

SAP Labs India Private Limited v. Income Tax Officer, Circle 6, Bangalore

Civil Appeal No. 8463 of 2022 and connected proceedings (full list below)

[2023] 4 S.C.R. 430; 2023 INSC 394 | 2023-04-19

Whether the Tribunal's determination of an arm's length price is invariably final, preventing High Court scrutiny under section 260A, or may be reviewed for non-compliance with the statutory transfer-pricing framework and perversity.

260A | 92 | 92A | 92B | 92C | 92CA | 92D | 92E | 92F

Two-judge bench | M. R. Shah, J. | M. M. Sundresh, J.

Assessment years: See the source-scope notes; no year inferred.

01 FACTS OF THE CASE

A batch of civil appeals, mostly by the Revenue and some by assessees, challenged High Court orders dismissing transfer-pricing appeals under section 260A. The dismissals treated the Tribunal's conclusions as factual and noted the absence of pleaded or demonstrated perversity. The Karnataka High Court had relied on PCIT v. Softbrands India (P) Ltd. The Revenue disputed an absolute rule excluding scrutiny of an arm's length-price determination; the assessees maintained that ordinary disputes over comparable companies and filters did not themselves raise a substantial question of law. The Supreme Court addressed that common appellate-jurisdiction issue rather than the pricing merits of individual cases.

Source: [reported judgment / paragraphs 1-3.13 / PDF pages 5, 6, 7, 8, 9, 10 / judgment](#)

02 DISCUSSION BY THE HON'BLE COURT

The Tribunal must determine the arm's length price within Chapter X, including sections 92, 92A-92CA and 92D-92F, and Rules 10A-10E. A determination outside that framework can be perverse and may therefore give rise to a substantial question of law. The Court rejected the absolute proposition attributed to Softbrands that a Tribunal determination in a transfer-pricing matter is final and immune from section 260A scrutiny. Within section 260A's parameters, a High Court may examine whether statutory guidelines were followed, whether companies and transactions were properly regarded as comparable, and whether the selection of filters rested judiciously on the relevant material. The decision preserves the statutory appellate threshold: it does not make every disagreement over comparables a substantial question of law or authorise an unrestricted rehearing of facts.

Source: [reported judgment / paragraphs 5-8 / PDF pages 10, 11, 12, 13, 14 / judgment](#)

03 JUDICIAL DECISION

All appeals were allowed and the impugned High Court judgments and orders were set aside. The matters, including both Revenue and assessee appeals, were remitted to the respective High Courts for fresh decisions on compliance with the governing transfer-pricing provisions and possible perversity. The Court requested completion preferably within nine months of receipt of its order. It expressly declined to enter the individual merits or express a view on any assessee's arm's length price. No costs were ordered.

Source: [reported judgment / paragraphs 9-11 / PDF pages 14, 15 / judgment](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Appellants on the common appellate-scrutiny issue, including Revenue and assessee appellants; no party awarded substantive transfer-pricing relief

All appeals allowed; impugned High Court orders set aside; matters remanded to the respective High Courts; no costs

Procedural and jurisdictional remand only; no individual arm's length price, comparable, filter or tax adjustment decided

High Court review remains within section 260A. The nine-month period was a preferred remand timetable running from receipt of the order, not a verified statement that subsequent proceedings were completed.

Source: [reported judgment / paragraphs 9-11 / PDF pages 14, 15 / judgment](#)

05 AKHB REVIEW POINT

A section 260A challenge should identify a concrete legal or perversity error and connect it to the governing provision, rule and evidence. Explain, for example, which comparability requirement was ignored or why the selected filter lacks a record-based justification; a different preferred result alone is insufficient. Equally, resist treating this remand as a Supreme Court endorsement of the Revenue's additions or of any taxpayer's comparable set. Verify the individual remand outcome and later judicial treatment before relying on a case in the batch.

