Pr. Commissioner of Income Tax-7, Delhi v. Springer India Pvt. Ltd.

ITA 451/2022

2023:DHC:2499-DB; ITA 451/2022 | 2023-03-15

Transfer pricing for AY 2012-13: later APA methodology may guide benchmarking subject to TPO verification of matching functions, assets and risks.

High Court of Delhi | Division Bench | Rajiv Shakdher, J. | Tara Vitasta Ganju, J.

Assessment years: 2012-13

01 FACTS OF THE CASE

Revenue challenged ITAT's 28 August 2020 order for AY 2012-13 following the High Court's 15 December 2017 remand in ITA 1148/2017. An APA executed with CBDT on 6 August 2019 covered AYs 2013-14 to 2021-22 and eighteen transactions: sixteen used the other method, while the remaining two used TNMM and Resale Price Method. Revenue opposed using the APA for the earlier year.

Source: PDF p.1

02 DISCUSSION BY THE HON'BLE COURT

The assessee explained its move from earlier TNMM use to the other method in AY 2012-13, and described complex common cost/revenue allocation across more than one hundred subsidiaries and affiliates. The Court approved the Tribunal's approach because it required the TPO to verify that functions, assets and risks matched the APA years. The reproduced direction also required the assessee to produce necessary supporting documents.

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03 JUDICIAL DECISION

The Court found no error of law or fact in the Tribunal's conditional approach and no substantial question of law. Revenue's appeal was closed.

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04 OUTCOME / IN WHOSE FAVOUR

The TPO's verification and benchmarking exercise remained to be undertaken under the Tribunal's direction. The High Court did not itself fix an arm's-length price or find that the earlier year's FAR had already been proved identical.

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05 EXPERT COMMENTS

AKHB EXPERT COMMENTS — editorial analysis, distinct from the Court's findings.

Methodological guidance is distinct from automatic retrospective coverage — The Court expressly recognised that the APA began with AY 2013-14, while the appeal concerned AY 2012-13. It nevertheless accepted using the agreement's methodology with the FAR safeguard. This reasoning supports a conditional comparison; it does not rewrite the APA's stated covered years or establish an unrestricted statutory rollback entitlement.

FAR comparison is a condition to be demonstrated — The direction leaves the TPO to compare the disputed year's functions, assets and risks with the APA years and requires documents from the assessee. A practical submission should therefore map the actual transactions and their FAR, rather than merely attach the later agreement. The Court's approval of the process is not a factual certification that the condition has already been met.

The agreement's method selection remains transaction-specific — Sixteen transactions used the other method and two used TNMM and Resale Price Method. The surviving direction refers to the international transactions in dispute and the methodology adopted in the APA. Applying one method indiscriminately to all eighteen would lose the distinction the Court expressly recorded; the source gives no transaction-level prices or resulting adjustment amount.

Source: PDF p.2

SOURCE & VERIFICATION

High Court of Delhi source judgment/order

Complete 5-page source PDF; corrected note based on this document.

All 5 original pages read and visually inspected; all five panels audited.

Open cited source rendition

All five original pages read and visually inspected; conditional FAR verification preserved.

STATUTORY SCOPE

The judgment discusses APA and transfer-pricing methodology without identifying numbered statutory provisions. No current-law or statutory rollback conclusion is added.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment has 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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