Commissioner of Income Tax (International Taxation)-3 v. Sri Lanka Cricket

ITA 4/2026

2026:DHC:424-DB | 2026-01-15

Live cricket telecast rights: payment for the identified series was not royalty under section 9(1)(vi).

Income-tax Act, 1961: section 9(1)(vi), Explanation 2 and Explanation 6 (quoted precedent)

High Court of Delhi | 2-judge bench (Division Bench) | Dinesh Mehta, J. | Vinod Kumar, J.

Assessment years:

Corrected source identity and reasoning

The earlier reassessment narrative and neutral citation were unsupported by this PDF. This note replaces them with the live-telecast royalty ruling. The source's own paragraph numbering ends at 7; higher numbers belong to quoted precedents.

01 FACTS OF THE CASE

The Revenue appealed against Sri Lanka Cricket in ITA 4/2026. The respondent relied on Fox Network Group Singapore Pte. Ltd. [2024] 158 taxmann.com 434 (Delhi), which had followed Delhi Race Club (1940) Ltd. (2014) 51 taxmann.com 550 (Delhi). The rights before this Court concerned live telecast of cricket matches in the identified series within twelve months. Revenue could not identify any fact showing that the exhibition rights extended beyond live feed. The judgment does not state the assessment year, payment amount or payer.

Source: Own paras. 1, 5–6; PDF pp. 1, 5–6

02 DISCUSSION BY THE HON'BLE COURT

The Court reproduced Fox Network's distinction between live broadcasting rights and copyright, including its treatment of section 9(1)(vi), Explanation 2, and the satellite-process argument under Explanation 6. The discussion of DTAA primacy occurs within that quotation; this judgment does not identify or independently construe an India–Sri Lanka treaty article. Applying Fox Network, the Court emphasized that the present payment covered the series and not subsequent matches. It contrasted this arrangement with a hypothetical licence permitting recording, preservation and future re-telecast beyond the event. Such broader rights could, in an appropriate case, attract royalty treatment, but they were absent here. The Court also considered counsel's report that a departmental SLP on an identical issue had been withdrawn on 13 January 2026.

Source: Own paras. 2–6; quoted precedents on PDF pp. 1–5; application on pp. 5–6

03 JUDICIAL DECISION

The Court held that the payment under the present live-telecast arrangement could not be considered royalty and dismissed the departmental appeal. Its own operative paragraphs are 6 and 7.

Source: Own paras. 6–7; PDF pp. 5–6

04 OUTCOME / IN WHOSE FAVOUR

In favour of Sri Lanka Cricket on the royalty issue. The Revenue appeal was dismissed. This source contains no ruling invalidating a section 148 notice, no quantified deletion and no finding on Indian business connection or permanent establishment.

Source: Own paras. 5–7; PDF pp. 5–6

05 EXPERT COMMENTS

Rights granted, not the industry label — The decisive fact is the limited licence: Revenue could not show rights beyond live feed for the specified series. Compare the agreement's permitted uses, duration, storage and repeat-screening clauses with that finding. Reusable recorded content presents the distinction identified by the Court; broadcasting alone does not establish comparability.

Read the enduring-benefit language in context — Paragraph 6 uses enduring benefit when contrasting live exhibition with preservation and future re-telecast. It should not be presented as a universal minimum-duration test for every category of statutory royalty. The Court's actual conclusion concerns this agreement; its observation about broader recording rights is conditional, not an adjudication of a different licence.

Separate precedent from present findings — The extended copyright, scientific-work, process and treaty discussion is reproduced from Fox Network and Delhi Race Club. Their paragraph numbers and factual observations are not Sri Lanka Cricket findings. Cite own paragraphs 5–7 for application and relief. No India–Sri Lanka treaty exemption or reassessment ruling is established by this order.

Withdrawal and the scope of reliance — The related SLP withdrawal was reported by counsel and considered by the Court alongside Fox Network. Withdrawal does not supply a Supreme Court merits determination. A comparable case therefore needs the actual rights and agreement examined, and later treatment checked separately; the judgment does not identify an assessment year, payer or amount from which wider factual conclusions can safely be drawn.

Source: Editorial analysis; own paras. 2–7, PDF pp. 1–6

SOURCE & VERIFICATION

Delhi High Court official digital judgment PDF - AKHB Cloud Repository

Six-page judgment; its own paragraphs 1–7. Paragraph 2 reproduces Fox Network and, within it, Delhi Race Club.

All six original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Neutral citation read visually: 2026:DHC:424-DB. Assessment year and payment amount are not stated.

STATUTORY SCOPE

Section 9(1)(vi) royalty issue. No reassessment jurisdiction or section 9(1)(i) ruling appears in this source.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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