Source: [reported judgment / paragraphs 7-10 / PDF pages 13, 14, 15 / judgment](#)

APPEAL AND PROCEEDING NUMBERS

Civil Appeal No. 8463 of 2022 / Civil Appeal No. 8553 of 2022 / Civil Appeal No. 8504 of 2022 / Civil Appeal No. 8464 of 2022 / Civil Appeal No. 8682 of 2022 / Civil Appeal No. 9387 of 2022 / Civil Appeal No. 8675 of 2022 / Civil Appeal No. 9401 of 2022 / Civil Appeal No. 9023 of 2022 / Civil Appeal No. 8465 of 2022 / Civil Appeal No. 8466 of 2022 / Civil Appeal No. 8607 of 2022 / Civil Appeal No. 8608 of 2022 / Civil Appeal No. 8554 of 2022 / Civil Appeal No. 8622 of 2022 / Civil Appeal No. 8609 of 2022 / Civil Appeal No. 8702 of 2022 / Civil Appeal No. 8621 of 2022 / Civil Appeal No. 8620 of 2022 / Civil Appeal No. 8610 of 2022 / Civil Appeal No. 8611 of 2022 / Civil Appeal No. 8619 of 2022 / Civil Appeal No. 8617 of 2022 / Civil Appeal No. 8625 of 2022 / Civil Appeal No. 8624 of 2022 / Civil Appeal No. 8618 of 2022 / Civil Appeal No. 8627 of 2022 / Civil Appeal No. 8665 of 2022 / Civil Appeal No. 8623 of 2022 / Civil Appeal No. 8557 of 2022 / Civil Appeal No. 8626 of 2022 / Civil Appeal No. 8555 of 2022 / Civil Appeal No. 8528 of 2022 / Civil Appeal No. 8704 of 2022 / Civil Appeal No. 8666 of 2022 / Civil Appeal No. 8661 of 2022 / Civil Appeal No. 8663 of 2022 / Civil Appeal No. 8628 of 2022 / Civil Appeal No. 8664 of 2022 / Civil Appeal No. 8559 of 2022 / Civil Appeal No. 8667 of 2022 / Civil Appeal No. 8560 of 2022 / Civil Appeal No. 8668 of 2022 / Civil Appeal No. 8584 of 2022 / Civil Appeal No. 8587 of 2022 / Civil Appeal No. 8586 of 2022 / Civil Appeal No. 8669 of 2022 / Civil Appeal No. 8672 of 2022 / Civil Appeal No. 8591 of 2022 / Civil Appeal No. 8671 of 2022 / Civil Appeal No. 8670 of 2022 / Civil Appeal No. 8556 of 2022 / Civil Appeal No. 8558 of 2022 / Civil Appeal No. 8561 of 2022 / Civil Appeal No. 8583 of 2022 / Civil Appeal No. 8585 of 2022 / Civil Appeal No. 8590 of 2022 / Civil Appeal No. 8592 of 2022 / Civil Appeal No. 8674 of 2022 / Civil Appeal No. 8679 of 2022 / Civil Appeal No. 8594 of 2022 / Civil Appeal No. 8680 of 2022 / Civil Appeal No. 8686 of 2022 / Civil Appeal No. 8703 of 2022 / Civil Appeal No. 8600 of 2022 / Civil Appeal No. 8676 of 2022 / Civil Appeal No. 8677 of 2022 / Civil Appeal No. 8683 of 2022 / Civil Appeal No. 8684 of 2022 / Civil Appeal No. 8689 of 2022 / Civil Appeal No. 8690 of 2022 / Civil Appeal No. 8685 of 2022 / Civil Appeal No. 9412 of 2022 / Civil Appeal No. 8678 of 2022 / Civil Appeal No. 8691 of 2022 / Civil Appeal No. 9413 of 2022 / Civil Appeal No. 8692 of 2022 / Civil Appeal No. 9414 of 2022 / Civil Appeal No. 8695 of 2022 / Civil Appeal No. 9415 of 2022 / Civil Appeal No. 8687 of 2022 / Civil Appeal No. 8696 of 2022 / Civil Appeal No. 8603 of 2022 / Civil Appeal No. 8605 of 2022 / Civil Appeal No. 8699 of 2022 / Civil Appeal No. 8700 of 2022 / Civil Appeal No. 8701 of 2022 / Civil Appeal No. 8697 of 2022 / Civil Appeal No. 9404 of 2022 / Civil Appeal No. 9411 of 2022 / Civil Appeal No. 8602 of 2022 / Civil Appeal No. 8693 of 2022 / Civil Appeal No. 8705 of 2022 / Civil Appeal No. 8688 of 2022 / Civil Appeal No. 8698 of 2022 / Civil Appeal No. 9405 of 2022 / Civil Appeal No. 9406 of 2022 / Civil Appeal No. 9409 of 2022 / Civil Appeal No. 9407 of 2022 / Civil Appeal No. 9408 of 2022 / Civil Appeal No. 9025 of 2022 / Civil Appeal No. 9030 of 2022 / Civil Appeal No. 9034 of 2022 / Civil Appeal No. 9036 of 2022 / Civil Appeal No. 8604 of 2022 / Civil Appeal No. 9410 of 2022 / Civil Appeal No. 9021 of 2022 / Civil Appeal No. 9022 of 2022 / Civil Appeal No. 9024 of 2022 / Civil Appeal No. 9026 of 2022 / Civil Appeal No. 9027 of 2022 / Civil Appeal No. 9028 of 2022 / Civil Appeal No. 9029 of 2022 / Civil Appeal No. 9416 of 2022 / Civil Appeal No. 9031 of 2022 / Civil Appeal No. 9032 of 2022 / Civil Appeal No. 9033 of 2022 / Civil Appeal No. 9035 of 2022 / Civil Appeal No. 9037 of 2022 / Civil Appeal No. 9038 of 2022 / Civil Appeal No. 9039 of 2022 / Civil Appeal No. 9388 of 2022 / Civil Appeal No. 9389 of 2022 / Civil Appeal No. 9390 of 2022 / Civil Appeal No. 9393 of 2022 / Civil Appeal No. 9394 of 2022 / Civil Appeal No. 9395 of 2022 / Civil Appeal No. 9396 of 2022 / Civil Appeal No. 9397 of 2022 / Civil Appeal No. 9398 of 2022 / Civil Appeal No. 9399 of 2022 / Civil Appeal No. 9400 of 2022 / Civil Appeal No. 2939 of 2023 / Civil Appeal Nos. 9402-9403 of 2022 / Civil Appeal No. 8606 of 2022 / Civil Appeal No. 8512 of 2022 / Civil Appeal No. 8513 of 2022 / Civil Appeal No. 8511 of 2022 / Civil Appeal No. 8646 of 2022 / Civil Appeal No. 8549 of 2022 / Civil Appeal No. 2938 of 2023 / Civil Appeal No. 8461 of 2022 / Civil Appeal No. 8535 of 2022

