

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

ITA 4/2026 & CM APPL. 2536/2026, CM APPL. 2537/2026

2026:DHC:319-DB | 2026-01-15

Section 148 reassessment notice by non-jurisdictional officer; no section 9(1)(i) business connection or PE from cricket tournament payments in Sri Lanka.

Income-tax Act, 1961: sections 9(1)(i), 9(1)(vi), 147, 148, 151 and 260A | India-Sri Lanka DTAA

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

Assessment years: 2015-16

Dual dispositive holdings: non-jurisdictional section 148 notice and territorial nexus on merits

The Division Bench affirmed the ITAT order both on the preliminary jurisdictional ground (the section 148 notice was issued by ITO Ward-1(1), Meerut rather than the International Taxation Circle, New Delhi) and on the substantive finding that tournament matches were played in Sri Lanka with no business connection or operations in India under section 9(1)(i). Do not cite this order as adjudicating underlying broadcast licensing structures where matches or production operations occur in India.

01 FACTS OF THE CASE

The assessee, Sri Lanka Cricket (the official governing body for cricket in Sri Lanka and a tax resident of Sri Lanka), received Rs. 4,58,85,000 during AY 2015-16 from Nimbus Communications Ltd., an Indian company. Income-tax Officer, Ward-1(1), Meerut issued a reassessment notice under section 148 after obtaining approval under section 151 from the Joint Commissioner, Range-1, Meerut, and subsequently transferred the file to DCIT, International Taxation, Circle-3(1)(2), New Delhi. The Assessing Officer assessed the receipt as royalty, while the CIT(A) re-characterised the receipt as business income arising from a business connection in India under section 9(1)(i). On appeal, the ITAT quashed the reassessment notice for lack of jurisdiction and also held on merits that no income accrued or arose in India.

Source: [Paragraphs 1-10; PDF pp. 1-4](#)

02 DISCUSSION BY THE HON'BLE COURT

On jurisdiction, the Division Bench held that once the Revenue did not dispute that the assessee was a non-resident foreign entity over which ITO Ward-1(1), Meerut lacked jurisdiction, the notice issued under section 148 by the Meerut officer was void ab initio; subsequent transfer of the proceedings to the International Taxation Officer at New Delhi could not cure the foundational defect in the notice. On merits, the Court agreed with the ITAT that the payments were made for cricket tournaments played wholly in Sri Lanka between the Sri Lankan and Indian national teams. Because no matches or operations were conducted in India, the CIT(A)'s substitution of a section 9(1)(i) business connection after the royalty characterisation failed was unsustainable in fact and law.

Source: [Paragraphs 11-15; PDF pp. 4-5](#)

03 JUDICIAL DECISION

Finding no error of law or fact in the ITAT order dated 19.03.2025 in ITA No. 2350/Del/2024, the High Court held that no substantial question of law arose under section 260A and dismissed the Revenue's appeal along with pending applications.

Source: [Paragraphs 15-17; PDF pp. 5-6](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee (Sri Lanka Cricket). The Revenue's appeal under section 260A was dismissed, leaving both the quashing of the non-jurisdictional section 148 notice and the deletion of the Rs. 4,58,85,000 addition undisturbed.

Source: [Paragraphs 15-17; PDF pp. 5-6](#)

05 AKHB REVIEW POINT

AKHB analysis: verify the issuing officer's territorial and international-taxation jurisdiction on the date the section 148 notice is issued and section 151 sanction is recorded; transferring the assessment file later to the International Taxation wing does not validate an incompetent initiation. On cross-border sports payments, separate the locus of tournament performance outside India from any distinct India-based rights or PE operations.

Source: [AKHB analysis based on paragraphs 6-16 / PDF pp. 2-6](#)

SOURCE & VERIFICATION

[Delhi High Court official digital judgment PDF - AKHB Cloud Repository](#)

Six-page official Delhi High Court judgment PDF (2026:DHC:319-DB); oral judgment paragraphs 1-17 span PDF pages 1-6.

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

Full 6-page official Delhi High Court PDF read and verified. Original bytes match SHA-256 9cc924ae3f58dc7ccff1b4d5c47e0bee0b820d4coa145a277f53b8e9cc5fd54b.

STATUTORY SCOPE

Applies sections 9(1)(i), 9(1)(vi), 147 and 148 of the Income-tax Act, 1961 for AY 2015-16. Income-tax Act, 2025 equivalence is not verified or asserted.

LATER TREATMENT

Source checked 2026-10-16. Full judgment checked. Comprehensive subsequent judicial treatment or SLP status has not been verified; no current citator clearance is represented.

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