

IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD "A" BENCH: HYDERABAD

BEFORE SHRI VIJAY PAL RAO, VICE PRESIDENT
AND
SHRI MANJUNATHA G, ACCOUNTANT MEMBER

ITA.No.955/Hyd./2024
Assessment Year 2020-2021

Microsoft Global Services Centre India Private Limited, Hyderabad. PIN - 500 032. PAN AAECM2477L Telangana.	vs.	The DCIT, Circle-5(1), Hyderabad - 500 004
(Appellant)		(Respondent)

For Assessee :	Sri Parth, Advocate
For Revenue :	Ms. U. Mini Chandran, CIT-DR

Date of Hearing :	23.09.2025
Date of Pronouncement :	23.09.2025

ORDER

PER VIJAY PAL RAO, V.P. :

This appeal filed by the Assessee has been directed against the Final Assessment Order dated 25.07.2024 passed u/sec.143(3) r.w.s.144C(13) r.w.s.144B of the Income Tax Act, 1961 [in short "the Act"] in pursuance to the Directions dated 06.06.2024 of the Disputes Resolution Panel-1, [in short "DRP"], Bengaluru,

passed u/sec.144C(5) of the Act, for the assessment year 2020-2021.

2. At the time of hearing, Learned Authorised Representative for the Assessee has submitted that the dispute involved in this appeal has been resolved under the MAP as per the Order of the communication of the CBDT dated 11.09.2025 and copy of the same is filed before the Tribunal. Thus, the learned Authorised Representative for the Assessee submitted that the assessee may be allowed to withdraw the present appeal as the dispute has been settled under MAP.

3. The Learned CIT-DR for the Revenue, on the other hand, has no objection if the present appeal of the assessee is dismissed as withdrawn.

4. Considering the submissions of the learned Authorised Representative for the Assessee and the learned CIT-DR for the Revenue, at the outset, we note that the dispute involved in this appeal has been resolved by the

Competent Authorities of India and US as communicated by the CBDT vide letter dated 11.09.2025 as under :

F.No.480/MAP 16/2024-APA-II
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes
Foreign Tax & Tax Research Division-I
APA-II Section

806, 8th Floor, C Wing
Hudco Vishala Building
14, Bhikaji Cama Place
New Delhi – 110 066.

Dated: 11th September, 2025

To

The Principal Officer,
Microsoft Global Services Center (India) Private Limited
807, New Delhi House, Barakhamba Road
New Delhi-110001,
PAN: AAECM2477L

Subject: Communication of resolution of dispute under MAP with the USA for AY 2020-21 in accordance with rule 44G(6) of Income Tax Rules, 1962 – reg.

Please refer to the subject cited above.

2. In accordance with rule 44G(6) of the Income Tax Rules, 1962 ('Rules'), I am directed to state that the Indian and US Competent Authorities (CAs) have agreed to resolve the MAP in your case for AY 2020-21 for the adjustments related to Software Development Services and Employee Stock Award.

3. As per the MAP resolution agreed upon by the two CAs, the computation of MAP relief and the retained TP adjustment is as follows:

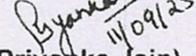
Assessment Year	Transaction at Issue	Proposed Adjustment (INR)	Amount relieved (INR)	Amount Sustained (INR)
2020-21	Software Development (SWD)	376,748,047	319,491,509	57,256,538
2020-21	Employee Stock Award	64,763,161	12,490,218	52,272,943
2020-21	Total	441,511,208	331,981,727	109,529,481

4. As per rule 44G(7) of the Rules, you are requested to communicate your acceptance or non-acceptance of the above resolution in writing to the Competent Authority in India **within thirty days of receipt of this communication under sub-rule(6) of rule 44G.** In case of acceptance of the above resolution, you are also requested to enclose with it the proof of withdrawal of appeal, if any, pending on the

transactions that are the subject matter of this resolution, in accordance with sub-rule (8) of rule 44G. You may also email your response on the following email id: **dcit-apa2-dor@gov.in**.

5. Notwithstanding above, it may be noted that the MAP resolution would not result in income lower than the filed/returned income. Further, the applicability of the MAP resolution to any assessment year is subject to the condition that the ITAT has not passed its ruling for the said assessment year.

Yours sincerely,



(Priyanka Jain)

DCIT (OSD)(APA-II)

FT&TR-I, CBDT

5. In view of the fact that the dispute involved in the present appeal of the assessee has already been resolved in the MAP proceedings, accordingly, the assessee is allowed to withdraw the present appeal and consequently, the appeal of the assessee is dismissed as withdrawn.

6. In the result, appeal of the Assessee dismissed as withdrawn.

Order pronounced on conclusion of hearing in the open Court on 23.09.2025.

Sd/-
[MANJUNATHA G.]
ACCOUNTANT MEMBER

Sd/-
[VIJAYPAL RAO]
VICE PRESIDENT

Hyderabad, Dated 23rd September, 2025
VBP

Copy to

1.	Microsoft Global Services Centre India Private Limited, Building-1, Microsoft Campus, Gachibowli, Hyderabad. PIN – 500 032. Telangana.
2.	The DCIT, Circle-5(1), IT Towers, Hyderabad – 500 004 Telangana.
3.	The Disputes Resolution Panel-1, 4 th Floor, Kendriya Sadan, C-Wing, BENGALURU – 560 034. Karnataka.
4.	The Pr. CIT, Hyderabad.
5.	The Addl./Joint Commissioner of Income Tax, Transfer Pricing Officer, Aaykar Bhawan, Opp. LB Stadium, Basheerbagh, Hyderabad – 500 004. Telangana.
6.	The DR ITAT “A” Bench, Hyderabad.
7.	Guard File.

//By Order//

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