

## **Solize Partners India Pvt. Ltd. v. The Income Tax Officer, International Taxation, Ward 1(1), Bangalore**

Income Tax Appeal No. 181 of 2014

2026:KHC:41503-DB | 2026-08-06

**Payments by Indian reseller to non-resident software owners for purchase of standardized/shrink-wrapped computer software licenses do not constitute 'royalty' under section 9(1)(vi) or DTAA Article 12; Engineering Analysis applied.**

Income-tax Act, 1961: sections 9(1)(vi), 90, 154, 195 and 260A | Applicable DTAAs: Article 12 (Royalties)

High Court of Karnataka at Bengaluru | 2-judge bench (Division Bench) | S.G. Pandit, J. | Dr. K. Manmadha Rao, J.

Assessment years: 2010-11

### **Typographical date '05.12.2023' in paragraph 1 for ITAT order dated 05.12.2013**

While the prayer clause on pages 1-2 correctly identifies the impugned ITAT order in ITA No. 936/Bang/2012 as dated 05/12/2013, paragraph 1 on page 2 contains a typographical reference to '05.12.2023'.

### **01 FACTS OF THE CASE**

For AY 2010-11, Solize Partners India Pvt. Ltd., engaged in the resale of computer software licenses, installation, training and technical consultation, filed nil original and revised returns. The AO treated payments made to non-resident software owners for purchase of standardized software as 'royalty' under section 9(1)(vi) and the applicable DTAAs (and passed a suo-moto section 154 rectification order recomputing tax). The CIT(A)-IV, Bengaluru (order dated 29.05.2012) and the ITAT (in ITA No. 936/Bang/2012) upheld the AO's order following CIT v. Samsung Electronics Co. Ltd.

Source: [Paragraphs 1-3; PDF pp. 2-5 \(20260806\\_KAHC010162072014.pdf\)](#)

## **02 DISCUSSION BY THE HON'BLE COURT**

The Division Bench noted that the substantial questions of law raised by the assessee were identical to those rejected in the Revenue's appeal in ITA No. 698/2023 (decided 12.08.2025) and stood authoritatively answered in favour of the taxpayer by the Supreme Court in Engineering Analysis Centre of Excellence Pvt. Ltd. v. CIT & Anr., (2022) 3 SCC 321.

Source: [Paragraph 4; PDF p. 5 \(20260806\\_KAHC010162072014.pdf\)](#)

## **03 JUDICIAL DECISION**

Allowing the assessee's appeal, the High Court answered the substantial questions of law in favour of the assessee and against the Revenue, holding the appellant-assessee entitled to all consequential benefits.

Source: [Paragraph 5; PDF pp. 5-6 \(20260806\\_KAHC010162072014.pdf\)](#)

## **04 OUTCOME / IN WHOSE FAVOUR**

In favour of the assessee (Solize Partners India Pvt. Ltd.); appeal allowed with all consequential benefits.

Source: [Paragraph 5; PDF pp. 5-6 \(20260806\\_KAHC010162072014.pdf\)](#)

**05 AKHB REVIEW POINT**

AKHB analysis: Long-pending assessee appeals from the pre-2021 Samsung Electronics era in Karnataka High Court on shrink-wrapped/standardized software resale payments are squarely governed by Engineering Analysis, entitling the taxpayer to full consequential refund of tax and interest collected under section 195/201/154.

Source: [Full judgment PDF \(6 pp.\)](#)

**SOURCE & VERIFICATION**

[Original judgment PDF \(20260806\\_KAHC010162072014.pdf\)](#)

Reviewed from the complete 6-page official High Court judgment PDF (20260806\_KAHC010162072014.pdf, SHA-256: 1boccd00a9534059809166bc42a5f20c645737fb5c7e579437030570310b9e4).

Supplied source-reviewed note retained; original bytes and identity validation checked in this release. Substantive re-review is not claimed for this record.

**Open cited source rendition**

Primary source verified page-by-page (6 physical pages, 82,367 bytes, SHA-256: 1boccd00a9534059809166bc42a5f20c645737fb5c7e579437030570310b9e4). Cloud Google Drive File ID: 1uOsBARQ\_z6NrC5tSsJn6XrdLTzjqoE\_Q ([https://drive.google.com/file/d/1uOsBARQ\\_z6NrC5tSsJn6XrdLTzjqoE\\_Q/view](https://drive.google.com/file/d/1uOsBARQ_z6NrC5tSsJn6XrdLTzjqoE_Q/view)).

**STATUTORY SCOPE**

Refers to the Income-tax Act, 1961 and allied statutory rules/circulars as applicable to the relevant assessment years.

**LATER TREATMENT**

Source checked 2026-10-18. No subsequent Supreme Court reversal or stay is recorded in the source judgment text.

**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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