

IN THE INCOME TAX APPELLATE TRIBUNAL DELHI
[DELHI BENCH : "DEHRADUN"/ NEW DELHI]
BEFORE SHRI YOGESH KUMAR U.S., JUDICIAL MEMBER
AND
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER

I.T.A. No. 172/DDN/2024 (A.Y 2008-09)

I.T.A. No. 143/DDN/2024 (A.Y 2016-17)

I.T.A. No. 142/DDN/2024 (A.Y 2017-18)

Dy. Commissioner of Income Tax, Aayakar Bhawan, 13-A Subhash Road, Uttarakhand 248001	Vs	Schlumberger Asia Services Limited, 14 th Floor, Tower C, Building No. 10, DLF Cyber City, Phase 2, Gurgaon, Haryana PAN: AADCS1107J
Appellant		Respondent

C.O. No. 1/DDN/2025(in ITA No. 172/DDN/2024 (A.Y 2008-09)

Schlumberger Asia Services Limited 14 th Floor, Tower C, Building No. 10, DLF Cyber City, Phase 2, Gurgaon, Haryana PAN: AADCS1107J	Vs.	Dy. Commissioner of Income Tax Aayakar Bhawan, 13-A Subhash Road, Uttarakhand 248001
Appellant		Respondent

Assessee by	Sh. Salil Kapoor, Ms. Ananya Kapoor, Ms. Soumya Singh and Mr. Shivam Yadav, ADVs	
Revenue by	Sh. Mohan Lal Joshi, Sr. DR	
Date of Hearing	07/07/2025	
Date of Pronouncement	18/07/2025	

ORDER

PER YOGESH KUMAR, U.S. JM:

The above captioned Appeals are filed by the Department by challenging the orders of Ld. CIT (A)- Noida 2 for Assessment Years A.Y 2008-09, A.Y 2016-17 and A.Y 2017-18 respectively, challenging the orders of the Ld. CIT(A) dated 28/06/2024. The Assessee has also filed C.O No. 1/DDN/2025, challenging the order of the Ld. CIT(A) for Assessment Year 2008-09.

2. The only issue involved in the above appeals of the Revenue is relating to taxability of business income as FTS and not u/s 44BB offered by the Assessee. The Ld. Counsel for the Assessee submitted that the issue involved in the present Appeals are covered by the Judgment of Hon'ble Supreme Court in the case of Oil and Natural Gas Corporation Ltd. Vs. CIT reported in (2015) 376 ITR 306(S.C). Further submitted that the Co-ordinate Bench of the Tribunal in Assessee's own case held that service provided by the assessee is taxable under section 44BB of the Act, wherein placed reliance on the decision of Supreme Court in the case of ONGC (supra) and the Assessee's own case of the Tribunal for other years. The Assessee has also placed reliance on the following judicial precedents.

a . DIT v. Schlumberger Asia Services Ltd. ITA No. 40/2012 dated 26/04/2019 (Uttarakhand High Court).

b. DCIT v. Schlumberger Asia Services Ltd (AY 2013-14) ITA No. 6172/Del/2017, ITAT, Dehradun.

c. DCIT v. Schlumberger Asia Services Ltd (AY 2014-15 & AY 2015-16) ITA No. 6173/Del/2017 and ITA No. 5305/Del/2018, ITAT, Dehradun.

d. Schlumberger Asia Services Ltd v. DCIT (AY 2018-19) ITA No. 20/DDN/2022, ITAT, Dehradun.

e. DCIT v. Western Geco International Limited (Including order of the Hon'ble Third Member) ITA/6436/Del/2014 and ITA/6356/Del/2014, ITAT, New Delhi

3. The Ld. Counsel for the Assessee further submitted that the Ld. CIT(A) has examined the services of the Assessee and held that such services are taxable u/s 44BB of the Act as per the principals laid down in the decision of Hon'ble Supreme Court in the case of Oil and

Natural Gas Corporation Ltd. Vs. CIT(A) (supra) and the decisions of the Co-ordinate Bench of the Tribunal in Assessee's own case observing that the 'Pith and substance' of the service are inextricably connected with the proposing, extravagation or production of mineral oil. Thus, submitted that the Appeals filed by the Revenue deserves to be dismissed.

4. The Ld. Departmental Representative relying on the orders of the A.O., sought for allowing the Appeal.

5. We have heard both the parties and perused the material available on record. The Hon'ble Supreme Court in the case of Oil and Natural Gas Corporation Ltd. Vs. CIT(A) (supra) after considering the opinion of attorney general of India, CBDT Instruction No. 1862, the provisions of Mines and Minerals (Regulation and Development) Act, 1957 and observed that if the "pith and substance" of the contract is inextricably connected with the prospecting, extraction, or production of mineral oil, though they may be ancillary works contemplated there under, the same cannot be categorized as "fees for technical services" and have to be included in the revenue chargeable to tax under section 44BB of the Act.

6. Further in Assessee's own cases for multiple years AY 2013-14, AY 2014-15, AY 2015-16 and in AY 2018-19, the Co-ordinate Bench of

the Tribunal held that the entire revenues of the assessee to be includible in the revenues chargeable to tax under section 44BB of the Act. Further, Commissioner of Income Tax (Appeals)-II, Noida Assessee's own case for AY 2011-12 and AY 2012-13 held that the entire revenues of the assessee to be includible in the revenues chargeable to tax under section 44BB of the Act.

7. Considering the above facts and circumstances we find no reason to interfere with the impugned orders of the Ld. CIT(A) for the above years under consideration. Finding no merits in the Appeals of the Revenue we dismiss the Appeals filed by the Revenue in ITA Nos. 172/DDN/2024, I.T.A. No. 143/DDN/2024 and I.T.A. No. 142/DDN/2024.

8. Since we have dismissed the Appeals filed by the Revenue, the Cross Objection filed by the Assessee have become in-fructuous.

9. In the result, the Cross Objection No. 1/DDN/2025 filed by the Assessee is dismissed.

Order pronounced in the open court on 18th July, 2025

Sd/-

Sd/-

(MANISH AGARWAL)
ACCOUNTANT MEMBER

(YOGESH KUMAR U.S.)
JUDICIAL MEMBER

Date:- 18.07.2025

R.N, Sr.P.S*

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

**ASSISTANT REGISTRAR,
ITAT, NEW DELHI**