

आयकर अपीलीय न्यायाधिकरण में, हैदराबाद 'ए' बेंच, हैदराबाद
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad ' A ' Bench, Hyderabad

श्री मंजूनाथ जी, माननीय लेखा सदस्य एवं श्री रवीश सूद, माननीय न्यायिक सदस्य
SHRI G. MANJUNATHA, HON'BLE ACCOUNTANT MEMBER
AND
SHRI RAVISH SOOD, HON'BLE JUDICIAL MEMBER

आयकर अपील सं./I.T.A.No.1365/Hyd/2024
(निर्धारण वर्ष/ Assessment Year: 2021-22)

Microsoft Global Services Center India Private Limited, Hyderabad. PAN : AAECM2477L	Vs.	The Deputy Commissioner of Income Tax, Circle – 5(1), Hyderabad.
(अपीलार्थी/ Appellant)		(प्रत्यर्थी/ Respondent)

करदाता का प्रतिनिधित्व/ Assessee Represented by	:	Shri Parth, Advocate.
राजस्व का प्रतिनिधित्व/ Department Represented by	:	Ms. U. Mini Chandran, CIT-DR
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	06.10.2025
घोषणा की तारीख/ Date of Pronouncement	:	06.10.2025

ORDER

PER MANJUNATHA G., A.M :

This appeal filed by the assessee company has been directed against the Final Assessment Order dated 29.10.2024

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 17.09.2024 of the Disputes Resolution Panel-1, [in short “DRP”], Bengaluru, passed u/sec.144C(5) of the Act, for the assessment year 2021-22.

2. At the time of hearing, Learned Authorised Representative for the assessee company Shri Parth, Advocate, 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 Ms. U. Mini Chandran, Ld.CIT-DR, on the other hand, has no objection if the present appeal of the assessee is dismissed as withdrawn.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.

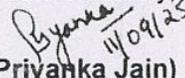
2. In accordance with rule 44G(6) of the Income Tax Rules, 1962 ('Rules'), I am directed to state that the Indian and US Competent Authorities (CAs) have agreed to resolve the MAP in your case for AY 2020-21 for the adjustments related to Software Development Services and Employee Stock Award.
3. As 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 company has already been resolved in the MAP proceedings, accordingly, the assessee company is allowed to withdraw the present appeal and consequently, the appeal of the assessee company is dismissed as withdrawn.

6. In the result, appeal of the assessee company is dismissed as withdrawn.

Order pronounced in the Open Court on 6th October, 2025.

<p>Sd/- (श्री रवीश सूद) (RAVISH SOOD) न्यायिक सदस्य/JUDICIAL MEMBER</p>	<p>Sd/- (मंजूनाथ जी) (MANJUNATHA G.) लेखा सदस्य/ACCOUNTANT MEMBER</p>
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Hyderabad, dated 06.10.2025.
TYNN/sps

आदेशकी प्रतिलिपि अग्रेषित/ Copy of the order forwarded to:-

1.	निर्धारिती/The Assessee	:	Microsoft Global Services Centre India Private Limited, Building-1, Microsoft Campus, Gachibowli, Hyderabad. PIN – 500 032. Telangana.
2.	राजस्व/ The Revenue	:	The DCIT, Circle-5(1), IT Towers, Hyderabad – 500 004, Telangana.
3.	The Principal Commissioner of Income Tax, Hyderabad.		
4.	The Disputes Resolution Panel-1, 4th Floor, Kendriya Sadan, C-Wing, BENGALURU – 560 034. Karnataka.		
5.	The Addl./Joint Commissioner of Income Tax, Transfer Pricing Officer, Aaykar Bhawan, Opp. LB Stadium, Basheerbagh, Hyderabad – 500 004. Telangana.		
6.	विभागीयप्रतिनिधि, आयकर अपीलीय अधिकरण, हैदराबाद / DR, ITAT, Hyderabad		
7.	गार्डफ़ाईल / Guard file		

आदेशानुसार / BY ORDER

Sr. Private Secretary
ITAT, Hyderabad