SOURCE & VERIFICATION

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

Identified source rendition: 15 PDF pages; SHA-256

2b22752dc16a2db64643d743fa37e7babfd9bcf9f8c431e07adc7d90f680601c. Original bytes preserved.

Open cited source rendition

All substantive pinpoints refer to the supplied 15-page SCR rendition, with printed SCR pages 430-444; no original-PDF page numbers are substituted. Judicial text begins on physical PDF p. 5 and ends on p. 15. Editorial headnotes on pp. 1-3 are excluded as authority.

Paragraphs 2-3.13 contain counsel submissions. The operative reasoning is in paragraphs 7-10; submissions that perversity was never pleaded in any particular case are not converted into Supreme Court merits findings.

Physical PDF p. 12 prints internal labels 20 and 21 within the material reproduced under paragraph 6 before the judgment resumes paragraph 7 on p. 13. The note cites this as paragraph 6 and does not misnumber those reproduced labels as later operative paragraphs.

The common outcome benefits successful appellants of both categories only to the extent of fresh High Court consideration. Labeling the whole decision simply Revenue wins would obscure paragraph 10's express reservation of all merits.

Only the existence of a preferred nine-month remand timetable is recorded. Its compliance and the results of individual remands remain unverified.

SCR citation verified on physical p. 1 of the supplied 15-page rendition. Neutral citation and lead SLP 28652/2018 independently verified on physical p. 1 of the official 29-page rendition; the substantive note and all merits pinpoints use only the supplied SCR rendition.

The common judicial text does not specify the individual assessment years. No year has been inferred from the appeal numbers, the transfer-pricing discussion or the underlying High Court case dates.

Lead appeal at physical PDF p. 1 and complete connected civil-appeal list transcribed from pp. 3-4; 9402-9403/2022 is retained as the source range. These are one common judgment, not separate substantive decisions.

STATUTORY SCOPE

This note reviews the 1961 Act judgment and the historical provisions considered in it. No clause-level mapping to the Income-tax Act, 2025, later amendment audit or current-law certification has been undertaken.

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

[reported judgment - PDF p. 1 - PDF pages: 15](#)

SHA-256: 2b22752dc16a2db64643d743fa37e7babfd9bcf9f8c431e07adc7d90f680601c

[official judgment identity crosscheck - Physical PDF p. 1 - PDF pages: 29](#)

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.

PROFESSIONAL DISCLAIMER

General research information only; not legal or tax advice, a certified judgment or a substitute for the full order. Applicability depends on facts, assessment year, statutory version and jurisdiction. Subsequent treatment is unverified unless identified sources are expressly stated. Downloading does not create a professional engagement. Obtain case-specific advice before reliance.