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), 260A | Income-tax Rules,1962: Rule10B

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

Assessment years: 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: PDF pp.2–3, para 1; pp.5–6, para 4

02 DISCUSSION BY THE HON'BLE COURT

The Court reproduced ten conclusions from its 28 August 2026 SAP Labs decision, including the factual and data-based character of comparable selection, the need to comply with Rule 10B, and the burden to justify substituted comparables. In this appeal, the decisive point was Revenue's failure to produce material showing that exclusion of Persistent Systems Ltd. and Larsen & Toubro Infotech Ltd. was erroneous, perverse or contrary to law. The Tribunal had followed Evolving Systems Network for the same assessment year.

Source: PDF pp.4–6, paras 3–4

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: PDF p.6, para 5

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: PDF p.6, para 5

05 EXPERT COMMENTS

AKHB Expert Comments — editorial analysis, distinct from the Court's findings.

The two exclusions required a concrete appellate challenge: The Tribunal removed Persistent Systems and L&T Infotech from ten comparables by following Evolving Systems for AY 2012-13. Revenue did not show what material made those exclusions legally wrong or perverse. A useful challenge would need to identify the particular functional or data error; repeating the general requirement to follow Rule 10B did not displace the Tribunal's findings here. (PDF pp.5–6, para 4)

Quoted principles are not additional transactions decided here: The reproduced SAP Labs conclusions discuss turnover, related-party filters, foreign-exchange nexus and working-capital adjustments. This order does not record separate disputes or factual findings on each of those subjects in Synamedia's assessment. They supply the analytical framework; the operative application remains the two company exclusions. (PDF pp.4–6, paras 3–4)

The result belongs to the identified year and record: All three questions were answered for the assessee for AY 2012-13. That is not a permanent declaration that either company can never be comparable to any taxpayer. For another year or functional profile, the relevant segmental data and the reasons for exclusion must still be examined; this judgment records no substitute analysis for those different facts. (PDF pp.2–3, para 1; pp.5–6, paras 4–5)

Source: PDF pp.5–6, para4

SOURCE & VERIFICATION

High Court of Karnataka official digital judgment PDF - AKHB Cloud Repository

All 6 original pages read and visually reviewed; SHA-256 verified. Source-based analysis, not current-law clearance.

All five panels re-reviewed against the original on 21 October 2026.

Open cited source rendition

Complete original source and all five note panels checked; original docket identities preserved.

STATUTORY SCOPE

Only provisions expressly stated in this order are indexed. Subsequent treatment and current law have not been independently verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent proceedings and current judicial treatment have 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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