Sasken Communication Technologies Ltd. v. Income Tax Officer (International Taxation)

I.T.A. No. 269/2013

2024:KHC:35619-DB | 2024-09-02

Section 201(1A) interest: Engineering Analysis applied, with conditional review liberty retained.

201(1A) | 260A

Karnataka High Court | Division Bench at Bengaluru | S.G. Pandit | C.M. Poonacha

Assessment years: Not specified in source

01 FACTS OF THE CASE

Sasken appealed the Tribunal order dated 22 March 2013 in ITA 900/B/2012. The question was whether the Tribunal rightly upheld interest under section 201(1A). Counsel relied on Engineering Analysis Centre of Excellence, (2021) 432 ITR 471 (SC); Revenue did not dispute its applicability. No assessment year or interest amount is stated.

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02 DISCUSSION BY THE HON'BLE COURT

The Court applied Engineering Analysis to answer the question for the assessee. Revenue sought liberty to review if its Supreme Court review petitions, RP 1422–1497/2021, succeeded. Sasken relied on CIT v. Gracemac Corporation, (2023) 456 ITR 135 (SC), on finality. Having considered that decision, the Court allowed review liberty dependent on the Supreme Court review outcome, requiring Revenue to make out its own case.

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03 JUDICIAL DECISION

The appeal was allowed, the question answered in favour of Sasken and against Revenue, and the Tribunal order dated 22 March 2013 quashed to that extent. Revenue retained liberty to file review based on the Supreme Court review outcome, subject to making out a case.

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04 OUTCOME / IN WHOSE FAVOUR

Final relief was granted on the section 201(1A) interest question. The judgment did not postpone that relief until the Supreme Court review concluded or automatically reopen it upon any later development.

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05 EXPERT COMMENTS

AKHB EXPERT COMMENTS — editorial analysis, distinct from the Court's findings.

The interest question fixes the reach of this disposition — The operative words quash the Tribunal order to the extent of the question answered. That anchors the relief to section 201(1A) interest, rather than every possible issue in the underlying proceedings. Because the judgment does not describe the contracts, remittances or assessment year, it cannot itself establish that a different payment arrangement is covered by Engineering Analysis.

An accepted precedent still has to fit the later case — Revenue did not dispute the taxpayer's submission that Engineering Analysis answered this question, and the Court disposed of it on that basis. The judgment is useful evidence of the precedent's application to Sasken's interest dispute, but supplies no independent analysis of software rights or treaty language. A later claim should therefore establish the factual fit rather than treat this short order as a universal exemption from interest.

Review liberty does not undo the present result — The Court accommodated Revenue's request while expressly leaving it to Revenue to make out a case for review. That distinguishes permission to approach the Court from success on review. The reference to pending Supreme Court petitions records the litigation position stated in this judgment; it is not confirmation of their present status or an automatic suspension of Sasken's relief.

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SOURCE & VERIFICATION

Karnataka High Court original judgment - verified repository copy

Complete 5-page supplied source; all pages read.

All 5 original pages read and visually inspected; all five panels audited.

Open cited source rendition

All 5 PDF pages reviewed; actual SHA-256: 5b40965fc988afbfa6fbeef569f4da0f98f396d4d2db7efde539e243612fdeef. Original record ID retained; no merger inferred from shared source or connected appeals.

STATUTORY SCOPE

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

LATER TREATMENT

Source checked 2026-10-21. Subsequent 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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