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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ **W.P.(C) 15815/2025 & CM APPL. 64767/2025**
AMADEUS IT GROUP SA

.....Petitioner
Through: Mr. Ajay Vohra, Senior Advocate
with Mr. Neeraj Jain, Mr. Aniket D.
Agrawal and Mr. Tavish Verma,
Advs.

versus

ASSISTANT COMMISSIONER OF INCOME TAX CIRCLE 1(1)(1)
INTERNATIONAL TAXATION & ORS.

.....Respondent
Through: Mr. Anurag Ojha, SSC.

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MR. JUSTICE VINOD KUMAR

ORDER
27.02.2026

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1. By way of the present writ petition, the petitioner has challenged the order dated 22.07.2025 (mentioned as 09.06.2025) passed by the Office of Circle INT TAX 1(1)(1) (*hereinafter referred to as 'the competent authority'*) whereby the petitioner's application under Section 197 of the Income Tax Act, 1961 (*hereinafter referred to as 'the Act of 1961'*) for the Assessment Year (AY) 2026-27 has been decided in the manner that the payer(s) making payment to the petitioner are required to deduct tax at the rate of 10%. The certificate dated 22.07.2025 issued in furtherance thereof has also been challenged.



2. As per the petitioner, it is a non-resident Spanish tax resident company that developed a fully automated Computer Reservation System (for short 'CRS') for the global travel industry. It provides interconnectivity between airlines' host computers and its CRS hosted at Erding, Germany, enabling reservations, ticketing, and dissemination of airline information worldwide. The petitioner has entered into agreements with various Airlines under which, airlines pay the petitioner a booking fee for each net booking made through the Amadeus CRS.

3. Mr. Ajay Vohra, learned Senior Counsel for the petitioner, at the outset submitted that it had been held by the Income Tax Appellate Tribunal (hereinafter referred to as the 'tribunal') and 15% attribution of profits to the Indian PE was adequately covered by the 33% commission already paid to the Indian agents and informed the Court that Hon'ble Supreme Court of India vide order dated 19.04.2023, has held that since the payment made to the Indian counterpart was more than 15% of the revenue attributed to India, no assessment could be sustained in the hands of the present assessee.

4. Learned senior counsel for the Petitioner further submitted that vide order dated 22.07.2024, the competent authority had passed the appeal effect order pursuant to the order of the Tribunal for Assessment Year 2022–23, accepting the returned income and deleting the entire demand raised against the Petitioner and despite the same proceeded to ignore the said appeal effect order and issued the impugned certificate under Section 197 of the Income-tax Act, 1961 prescribing a 10% rate of deduction for Financial Year 2025–26.

5. He contended that in the absence of any subsisting demand or change in facts or law, is contrary to the settled position in the Petitioner's own case



and is ex facie unsustainable.

6. He informed the Court that the Tribunal has, in the years gone by, consistently upheld that there is no taxability in India and that the payment in question is not in the nature of 'royalty' liable to be taxed in India, and therefore kept issuing a 'Nil' withholding certificate under Section 197 of the Act, however, for the AY 2026-27, the impugned certificate at 10% rate was issued on account of Royalty without there being any change in the business model of the Petitioner.

7. Mr. Anurag Ojha, learned Senior Standing Counsel for the respondents on the other hand, submitted that there was a substantial demand created for the AY 2023-24 pursuant to the demand notice dated 11.11.2025 issued under section 156 of the Act of 1961.

8. Heard learned counsel for the parties.

9. In view of the undisputed position that the factual matrix for the AY 2026-27 remains identical to that obtaining in the preceding AYs, i.e AY 2024-25 and AY 2025-26, during which the Respondents, after due consideration of the material placed on record, had issued certificates dated 26.09.2023 and 19.03.2025 at 'nil' rate under Section 197 of the Act, this Court finds that the impugned certificate at 10 percent rate could not have been issued.

10. So far as the argument of Mr Anurag Ojha, learned Counsel for the respondents that an outstanding demand was created for the AY 2023-24 vide order dated 11.11.2025 is concerned, the same could not have formed the basis to issue the impugned certificate at the rate of 10 percent as the tax withholding certificate was issued on 22.07.2025, much prior to the issuance of demand notice dated 11.11.2025, and even if such demand had arisen the



respondent department could effectively recover such demand instead of issuing the tax withholding certificate at 10 percent.

11. Further, in view of the position emerging from the record, particularly the decision of Hon'ble the Supreme Court vide order dated 19.04.2023, which upheld the approach adopted by the Tribunal in attributing 15% of the total revenue to the Indian Permanent Establishment of the Petitioner, and in holding that such attribution stood fully absorbed by the remuneration paid to the Indian distributors, the said issue has attained finality.

12. The Respondents are directed to issue a certificate for 'Nil' deduction of tax at source under Section 197 of the Act to the Petitioner for the AY 2026-27, in accordance with law and in terms of the observations made herein. We hereby direct the Competent Authority to issue a certificate at 'nil' rate within a period of fifteen days from today with the additional directions, as below:

- (i) The competent officer or any other authority who is supposed to consider the petitioner's application under Section 197 of the Act of 1961, shall issue a certificate of nil rate of tax not only for the Financial Year 2025-26 (AY 2026-27), but also for the subsequent years in case an application is filed. The certificate(s) shall be issued within 30 days of the day when application is filed.
- (ii) The competent authority dealing with petitioner's subsequent application(s) under Section 197 of the Act of 1961 shall not be bound by direction given in clause(i) above, if he comes to a conclusion and records a finding that the petitioner is having a PE in India and the transactions which the company has carried out in India are liable to be taxed in India. However, before recording



such finding, a notice in this regard shall be issued to the petitioner.

(iii) It will also be required from the petitioner-company to disclose truly and fully all facts in its applications to be filed each year. It shall be required of the petitioner to extend full cooperation when any such notice (as provided in clause (ii) above) is issued for the subsequent year(s).

13. The writ petition is allowed in the aforesaid terms.
14. The writ petition stands disposed of along with pending application.

DINESH MEHTA, J

VINOD KUMAR, J

FEBRUARY 27, 2026/ddd