Pr. Commissioner of Income-tax-7, Bengaluru & Anr. v. M/s. Tecnotree Convergence Ltd.

ITA No. 204 of 2022

2025:KHC:7603-DB | ITA No. 204 of 2022 (Karnataka High Court, decided 20 February 2025) | 2025-02-20

Commission disallowance and section 10A export turnover: Revenue appeal dismissed because the cited precedents were not distinguishable.

Income-tax Act, 1961: sections 10A(3), 40(a)(ia), 195 and 260A

High Court of Karnataka | 2-judge bench (Division Bench) | Hon'ble Mr. Justice Krishna S. Dixit | Hon'ble Mr. Justice G. Basavaraja

Assessment years: 2010-11

01 FACTS OF THE CASE

Revenue challenged the ITAT common order dated 3 July 2019. The caption identifies ITA 1519/Bang/2017 for AY 2010-11; paragraph 1 also describes Revenue appeals 1447–1448 and assessee appeals 1519–1520/Bang/2017 for AYs 2010-11 and 2011-12. The proposed questions concerned commission disallowance under section 40(a)(ia), section 195 and the nature of services, plus section 10A(3) export turnover where proceeds allegedly were not deposited in time.

Source: PDF p.1

02 DISCUSSION BY THE HON'BLE COURT

The assessee relied on its own ITA 834/2018, decided 7 June 2021, for the two commission questions and Wipro Ltd. v. DCIT, 382 ITR 179, for the export-turnover question. Revenue could not distinguish those decisions from the present facts. The Court applied the norm that like cases should be treated alike.

Source: PDF p.3

03 JUDICIAL DECISION

The Court dismissed Revenue's appeal as lacking merit on that basis.

Source: PDF p.4

04 OUTCOME / IN WHOSE FAVOUR

The Tribunal's relief challenged in this appeal remained intact. This short judgment does not independently set out payment amounts, agent agreements, export-realisation dates or an RBI extension granted to this taxpayer.

Source: PDF p.2

05 EXPERT COMMENTS

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

Precedent application supplies the operative reasoning — The Court rejected Revenue's attempt to reopen questions already covered by the identified decisions because no factual distinction was shown. In another dispute, the useful comparison is with the actual earlier decisions and the relevant payment or realisation facts; this order alone does not establish that every overseas commission escapes withholding.

Do not convert allegations into fresh factual findings — The questions allege missing service details and late deposit of export proceeds. The Bench does not separately find where each service was rendered or specify an RBI extension. The dismissal preserves the Tribunal's relief through precedent, but cannot supply those absent evidentiary details for another taxpayer.

Separate this appeal from the common Tribunal background — The caption links this High Court appeal to ITA 1519/Bang/2017 and AY 2010-11, although the narrative recites a common order for two years and four Tribunal appeals. Retaining that distinction prevents the common background from being mistaken for separate High Court dispositions. The source's printed section 40(a)(ia) is retained rather than silently changed to a different withholding-disallowance provision.

Source: PDF p.1

SOURCE & VERIFICATION

High Court of Karnataka official judgment PDF — AKHB Repository (20250220_KAHC010222732021.pdf)

4-page official High Court of Karnataka order/judgment PDF (20250220_KAHC010222732021.pdf, 81,229 bytes).

All 4 original pages read and visually inspected; all five panels audited.

Open cited source rendition

All 4 physical pages of 20250220_KAHC010222732021.pdf (81,229 bytes, SHA-256: 775444533227f9a422690d226d6ff8d88e2907c6091d73002949c4b40c9373c4) extracted and verified page-by-page. Google Drive File ID in 1_Substantive_Precedents: 12SgJraw4qak0_EnmeTttyUcVLBrEwHga.

STATUTORY SCOPE

The proposed questions print section 40(a)(ia), not 40(a)(i). The caption identifies AY 2010-11 and ITA 1519/Bang/2017; paragraph 1 describes the wider common Tribunal order covering AYs 2010-11 and 2011-12.

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.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.