

Commissioner of Income Tax (International Taxation) & Anr. v. M/s Informatica LLC

Income Tax Appeal No. 176 of 2022

2026:KHC:33008-DB | ITA No. 176 of 2022 | 2026-07-02

Ancillary maintenance and support services accompanying standard software licence sales are not taxable as Royalty or Fees for Technical Services (FTS) / Fees for Included Services (FIS) under Section 9(1)(vi)/(vii) or Article 12 of the India-US DTAA, following Engineering Analysis Centre of Excellence Pvt. Ltd. v. CIT (2021) 432 ITR 471 (SC).

Income-tax Act, 1961: sections 9(1)(vi), 9(1)(vii), 90, 260A

High Court of Karnataka | 2-judge bench (Division Bench, Bengaluru) | Justice S.G. Pandit | Justice T.M. Nadaf

Assessment years: 2016-17

Records dismissal of Revenue's Supreme Court Review Petition in Engineering Analysis on 11.05.2026

Paragraph 4 explicitly records that the Supreme Court dismissed the Revenue's Review Petition in Engineering Analysis on 11.05.2026, bringing complete finality to the issue.

01 FACTS OF THE CASE

The Revenue appealed under Section 260A against the ITAT Bengaluru Bench order for AY 2016-17 holding that receipts earned by M/s Informatica LLC (a US tax resident) from sale of software licences and ancillary support/maintenance services were not taxable as Royalty or FTS/FIS under Section 9(1)(vi)/(vii) or Article 12 of the India-US DTAA.

Source: [PDF pp. 1-3, paras 1-3](#)

02 DISCUSSION BY THE HON'BLE COURT

The Division Bench held that the questions raised by the Revenue—both as to the software licence receipts and the ancillary support services—are squarely covered against the Revenue by the Supreme Court judgment in Engineering Analysis Centre of Excellence Pvt. Ltd. v. CIT (2021) 432 ITR 471 (SC) and the coordinate bench decision in the assessee's own case. The Court further noted that the Review Petition preferred by the Revenue before the Supreme Court against Engineering Analysis was dismissed on 11.05.2026.

Source: [PDF pp. 3-4, paras 4-5](#)

03 JUDICIAL DECISION

Answering the substantial questions of law in favour of the assessee and against the Revenue, the High Court dismissed the appeal.

Source: [PDF p. 4, para 6](#)

04 OUTCOME / IN WHOSE FAVOUR

Assessee - Revenue appeal dismissed; software licence and ancillary support receipts held non-taxable as Royalty/FTS.

Source: [PDF p. 4, para 6](#)

05 AKHB REVIEW POINT

With the Supreme Court's dismissal of the Revenue's review petition in Engineering Analysis on 11.05.2026, both standard software licence fees and inextricably linked ancillary maintenance/support receipts stand conclusively outside Article 12 of the India-US DTAA.

Source: [AKHB analysis based on PDF pp. 3-4](#)

SOURCE & VERIFICATION

[High Court of Karnataka official judgment PDF - AKHB Repository \(20260702_KAHC010418502021.pdf\)](#)

4-page official High Court of Karnataka judgment PDF (20260702_KAHC010418502021.pdf, 195,527 bytes).

Supplied source-reviewed note retained; original bytes and identity validation checked in this release. Substantive re-review is not claimed for this record.

Open cited source rendition

All 4 physical pages of 20260702_KAHC010418502021.pdf (195,527 bytes) extracted and verified page-by-page. SHA-256: ef6a9f7fd0977c092bce059144c968dfc7d25635d90f03bc953a78c74c2c4621 | Google Drive File ID: 1cBq8wkEfi-GTyGFuQGvvLjfvLorNh30o.

STATUTORY SCOPE

Applies Sections 9(1)(vi), 9(1)(vii), and 90 of the Income-tax Act, 1961 read with Article 12 of the India-US DTAA for AY 2016-17. Income-tax Act, 2025 equivalence is not verified.

LATER TREATMENT

Source checked 2026-10-18. Full 4-page primary judgment PDF text read and verified page-by-page. Follows Engineering Analysis Centre of Excellence Pvt. Ltd. v. CIT (2021) 432 ITR 471 (SC) and records that the Supreme Court dismissed the Revenue's Review Petition on 11.05.2026.

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.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.