

Agnity India Technologies Pvt Ltd – ITAT Delhi

Decision Outcome: In **favour** of the taxpayer

Industry: Provision of Software Development Services

Category: Functional dissimilarity of comparable

Summary of decision:

- The company provided captive software development services to its AE
- Fully risk bearing entities are functionally dissimilar to captive service providers
- The decision excludes comparables like Infosys, Wipro that are full-fledged entrepreneurs
- Reliance placed on High Court Ruling in the case of taxpayer

Infotech India Limited – ITAT Hyderabad

Decision Outcome: In **favour** of the taxpayer

Industry: Provision of Software Development Services and ITES

Category: Use of Multiple year data

Summary of decision:

- The TPO considered 3 years data to propose an adjustment
- The CIT (Appeals) observed that only current year data can be considered for benchmarking
- If only current year data was considered, no adjustment was called for
- ITAT held that multiple year data can be considered only in exceptional cases
- Otherwise, one year data of the comparables needs to be considered