

**IN THE INCOME TAX APPELLATE TRIBUNAL  
"I" BENCH, MUMBAI**

**BEFORE SMT. BEENA PILLAI (JUDICIAL MEMBER)**

**&**

**SHRI BIJAYANANDA PRUSETH (ACCOUNTANT MEMBER)**

**I.T.A. No. 7827/Mum/2025  
(Assessment Year: 2019-20)**

<b>Reliance Jio Infocomm Pte. Limited</b> 250, Raffles City Tower, North Bridge Road, 16-01, Singapore - 179101 [PAN: AAHCR2536C]	Vs.	<b>Deputy Commissioner of Income Tax, (International Tax) – 4(1)(1), Mumbai</b>
<b>(Appellant)</b>		<b>(Respondent)</b>

**I.T.A. No. 7828/Mum/2025  
(Assessment Year: 2019-20)**

<b>Reliance Jio Infocomm USA Inc.,</b> 3010, Gaylord Parkway, Suite 150, Frisco, Texas – 75034, USA [PAN: AAHCR2879Q]	Vs.	<b>Deputy Commissioner of Income Tax, (International Tax) – 4(1)(1), Mumbai</b>
<b>(Appellant)</b>		<b>(Respondent)</b>

<b>Assessee by</b>	Shri Nimesh Vora & Moksha Mehta
<b>Revenue by</b>	Shri Krishna Kumar, (SR. DR)

<b>Date of Hearing</b>	24.03.2026
<b>Date of Pronouncement</b>	17.04.2026

**ORDER**

**PER BENCH, JM:**

Present appeals filed by assessee against the final assessment order dated 30.09.2025 passed u/s.147 r.w.s.144C(13) for A.Y. 2019-202 passed in pursuance of direction given by the DRP dated 25.07.2025 u/s.144C(5) of the Income Tax Act, 1961 [hereinafter referred to as "*the Act*"]. The assessee raised the following grounds of appeal:-

**ITA No.7827/Mum/2025**

*“Reopening of the assessment*

*1. erred in reopening the assessment in the absence of escapement of income,*

*Assessment order is barred by limitation*

*2. erred in passing the final assessment order u/s. 147 r.w.s. 144C(13) for the impugned Assessment Year 2019-20, on 30th September 2025, beyond the time limit as specified u/s. 153 of the Act which expired on 31 March 2025;*

*Taxability of Telecommunication services and O&M Services*

*3. erred in holding that the receipts towards voice termination, bandwidth services (collectively being referred to as 'telecommunication services) and annual operational and maintenance services ('O&M services') are chargeable to tax in India as per provisions of section 5(2) of the Act and that too without issuing any Show Cause Notice:*

*4. erred in holding that the receipts towards telecommunication services and O&M services are in the nature of Royalty/Fees for Technical Services ('FTS') under the provisions of the Act and the India-Singapore Double Taxation Avoidance Agreement (DTAA);*

*5. failed to appreciate that the receipts towards telecommunication services and O&M services are in the nature of "Business Profits" and not chargeable to tax in India in the absence of the Company's Permanent Establishment ('PE') in India as per provisions of Article 5 read with Article 7 of the DTAA:*

*Double recovery of taxes from payer as well as recipient*

*A failed to appreciate that the payer Reliance Jio Infocomm Limited (RIM) is already held as assessee in default for non-deduction of tax at source in respect of payment made to the Company for telecommunication services and O&M services and again taxing the same income in the hands of the Company results in recovery of tax twice for same transaction”*

**ITA No.7828/Mum/2025**

*Reopening of the assessment*

*1. erred in reopening the assessment in the absence of escapement of income;*

*Assessment order is barred by limitation*

*2. erred in passing the final assessment order u/s. 147 r.w.s. 144C(13) of the Act for the impugned Assessment Year 2019-20, on 30th September 2025, beyond the time limit as specified u/s. 153 of the Act which expired on 31 March 2025;*

*Taxability of Telecommunication services*

*3. erred in holding that the receipts towards voice termination services are chargeable to tax in India as per provisions of section 5(2) of the Act and that too without issuing any Show Cause Notice;*

4. erred in holding that the receipts towards voice termination services are in the nature of 'Royalty / Fees for Technical Services (FTS)' under the provisions of the Act and the Double Taxation Avoidance Agreement between India and USA ("DTAA");
5. failed to appreciate that the receipts towards voice termination services are in the nature "Business Profits" and not chargeable to tax in India in the absence of the Appellant's PE in Inc as per provisions of Article 5 read with Article 7 of the DTAA;
6. failed to appreciate that the payer Reliance Jio Infocomm Limited ("RJIL") has already been he as assessee in default for non-deduction of tax at source in respect of payment made to Appellant for voice termination services and again taxing the same income in the hands of Appellant results in recovery of tax twice for same transaction;
7. without prejudice to the above, the learned DCTT has erred in computing the total income at Its 36,08,20.114 instead of Rs. 36.96.20.114 thereby leading to an additional income of its 2.00,000
- Each of the above grounds of appeal are independent and without prejudice to each other."

