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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ ITA 374/2024

THE COMMISSIONER OF INCOME TAX -
INTERNATIONAL TAXATION -3Appellant

Through: Mr. Ruchir Bhatia, SSC with
Mr. Anant Mann, Ms.
Pratyaksh Gupta, Mr. Pawan
Gaur, Mr. Prakshit Gaur, Ms.
A. Sabharwal, Advs.

versus

VOLVO INFORMATION TECHNOLOGY AB
SWEDENRespondent

Through: Mr. Ajay Vohra, Sr. Adv. with
Mr. Neeraj Jain, Ms. Shaily
Gupta, Ms. Somya Jain, Advs.

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CORAM:

HON'BLE MR. JUSTICE YASHWANT VARMA

HON'BLE MR. JUSTICE RAVINDER DUDEJA

ORDER

% **23.07.2024**

CM APPL. 41244/2024 (Exemption) in ITA 374/2024

Allowed, subject to all just exceptions.



This application stands disposed of.

ITA 374/2024 & ITA 375/2024

1. The Commissioner impugns the order of the Income Tax Appellate Tribunal [**“Tribunal”**] dated 20 December 2023 and has posited the following questions of law for our consideration:-

“Whether on the facts and in the circumstances of the case and in law, the Ld. ITAT has erred on relying on the Judgment of the Hon'ble Supreme Court's in the case of Engineering Analysis Centre of excellence Pvt. Ltd. As the Apex Court's decisions applies to the transaction and exchange to resources between unrelated parties whereas in the instant case in transactions were made between the related parties or associated enterprise/parties who fall under the same Volvo umbrella globally?

2.2 Whether on the facts and in the circumstances of the case and in law, the Ld. ITAT has erred on relying on the Judgment of Hon'ble Supreme Court in the case of Engineering Analysis Centre of excellence Pvt. Ltd (Supra) as the aspect of Royalty where software can be treated as a process”

2. The issues themselves arise in the context of certain services which were extended by the parent entity and were availed of by the respondent assessee. The details of the services are duly captured in the order of the Assessing Officer and relevant parts thereof are extracted hereinbelow:-

“5. Assessee company is a global organization, headquartered in Sweden and is a part of the Volvo group. The company is engaged in providing Information Technology ('IT') solutions particularly catering to the IT needs of automotive industry. Apart from the third parties that it services, in the relevant assessment year, Assessee has also been involved in the provision of IT services to the Volvo group entities including the group entities in India. During the year under consideration the assessee has provided three type of services to Indian Group companies.”

3. It is in the aforesaid context that the Tribunal rests its decision on **Engineering Analysis Centre of Excellence Private Ltd. v. Commissioner of Income Tax** [(2022) 3 SCC 321]. Bearing in mind



the aforesaid, we find that the appeal fails to raise any substantial questions of law. It shall consequently stand dismissed.

YASHWANT VARMA, J.

RAVINDER DUDEJA, J.

JULY 23, 2024/neha