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 software-service questions dismissed as covered by the same assessee's earlier-year decision applying Engineering Analysis.

Income-tax Act,1961: sections 260A

High Court of Karnataka | 2-judge bench (Division Bench, Bengaluru) | Justice S.G. Pandit | Justice Rajesh Rai K

Assessment years: 2016-17

01 FACTS OF THE CASE

Revenue appealed the ITAT order dated 5 July 2021 in IT(IT)A 913/Bang/2019 for AY 2016-17 concerning Informatica LLC. Its questions challenged the treatment of ancillary services as akin to software licences and the Tribunal's reliance on Engineering Analysis, referring also to Article 12(4)(a) of the DTAA.

Source: PDF pp.2–3, para 2 and questions

02 DISCUSSION BY THE HON'BLE COURT

The Court recorded that the same assessee's AY 2015-16 order had been considered in ITA 672/2023, disposed of by applying Engineering Analysis Centre for Excellence Pvt. Ltd. v. CIT, AIR 2021 SC 124. It also recorded that the review against that Supreme Court decision had been dismissed on 11 May 2026.

Source: PDF pp.3–4, para 3

03 JUDICIAL DECISION

In view of that position, no substantial question of law arose and Revenue's appeal was dismissed.

Source: PDF p.4, para 4

04 OUTCOME / IN WHOSE FAVOUR

Revenue unsuccessful on the stated ancillary-service questions for AY 2016-17.

Source: PDF p.4, para 4

05 EXPERT COMMENTS

AKHB Expert Comments — editorial analysis, distinct from the Court's findings.

The earlier-year decision supplied the route to dismissal: The Court relied on its treatment of the same assessee's AY 2015-16 dispute in ITA 672/2023. This is a precedent-based disposal, not a fresh examination of every service agreement. Its analytical value lies in that issue match; a different taxpayer must establish why its contractual rights and services fall within the same reasoning. (PDF pp.3–4, para 3)

The Revenue questions are not factual findings: The references to ignored agreements and to ancillary services as fees for technical services appear in Revenue's proposed questions. The short judgment does not reproduce the agreements or independently classify every possible support service. It therefore supplies no blanket exemption for all services sold alongside software; the underlying transaction and cited authority remain necessary for comparison. (PDF p.3, para 2)

Keep the years and procedural history distinct: The appeal concerned AY 2016-17; AY 2015-16 was the comparator. The reported dismissal of the Supreme Court review is part of this judgment's reasoning, not an independent update on later proceedings. The decision should be cited for this covered-issue dismissal without supplying absent contract facts or converting the quoted treaty question into a new comprehensive treaty analysis. (PDF p.4, paras 3–4)

Source: PDF pp.3–4, para3

SOURCE & VERIFICATION

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

Complete 4-page original read and every page visually reviewed; source bytes verified. Commentary is editorial analysis of this order, not current-law clearance.

Full original and all five note panels re-reviewed on 21 October 2026; unsupported supplied assertions removed.

Open cited source rendition

Complete original source and all five note panels checked; original docket identities preserved.

STATUTORY SCOPE

Only provisions expressly stated in this order are indexed. Subsequent treatment and current law have not been independently verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent proceedings and current judicial treatment have not been 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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