

Principal Commissioner of Income Tax-I, Chandigarh v. M/s ABC Papers Limited

Civil Appeal No. 4252 of 2022 (arising out of SLP(C) No. 23352 of 2019) / Civil Appeal No. 4253 of 2022 (arising out of SLP(C) No. 25541 of 2019) / Civil Appeal No. 3480 of 2022 (arising out of SLP(C) No. 8146 of 2022)

[2022] 17 S.C.R. 1058 | 2022-08-18

Which High Court hears an appeal under section 260A where an ITAT Bench serves more than one State and the assessee's case is later transferred under section 127 to an Assessing Officer in another State?

260A | 269 | 127

Three-judge bench | Uday Umesh Lalit, J. | S. Ravindra Bhat, J. | Pamidighantam Sri Narasimha, J.

Assessment years: 2008-09

01 FACTS OF THE CASE

ABC Papers' AY 2008-09 assessment was made by an Assessing Officer in Delhi on 30 December 2010. CIT(A), Delhi granted relief, and ITAT, Delhi dismissed the Revenue's appeal on 11 May 2017. Separately, after a search and a section 127 transfer, an Assessing Officer in Ghaziabad passed an assessment on 31 March 2015. CIT(A), Kanpur granted relief and ITAT, Delhi dismissed the Revenue's appeal on 1 September 2017. A subsequent re-transfer to Chandigarh was referred to in written submissions, although the Court noted that its order was not in the record. The Revenue filed appeals against both Tribunal orders in the Punjab and Haryana High Court, which declined jurisdiction. It also appealed the 11 May 2017 Tribunal order to the Delhi High Court, which likewise declined jurisdiction under its own precedents treating a section 127 transfer as shifting the appellate forum. Three Revenue appeals therefore reached the Supreme Court. The parties agreed on the jurisdictional legal position; the underlying tax merits had not been examined by either High Court.

Source: [official signed judgment / paragraphs 4-11.2 / PDF pages 3, 4, 5, 6, 7, 8 / judgment](#); [reported rendition / paragraphs 4-11.2 / PDF pages 3, 4, 5, 6, 7 / judgment](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court held that section 260A appellate jurisdiction belongs to the High Court within whose territory the Assessing Officer who passed the assessment order was situated. The physical location of an ITAT Bench is not decisive because a Bench can serve more than one State. Certainty of judicial remedies, territorial judicial supervision and the binding effect of High Court precedent supported the assessment-situs approach adopted in Seth Banarsi Dass Gupta and related decisions (paragraphs 16-21 and 29-34).

Section 127 belongs to the administrative framework governing income-tax authorities. Its broad definition of a case does not empower the executive to shift the High Court's judicial jurisdiction. That jurisdiction rests independently on sections 260A and 269. A subsequent transfer of the same assessee's case, even for the very same assessment year, therefore does not move the appellate forum attached to the assessment order. The Court expressly overruled the contrary Delhi High Court decisions in Sahara India Financial Corporation and Aar Bee Industries (paragraphs 25-33).

The Court also distinguished correct refusals of jurisdiction in other cited cases from observations suggesting that an appeal should follow the ITAT's location. Those location-based observations were described as obiter, not adopted as the governing rule (paragraph 34). Paragraph 11.2 expressly confines this judgment to forum jurisdiction; it does not determine the additions, exemptions or other substantive assessment issues.

Source: [official signed judgment / paragraphs 16-21; 25-34 / PDF pages 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26 / judgment](#); [reported rendition / paragraphs 16-21; 25-34 / PDF pages 10, 11, 12, 13, 16, 17, 18, 19, 20 / judgment](#)

03 JUDICIAL DECISION

Civil Appeals 4252/2022 and 4253/2022 were dismissed, upholding the Punjab and Haryana High Court's refusal to entertain those appeals. For the Delhi assessment chain, the Supreme Court identified the Delhi High Court as the appropriate forum. For the Ghaziabad assessment chain, paragraph 35.3 specifically directed the appeal to the Lucknow Bench of the Allahabad High Court. Civil Appeal 3480/2022 was allowed: the Delhi High Court's refusal was set aside, and it was directed to entertain the Revenue's appeal and dispose of it according to law. Parties were to bear their own costs.

