Principal Commisioner Of Income Of Tax vs M/S Goldman Sachs Services Pvt Ltd

ID: F2J-C-2502 **Court:** Karnataka High Court
Case: ITA No. 128 of 2024 **Date:** 2025-09-17

Karnataka High Court Principal Commisioner Of Income Of Tax vs M/S Goldman Sachs Services Pvt Ltd on 17 September, 2025 Author: S.G.Pandit Bench: S.G.Pandit -1- NC: 2025:KHC:37110-DB ITA No. 128 of 2024

HC-KAR

IN THE HIGH COURT OF KARNATAKA AT BENGALURU DATED THIS THE 17TH DAY OF SEPTEMBER, 2025 PRESENT THE HON'BLE MR. JUSTICE S.G.PANDIT AND THE HON'BLE MR. JUSTICE K. V. ARAVIND INCOME TAX APPEAL NO. 128 OF 2024 BETWEEN:

1. PRINCIPAL COMMISSIONER OF INCOME OF TAX (INTERNATIONAL TAXATION) KORAMANGALA, BANGALORE.

2. THE DEPUTY COMMISSIONER OF INCOME TAX INTERNATIONAL TAXATION , CIRCLE 1 (1), KORAMANGALA BANGALORE. ...APPELLANTS (BY SRI. E.I. SANMATHI, SENIOR STANDING COUNSEL)

Digitally signed by AND: NANJUNDACHARI Location: HIGH M/S. GOLDMAN SACHS SERVICES PVT. LTD., COURT OF KARNATAKA WING A, WING B AND GROUND FLOOR TO 6TH FLOOR WING C HELIOS BUSINESS PARK 150 OUTER RING, KADUBEESANAHALLI BANGALORE -560103 REP. BY ITS DIRECTOR PAN: AACCG2435N. ...RESPONDENT

THIS APPEAL IS FILED UNDER SE.260-A OF INCOME TAX ACT 1961, ARISING OUT OF ORDER DATED 29.04.2022 PASSED IN IT(TP)A NO.363/BANG/2020, FOR THE ASSESSMENT YEAR 2012- 2013, PRAYING TO (1) DECIDE THE FOREGOING QUESTION OF LAW AND / OR SUCH OTHER QUESTIONS OF LAW AS MAY BE -2- NC: 2025:KHC:37110-DB ITA No. 128 of 2024

HC-KAR

FORMULATED BY THE COURT AS DEEMED FIT AND SET ASIDE THE APPELLATE ORDER DATED 29/04/2022 PASSED BY THE INCOME TAX APPELLATE TRIBUNAL, 'A' BENCH, BENGALURU, AS SOUGHT FOR, IN THE RESPONDENT - ASSESSEE'S CASE, IN APPEAL PROCEEDINGS IN IT(TP)A NO. 363/BANG/2020 FOR A.Y.2012-13 (ANNEXURE-A) AND GRANT SUCH OTHER RELIEF AS DEEMED FIT, IN THE INTEREST OF JUSTICE.

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

CORAM: HON'BLE MR. JUSTICE S.G.PANDIT AND HON'BLE MR. JUSTICE K. V. ARAVIND

ORAL JUDGMENT (PER: HON'BLE MR. JUSTICE S.G.PANDIT) This appeal is filed raising the following common substantial questions of law:

"1. Whether on the facts and in the circumstances of the case, the Tribunal's order is perverse in nature in by holding that services rendered by assessee are not in nature of FTS and as such Section 9 of the Act read with provisions of DTAA of respective countries are not applicable by relying upon case of M/s.Abbey Business services India P.Ltd which is distinguishable from the facts of this case and not considering the case of M/s.Centrica India Offshore P. Ltd on identical issue relied upon by Revenue? -3-

NC: 2025:KHC:37110-DB ITA No. 128 of 2024 HC-KAR

2. Whether on the facts and in the circumstances of the case, the Tribunal's order is perverse in nature in holding nature of services rendered cannot be said as Fee for Technical Services ignoring that the conditions set out definition clause of in Explanation 2 to Section 9(1)(vii) of the Act and the Double Taxation Avoidance Agreement as well are fully satisfied in present case?

3. Whether on the facts and in the circumstances of the case, the Tribunal's order is perverse in nature in ignoring the various clauses of the Agreement which signified that the overseas entity through the employees rendered technical, managerial and consultancy services, thus satisfying FTS as per the provisions of the Act and also under DTAA?"

2. Sri.E.I.Sanmathi, learned Senior Standing Counsel appearing for the appellants-Revenue would contend that the services rendered by the assessee are in the nature of technical services and it would not fall within the employer and employee relationship. Further, learned -4- NC: 2025:KHC:37110-DB ITA No. 128 of 2024 HC-KAR counsel would refer to page 69 of the paper book, wherein, clauses of the agreements are extracted in the order of the Commissioner of Income Tax, (Appeals) dated 19.02.2020.

3. On hearing learned counsel for the appellants- Revenue, we are of the considered view that the questions raised by the appellants-revenue are answered by the Coordinate Benches of this Court in the case of Director of Income Tax (International Taxation) vs. Abbey Business Services India (P) Ltd., [(2020) 122 taxmann.com 174] and in the case of Deputy Commissioner of Income Tax (International Taxation) and others vs. M/s. Flipkart Internet Pvt. Ltd., [(2025) SCC OnLine Kar 16629]. The Co-ordinate Benches after considering the clauses and the contentions raised by the appellants-Revenue has held that, such technical services provided by the assessee are in the nature of reimbursement which falls within the employer and employee relationship. Thus, we are of the considered -5- NC: 2025:KHC:37110-DB ITA No. 128 of 2024 HC-KAR opinion that the substantial questions of law raised in this appeal would no more survive for consideration.

4. Accordingly, by following the above two decisions of the Co-ordinate Benches, the above appeal stands dismissed.

Sd/- (S.G.PANDIT) JUDGE Sd/- (K. V. ARAVIND) JUDGE NC CT:bms List No.: 1 Sl No.: 5