

The Pr. Commissioner of Income Tax & Anr. v. M/s. Synamedia India Pvt. Ltd. (formerly Cisco Video Technologies India Pvt. Ltd.)

Income Tax Appeal No. 22 of 2021

2026:KHC:50743-DB | 2026-09-17

Transfer pricing under section 92C and Rule 10B (AY 2012-13): applying the 10-point framework in Sap Labs India Pvt. Ltd. (ITA No. 10/2011), exclusion of Persistent Systems Ltd. and Larsen & Toubro Infotech Ltd. from the comparable set upheld as a non-perverse finding of fact.

Income-tax Act, 1961: sections 92, 92C, 92C(3), 92CA and 260A | Income-tax Rules, 1962: Rule 10B

High Court of Karnataka | 2-judge bench (Division Bench) | S. G. Pandit, J. | Dr. Chillakur Sumalatha, J.

Assessment years: 2012-13

Reproduces verbatim the 10-point Transfer Pricing summary from Sap Labs India Pvt. Ltd. (ITA No. 10/2011, decided 28.08.2026)

Paragraph 3 (PDF pp. 3-5) sets out the complete ten-point summary of transfer pricing law formulated by the Karnataka High Court in Sap Labs India Pvt. Ltd. v. ITO, ITA No. 10/2011 (decided 28.08.2026), before applying principles (iii), (vii) and (x) to uphold the exclusion of Persistent Systems Ltd. and L&T Infotech Ltd. for AY 2012-13.

01 FACTS OF THE CASE

For AY 2012-13, in the case of M/s. Synamedia India Pvt. Ltd. (formerly Cisco Video Technologies India Pvt. Ltd.), the ITAT Bengaluru (by order dated 06.02.2020 in IT(TP)A No. 184/Bang/2017, following Evolving Systems Network (I) P. Ltd. in IT(TP)A No. 216/Bang/2017 for AY 2012-13) directed the Transfer Pricing Officer to exclude Persistent Systems Ltd. and Larsen & Toubro Infotech Ltd. from the set of 10 comparable companies. The Revenue appealed under section 260A, and the appeal was admitted on 15.04.2021 on three substantial questions of law challenging the exclusion under Rule 10B.

Source: [Paragraphs 1-2, 4; PDF pp. 2-5](#)

02 DISCUSSION BY THE HON'BLE COURT

The Division Bench reproduced the ten governing transfer pricing conclusions laid down in its landmark judgment dated 28.08.2026 in ITA No. 10/2011 and connected appeals (Sap Labs India Private Limited v. The Income Tax Officer), including that: (i) Chapter X is a self-contained code; (ii) the TPO can interfere only upon satisfying section 92C(3); (iii) selection/exclusion of comparables is a factual, data-driven exercise under Rule 10B; (iv) the Rs. 200-crore upper turnover filter is rational and sustainable; and (vii) once the TPO rejects the taxpayer's TP study and substitutes comparables, the burden shifts to the TPO to justify such inclusion or exclusion. Applying those principles to the instant case, the Court held that the Revenue had failed to place any material on record to show how the Tribunal erred in excluding Persistent Systems Ltd. and Larsen & Toubro Infotech Ltd. for AY 2012-13 or to demonstrate any perversity or violation of Rule 10B.

Source: [Paragraphs 3-5; PDF pp. 3-6](#)

03 JUDICIAL DECISION

Answering all three substantial questions of law in favour of the respondent-assessee and against the appellants-Revenue, the High Court disposed of Income Tax Appeal No. 22 of 2021.

Source: [Paragraph 5; PDF p. 6](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee (M/s. Synamedia India Pvt. Ltd., formerly Cisco Video Technologies India Pvt. Ltd.). Substantial questions of law answered against the Revenue and exclusion of Persistent Systems Ltd. and L&T Infotech Ltd. for AY 2012-13 affirmed.

Source: [Paragraph 5; PDF p. 6](#)

05 AKHB REVIEW POINT

AKHB analysis: use Synamedia India (2026:KHC:50743-DB) alongside Applied Materials India (2026:KHC:50875-DB) to demonstrate how the Karnataka High Court applies Principle (vii) of Sap Labs India—once the TPO rejects the taxpayer's study under section 92C(3) and introduces Persistent Systems or L&T Infotech, the affirmative burden lies on the Revenue to prove functional parity under Rule 10B.

Source: [AKHB analysis based on paragraphs 3-5 / PDF pp. 3-6](#)

SOURCE & VERIFICATION

[High Court of Karnataka official digital judgment PDF - AKHB Cloud Repository](#)

Six-page official High Court of Karnataka judgment PDF (2026:KHC:50743-DB); paragraphs 1-5 span PDF pages 1-6.

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](#)

Full 6-page official High Court of Karnataka PDF read and verified. Original bytes match SHA-256 8eb79081b7f7afd7324072a5a4f8aba69d1a6efc1bc6e24b2083be2b950806ba.

STATUTORY SCOPE

Applies sections 92, 92C and 260A of the Income-tax Act, 1961 read with Rule 10B of the Income-tax Rules, 1962 for AY 2012-13. Income-tax Act, 2025 equivalence is not verified.

LATER TREATMENT

Source checked 2026-10-17. Full judgment checked. Follows Sap Labs India Pvt. Ltd. v. ITO, ITA No. 10/2011 (decided 28.08.2026). Comprehensive subsequent judicial treatment has not been 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.