. (ITA No. 165/2024). Consequently, remanding the matter to the ITAT would be an empty and futile exercise.

Source: PDF pp. 3-5, paras 6-12

03 JUDICIAL DECISION

Declining to order a futile remand, the High Court dismissed both ITA 307/2025 and ITA 309/2025 along with all pending applications.

Source: PDF p. 5, paras 12-13

04 OUTCOME / IN WHOSE FAVOUR

Both Revenue appeals and pending applications were dismissed. Remand was refused on the undisputed coverage of the two omitted issues, not a fresh universal exemption for four categories of receipts.

Source: PDF p.5

05 EXPERT COMMENTS

Different receipts need their own reasoning — The Court acknowledged that the Tribunal had omitted discussion of maintenance and training. Engineering Analysis was not treated as a substitute for analysing every service stream; TSYS Card Tech supplied the undisputed coverage for the omitted issues.

Futility depended on undisputed coverage — The refusal to remand followed Revenue's inability to distinguish the cited decision. A materially different service agreement or disputed factual fit may require adjudication; this result does not excuse every unreasoned Tribunal order.

Do not infer an appealed assessment year — AY 2020–21 onward is described as subsequent years. The short order does not identify the appealed years, and its paragraph 7 labels differ from the remand discussion. Keep those limits visible when matching the Tribunal files.

Source: PDF p.4

SOURCE & VERIFICATION

High Court of Delhi official judgment PDF - AKHB Repository (DLHC011242932024_1_2026-05-12.pdf)

5-page official High Court of Delhi judgment PDF (DLHC011242932024_1_2026-05-12.pdf, 46,186 bytes).

Complete source text and every original page visually reviewed; identity and SHA-256 checked. AI-assisted source analysis.

Open cited source rendition

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STATUTORY SCOPE

The Engineering Analysis quotation refers to royalty, section 195 and Article 12. The order does not independently analyse every treaty condition or identify the appealed assessment years.

LATER TREATMENT

Source checked 2026-10-21. Subsequent judicial treatment has not been independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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