

IN THE HIGH COURT OF DELHI AT NEW DELHI

07.09.2009

Present: Mr. Sanjeev Sabharwal, Advocate for the appellant. Mr. M.S.Syali, Sr. Advocate with Ms. Mahua Kalra, Advocate for the respondent.

**CM No. 7302/07 in ITA No. 503/2007 DIRECTOR OF INCOME TAX
Vs. NOKIA NETWORKS OY**

Exemption sought is granted subject to all just exceptions. Application is disposed of. CM No. 7303/07 (delay in refiling) Since it is argued by Mr. Sabharwal, learned counsel for the appellant/applicant that delay in refiling occurred due to his prolonged illness, learned counsels for respondent state that they have no objection if the delay in refiling the appeal is condoned. Ordered accordingly. Application is disposed of.

ITA 503/2007 DIRECTOR OF INCOME TAX Vs. NOKIA NETWORKS OY

Admit.

Following questions of law arise for consideration:

- 1. Whether on a true and correct interpretation of Section 9(1)(i) of the Income Tax Act, the Respondent can be said to have a business connection in India in the form of a Liaison Office?**
- 2. Without prejudice, whether the Respondent has a permanent establishment in India because of its Liaison Office within the meaning of the relevant provision of DTAA between India and Finland?**
- 3. Whether any part of the consideration for supply of software stated by the Respondent to be integral to the equipment is taxable as royalty either under Section 9(1)(vi) or the relevant provision of the DTAA?**
- 4. Whether on facts and in law without prejudice, the Tribunal is correct**

in law in attributing only 20% of the Global Net Operating Profits to the PE in the form of NIPL (Nokia India) a subsidiary of the Respondent?

5. Whether on facts and in law interest under Section 234B is leviable?

Paper book be filed within one month. List on 4th November, 2009, at the end of After notice miscellaneous matters?

A.K.SIKRI, J

VALMIKI J.MEHTA, J

September 07, 2009