**ITA No. 7827/Mum/2025 [Ground Nos. 1-2]:**

**2.** At the outset the Ld.AR submitted that the assessee has raised legal issue in **Ground No. 1-2** challenging validity of assessment order passed based on the decision of *Hon'ble Bombay High Court* in case of *Shelf Drilling Ron Tappmeyer Ltd. vs. ACIT in WP no. 2340 of 2021*.

**2.1.** It is further noted that by passing of the Finance Act 2026, this issue becomes infructuous by virtue of the amendment introduced by the legislature in section 153B. **We therefore, do not find any merit in this ground raised by the assessee and the same is dismissed as infructuous.**

**Ground Nos. 3-5:**

**3. Brief fact of the transaction undertaken by the assessee is as under:**

The assessee is a wholly-owned subsidiary of Reliance Jio Infocomm Ltd, India and resident of Singapore. The principal activities of the assessee are to establish international connectivity and provision of services related to international and domestic bandwidth, IP transit, IP peering, Internet exchange, voice and data roaming and dark fibre.

**3.1.** During the year under consideration assessee had received payments from Reliance Jio Infocomm Limited for provision of voice termination services, bandwidth services and annual operation and maintenance services amounting to ₹44,17,39,679/-.

**3.2.** The Ld.AO treated the receipts arising from services rendered by the assessee as “process royalty”/fees for technical services under section 9(1)(vi)/(vii) of the Act as well as Article 12 of the India–Singapore DTAA.

**3.3.** At the time of hearing, both the Ld.AR and the Ld.DR fairly submitted that the facts of the case for the year under consideration are identical to those in the assessee’s own case for *A.Y.2018–19 in ITA Nos. 6331–6334/Mum/2018, order dated 15.11.2019*. It was further submitted that the issue involved, the reasoning adopted by the Ld.AO, as well as the arguments advanced by both sides, remain identical. It was also brought to our notice that a coordinate bench of this *Tribunal*, in the case of a US subsidiary of *Reliance Jio Infocomm Ltd.*, in *ITA No.2991/Mum/2023 for A.Y. 2020–21 vide order dated 17.04.2026*, has followed the aforesaid decision and allowed the claim of the assessee on identical facts.

**3.4.** Both the parties further fairly submitted that the provisions of Article 12 of the India USA DTAA and the India Singapore DTAA are *pari materia*, inasmuch as they employ substantially similar language in defining and governing the taxation of “royalties” and “fees for technical services/fees for included services.” We find merit in the said contention, as the scope, structure and underlying principles of Article 12 in both treaties are materially identical, particularly with respect to the requirement of “make available” of technical knowledge, experience, skill, know-how or processes. Consequently, judicial interpretations rendered in the context of one treaty would have persuasive value while construing the corresponding provisions of the other treaty, in the absence of any material distinction in language or context.

**3.5.** In view of the above, and considering that the issues arising in the present appeals are identical to those adjudicated by the *Tribunal* in the assessee’s own case for earlier assessment years, we find no reason to take a different view. The decision rendered therein shall, therefore, apply *mutatis mutandis* to the year under consideration.

**Respectfully following the same, Ground Nos. 3-5 raised by the revenue stands dismissed.**

**4.** Insofar as the present appeal in **ITA No. 7828** in **Ground Nos. 3-6** is concerned, the assessee, being a resident of the USA, is governed by the provisions of the India–USA DTAA. However, as already noted hereinabove, the provisions of Article 12 of the India–USA DTAA are *pari materia* with those contained in Article 12 of the India–Singapore

DTAA, particularly in relation to the definition and scope of “royalties” and “fees for included services,” including the “make available” condition. Therefore, the reasoning and conclusions arrived at while adjudicating the issue in *ITA 7827(supra)* would apply with equal force to the present case as well. Accordingly, following the consistent view taken in earlier years and in the absence of any distinguishing feature, the issue is decided in favour of the assessee.

**Accordingly, ground nos.3-5 raised by the assessee in both the appeals are allowed.**

**5.** At the outset the Ld.AR submitted that the assessee has raised legal issue in **Ground No.1-2** challenging validity of assessment order passed based on the decision of *Hon’ble Bombay High Court* in case of *Shelf Drilling Ron Tappmeyer Ltd. vs. ACIT in WP no. 2340 of 2021*.

**5.1.** It is further noted that by passing of the Finance Act 2026, this issue becomes infructuous by virtue of the amendment introduced by the legislature in section 153B. **We therefore, do not find any merit in this ground raised by the assessee and the same is dismissed as infructuous.**

**Accordingly, ground nos.1-2 raised by the assessee stands dismissed as infructuous.**

**In the result the appeal filed by the assessee in both appeals stands partly allowed.**

**Order pronounced in the open court on 17/04/2026**

**Sd/-****(BIJAYANANDA PRUSETH)**  
**Accountant Member**

Mumbai  
Dated: 17/04/2026  
*Karishma J. Pawar, Sr. P.S.*

Copy of the order forwarded to:

- (1) The Appellant
- (2) The Respondent
- (3) The CIT
- (4) The CIT (Appeals)
- (5) The DR, I.T.A.T.

**Sd/-****(BEENA PILLAI)**  
**Judicial Member**

True Copy  
By order

(Asstt. Registrar)  
**ITAT, Mumbai**