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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **ITA 567/2024**

**THE COMMISSIONER OF INCOME TAX - INTERNATIONAL
TAXATION -3**Appellant

Through: Mr. Ruchir Bhatia, Sr. Standing
Counsel, Mr. Anant Mann, Jr. tanding
Counsel and Mr. Abhishek Anand,
Advocate.

versus

SALESFORCE.COM SINGAPORE PTE. LTD.Respondent
Through: Mr. Vishal Kalra, Advocate

CORAM:
HON'BLE THE ACTING CHIEF JUSTICE
HON'BLE MR. JUSTICE TUSHAR RAO GEDELA

ORDER
11.12.2024

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1. The Revenue has filed the present appeal under Section 260A of the Income Tax Act, 1961 (hereafter *the Act*) impugning an order 17.05.2024 passed by the Ld. Income Tax Appellate Tribunal (hereafter *the ITAT*).
2. It is material to note that the said impugned order is a common order in respect of four appeals concerning assessment years (AY 2018-19 to AY 2021-2022). The present appeal is confined to impugned order in so far as it relates to the Assessee's appeal being ITA No. 1923/DEL/2022 in respect of the AY 2018-2019. The controversy involved in the present appeal relates to the payments received by the Assessee for providing Customer Relationship Management (CRM) Services. According to the Revenue, the payment for the said services are chargeable to tax as fees for technical



services under the Act as well as under the India-Singapore Double Taxation Avoidance Agreement (DTAA). Learned ITAT examined the issue and following the decision in respect of earlier AYs, held that the receipts were not chargeable as fees for technical services.

3. In the aforesaid context, the Revenue has projected the following questions for consideration of this Court:-

“2.1 Whether Ld. ITAT has erred in law by holding that the payments received on account of subscription fees does not constitute Fee for Technical Services under Explanation to section 9(l)(vii) of the Act or under sub Article (4) of the Article 12 of the India-Singapore DTAA ignoring that services provided by Assessee includes Customer Relationship Management Software to customers enabling better operational efficiency for the business and thus fulfilling conditions of Article 12(4) of the India- Singapore DTAA and section 9(l)(vii) of the Act?

2.2 Whether Ld. ITAT has erred in law by holding that the subscription fee received is not taxable as Fee for Technical services under India- Singapore DTAA ignoring the fact that CRM software solutions was made available to the Indian customer users, so that they can use this data analysis independently without the support of services company and training is also provided to employees to Indian customer - users for the same, which is in the nature Fees for technical services under India Singapore DTAA?”

4. Mr. Bhatia, learned counsel for the revenue states at the outset that the aforesaid questions are covered by the decision of this Court in assessee’s own case for earlier assessment year - ***Commissioner of Income Tax Vs. Salesforce.com Singapore Pte. Ltd.: (2024) 465 ITR 257.***

5. In view of above, no substantial question arise for consideration of



this Court.

6. The appeal is accordingly dismissed.

VIBHU BAKHRU, ACJ

TUSHAR RAO GEDELA, J

DECEMBER 11, 2024/ms

Click here to check corrigendum, if any