



**106 IN THE HIGH COURT OF PUNJAB AND HARYANA  
AT CHANDIGARH**

**ITA-42-2021 (O&M)  
Date of Decision: 10.03.2025**

Commissioner of Income Tax (TDS)-2, Chandigarh ...Appellant

Vs.

M/s Vodafone Idea Limited (earlier known as Vodafone Mobile Services Limited). ....Respondent

and

(2). **ITA-120-2021 (O&M)**

Commissioner of Income Tax (TDS)-2, Chandigarh ...Appellant

Vs.

M/s Vodafone Idea Limited (earlier known as Vodafone Mobile Services Limited). ...Respondent

and

(3). **ITA-121-2021 (O&M)**

Commissioner of Income Tax (TDS)-2, Chandigarh ...Appellant

Vs.

M/s Vodafone Idea Limited (earlier known as Vodafone Mobile Services Limited). ...Respondent

and

(4). **ITA-130-2021 (O&M)**

Commissioner of Income Tax (TDS)-2, Chandigarh ...Appellant

Vs.

M/s Vodafone Idea Limited (earlier known as Vodafone Mobile Services Limited). ....Respondent

**CORAM: HON'BLE MRS. JUSTICE LISA GILL  
HON'BLE MR. JUSTICE DEEPINDER SINGH NALWA**

**Present:** Mr. Amanpreet Singh, Advocate for the appellant(s).

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**LISA GILL, J. (ORAL)**

1. All the above titled four appeals are being taken up together for hearing at request of learned counsel for the appellant(s) as common issue is involved for consideration and adjudication.

2. Issue raised in these appeals is as to whether the discount offered by assessee to the distributor for its prepaid services is not commission or brokerage as envisaged under Section 194-H of the Income Tax Act, 1961.

3. These appeals were adjourned *sine die* on 04.08.2022 to be listed after the decision of Civil Appeal No.1202 of 2011 titled as “**Idea Cellular Limited Vs. Commissioner of Income Tax-XVII**”.

4. Learned counsel for the appellant submits that said issue is no more *res integra* in view of decision dated 28.02.2024 of Hon’ble the Supreme Court in Civil Appeal No.7257 of 2011 titled “**Bharti Cellular Limited (Now Bharti Airtel Limited) Vs. Assistant Commissioner of Income Tax, Circle 57, Kolkata and another**”. Relevant extract thereof is reproduced as under:-

“42. In view of the aforesaid discussion, we hold that the assessees would not be under a legal obligation to deduct tax at source on the income/profit component in the payments received by the distributors/franchisees from the third parties/customers, or while selling/transferring the pre-paid coupons or starter-kits to the distributors. Section 194-H of the Act is not applicable to the facts and circumstances of this case. Accordingly, the appeals filed by the assessee-cellular mobile service providers, challenging the judgments of the High Courts of Delhi and Calcutta are allowed and these judgments are set aside. The appeals filed by the Revenue challenging the judgments of High Courts of Rajasthan, Karnataka and Bombay are dismissed. There would be no orders as to cost. Pending Applications, if any, shall stand disposed of.”

5. In view of the above judgment **Bharti Cellular Limited (supra)**, passed by Hon’ble the Supreme Court, similar appeals i.e. ITA-8533-2018 and ITA-8534-2018, have earlier been dismissed on 07.11.2024 by co-ordinate

Division Bench of this Court. Learned counsel for the appellant(s) is unable to point out any distinction which calls for a different dispensation.

6. Accordingly, keeping in view the judgment passed by Hon'ble the Supreme Court in case of *Bharti Cellular Limited (supra)*, the present appeals are dismissed.

7. Pending miscellaneous application(s), if any, shall stand disposed of.

**(LISA GILL)**  
**JUDGE**

**(DEEPINDER SINGH NALWA)**  
**JUDGE**

**10.03.2025**

Parveen kumar

Whether speaking/reasoned :Yes/No  
Whether reportable :Yes/No