Commissioner of Income Tax (International Taxation) & Anr. v. A1 Telekom Austria Aktiengesellschaft

I.T.A. No. 13/2024

2024:KHC:11008-DB | 2024-03-18

Revenue royalty challenge to non-resident telecom interconnect and capacity-transfer payments rejected by following the coordinate Bench.

260A

High Court of Karnataka | Division Bench | Justice S.G. Pandit | Justice C.M. Poonacha

Assessment years: 2012-13

Scope of this order

Assessee succeeded against Revenue's royalty appeal on the issue addressed in this order.

01 FACTS OF THE CASE

Revenue challenged the Tribunal order dated 25 August 2023 in IA(IT)A 339/Bang/2023 for AY 2012-13. Its question concerned non-resident telecom interconnect services and capacity-transfer payments, including the contention that processes were triggered and collections originated in India.

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02 DISCUSSION BY THE HON'BLE COURT

The Court followed the coordinate-Bench judgment dated 14 July 2023 in ITA 160/2015 and connected appeals. It reproduced paragraph 21, which referred to the uncontroverted position on later assessment years and concluded against Revenue on the interconnect/capacity-transfer royalty question.

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03 JUDICIAL DECISION

Revenue appeal ITA 13/2024 was rejected by following the identified coordinate-Bench decision.

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04 OUTCOME / IN WHOSE FAVOUR

Assessee succeeded against Revenue's royalty appeal on the issue addressed in this order.

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05 EXPERT COMMENTS

Match the service and transaction before applying the result — The identified issue concerns interconnect services and capacity transfer to non-resident telecom operators. The order does not declare every foreign telecom or technology payment non-taxable.

Separate Revenue's source argument from the Court's conclusion — Indian triggering of processes and end-customer collections are recorded as Revenue's proposed question. The Court's answer follows the earlier Bench; those assertions are not independent findings establishing royalty.

Use the precedent chain accurately — The decisive support is the 14 July 2023 coordinate-Bench judgment and its quoted paragraph 21. This short order does not reproduce a treaty article or undertake a new treaty analysis; none is invented in this note.

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SOURCE & VERIFICATION

Primary High Court order - verified local repository copy

Complete 3-page supplied source; all pages read.

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All 3 physical source pages read and visually inspected. SHA-256: 9acd957ac1f49f7073bec34f8c5c64c90421e14ac6d825147046c53e55ff5782.

STATUTORY SCOPE

Only source-supported provisions are indexed; no Income-tax Act, 2025 equivalence is asserted.

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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