HC-KAR

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 2ND DAY OF JULY, 2026

PRESENT

THE HON'BLE MR. JUSTICE S.G.PANDIT

AND

THE HON'BLE MR. JUSTICE RAJESH RAI K

INCOME TAX APPEAL NO. 176 OF 2022

BETWEEN:

1. THE COMMISSIONER OF INCOME-TAX
INTERNATIONAL TAXATION,
4TH FLOOR, BMTC BUILDING,
80 FEET ROAD, KORAMANGALA,
BENGALURU-560 095.

2. THE ASSISTANT COMMISSIONER OF INCOME-TAX
INTERNATIONALTAXATION
CIRCLE-1(2) PRESENT ADDRESS
DCIT-INTERNATIONAL TAXATION
CIRCLE-1(2), 4TH FLOOR,
BMTC BUILDILNG,
80 FEET ROAD KORAMANGALA,
BENGALURU-560 095.

...APPELLANTS

(BY SRI. M. DILIP AND
SRI. E.I. SANMATHI, ADVOCATES)

Digitally signed by
PANKAJA S
Location: HIGH
COURT OF
KARNATAKA

AND:

M/S INFORMATICA LLC
C/O INFORMATICA BUSINESS SOLUTIONS
PVT LTD, NO.66/1,
BAGMANE COMMEZ 02,
BAGMANE TECH PRAK,

C.V RAMAN NAGAR,
BENGALURU-560 093
PAN: AACC12354Q

…RESPONDENT

(BY SMT. MANASA ANANTHAN FOR
SRI. TANMAYEE RAJKUMAR, ADVOCATE)

THE ADVOCATE FOR THE APPELLANT HAS FILED THE ABOVE ITA / INCOME TAX APPEAL UNDER SEC.260-A OF INCOME TAX ACT 1961, ARISING OUT OF ORDER DATED 05/07/2021 PASSED IN IT(IT)A NO. 913/BANG/2019, FOR THE ASSESSMENT YEAR 2016-2017, PRAYING TO I. FORMULATE THE SUBSTANTIAL QUESTIONS OF LAW STATED THEREIN. II. ALLOW THE APPEAL AND SET ASIDE THE ORDERS PASSED BY THE INCOME TAX APPELALTE TRIBUNAL, BENGALURU IN IT(IT)A NO. 913/BANG/2019 DATED 05/07/2021 FOR ASSESSMENT YEAR 2016-2017 ANNEXUE-C AND CONFIRM THE ORDER OF THE APPELLATE COMMISSIONER CONFIRMING THE ORDER PASSED BY THE DEPUTY COMMISSIONER OF INCOME TAX, INTERNATIONAL TAXATION, CIRCLE-1(2), BENGALURU.

THIS APPEAL, COMING ON FOR ADMISSION, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE S.G.PANDIT
and
HON'BLE MR. JUSTICE RAJESH RAI K

ORAL JUDGMENT

(PER: HON'BLE MR. JUSTICE S.G.PANDIT)

Heard learned counsel Sri E.I. Sanmathi along with learned counsel Sri Dilip M. for the appellants and learned counsel Smt.Manasa Ananthan for Smt.Tanmayee Rajkumar for the respondent.

2. This appeal is filed under Section 260A of the Income Tax Act, 1961, questioning the order dated 05.07.2021 in IT(IT)A No.913/Bang/2019 passed by the Income Tax Appellate Tribunal, "C" Bench, Bangalore, raising the following substantial questions of law:

> *1. "Whether on the facts and circumstances of the case and in law, the Tribunal is right in law in allowing the appeal preferred by assessee by deciding the issue of sale of ancillary services by treating same as software services akin to sale of software license by following the decision of Apex Court in case of Engineering Analysis without examining the applicability of Section 12(4)(b) of the Act and without examining the nature of transactions involved in present case and ignoring contents of agreements entered into by assesssee?*
>
> *2. Whether on the facts and circumstances of the case and in law, is not acknowledging the findings of the assessing authority relating to tax the receipts from ancillary services as Fee for Technical Services under Article 12(4)(a) of the DTAA and materials brought on record in support of findings of assessing authority and as such order passed by Tribunal is perverse in nature"?*

3. However, learned counsel for the respondent would point out that the subject matter relates to Assessment Year 2016-17 and whereas in respect of Assessment Year 2015-16, the order impugned herein was followed by the Tribunal in the

case of respondent itself and the said order passed by the Tribunal for the Assessment Year 2015-16 was the subject matter in ITA No.672/2023. The said ITA was disposed of placing reliance on the decision of Hon'ble Apex Court in ***Engineering Analysis Centre for Excellence Private Limited vs. Commissioner of Income Tax and Another*** reported in ***AIR 2021 Supreme Court 124***. Further, it is brought to our notice that the review filed against the ***Engineering Analysis Centre for Excellence Private Limited*** (supra) was also dismissed by the Hon'ble Apex Court vide order dated 11.05.2026.

4. In view of the above, we are of the considered opinion that no substantial question of law arises for consideration. Accordingly, the appeal stands ***dismissed***.

SD/-
(S.G.PANDIT)
JUDGE

SD/-
(RAJESH RAI K)
JUDGE

HKV
List No.: 1 Sl No.: 20