Source: [official signed judgment / paragraphs 35.1-36 / PDF pages 26, 27, 28 / judgment](#); [reported rendition / paragraphs 35.1-36 / PDF pages 20, 21 / judgment](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Mixed procedural result: two Revenue appeals dismissed and one allowed; underlying tax merits not decided

Forum jurisdiction settled; Delhi appeal restored for adjudication; separate chain directed to the forum named in paragraph 35.3

Section 260A jurisdiction issue decided; underlying tax controversy expressly reserved

The direction naming the Lucknow Bench is reproduced as the case-specific operative direction. No general allocation rule between benches of the Allahabad High Court, limitation extension or final tax outcome is inferred.

Source: [official signed judgment / paragraphs 11.2; 35.2-36 / PDF pages 8, 26, 27, 28 / judgment](#); [reported rendition / paragraphs 11.2; 35.2-36 / PDF pages 7, 20, 21 / judgment](#)

05 AKHB REVIEW POINT

Build a separate appellate chain for each assessment order: record the Assessing Officer who actually made it, its date, the first appeal, the Tribunal order and any later transfer. Do not choose the High Court solely from the taxpayer's latest administrative jurisdiction, the current file custodian or the city in which the ITAT sits. A later section 127 transfer does not, under this judgment, relocate the judicial appellate forum for that order. Distinguish the general High Court rule from case-specific bench directions and independently check filing and limitation requirements. The Supreme Court decided jurisdiction here; the eventual tax merits and post-remand results require separate verification.

Source: [official signed judgment / paragraphs 29-35 / PDF pages 23, 24, 25, 26, 27, 28 / judgment](#); [reported rendition / paragraphs 29-35 / PDF pages 17, 18, 19, 20, 21 / judgment](#)

DETAILED DISPOSITION AND CONNECTED GROUPS

Per appeal

1.

Case number: Civil Appeal 4252/2022

Result: Dismissed; Punjab and Haryana refusal upheld; Delhi High Court is appropriate for the Delhi AO order

2.

Case number: Civil Appeal 4253/2022

Result: Dismissed; Punjab and Haryana refusal upheld; the Court identifies Lucknow Bench of Allahabad High Court for this assessment chain

3.

Case number: Civil Appeal 3480/2022

Result: Allowed; Delhi High Court directed to entertain and decide the appeal according to law

RULES CONSIDERED

Income-tax (Appellate Tribunal) Rules, 1963: Rules 3 and 4

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

116; 120; 124; 132(1); 143(2); 252; 255

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(official signed judgment\)](#)

Identified source rendition: 28 PDF pages; SHA-256

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[Open cited source rendition](#)

Paragraph 4 calls ABC Papers the appellant; the cover and paragraphs 8–11.1 identify the Revenue as appellant in all three Supreme Court appeals. The note uses the verified procedural roles.

Paragraph 7 expressly states that the re-transfer order was not in the record and was mentioned in written submissions; it is not represented as an independently verified transfer instrument.

The second assessment year is not specified in this note by inference from the wider 2006-07 to 2013-14 transfer range.

Paragraph 35.3 expressly names the Lucknow Bench of the Allahabad High Court for the Ghaziabad assessment chain. This case-specific direction is retained without inventing a general intra-High-Court allocation rule.

The historical illustrations of ITAT territorial assignments and quoted section 269 list are not a verified current jurisdiction directory.

The jurisdictional holding is substantive on the forum issue, but paragraph 11.2 expressly excludes the underlying tax merits.

Sahara and Aar Bee are expressly overruled on the contrary transfer-based jurisdiction view; observations in the separate paragraph 34 cases are treated as obiter rather than all of those cases being wholesale overruled.

AY 2008-09 is identified for the original Delhi assessment. The transfer covered AYs 2006-07 to 2013-14, but that range is not treated as the years finally adjudicated by these appeals. The later Ghaziabad assessment's separate year is not expressly assigned here from the source.

STATUTORY SCOPE

Sections 260A, 269 and administrative-transfer framework considered in the 1961 Act judgment

No automatic mapping to the Income-tax Act, 2025; no present-day appeal routing or limitation certification.

LATER TREATMENT

Source checked 2026-10-04. Subsequent appeals, review proceedings, stays, reversals and later judicial treatment have not been comprehensively checked. This note is not a citator status certificate.

IDENTIFIED SOURCE LINKS

[official signed judgment - PDF pages: 28](#)

SHA-256: f787811ab3346668f1b2946ee8454973141c7a9d1336d4425b2d812b3bd75ed3

[reported rendition - PDF pages: 21](#)

SHA-256: b920f22d3297b59e70fdf4bf146e67223e05d479334d2b0f83158f60848e7563

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