

Assistant Commissioner of Income Tax (International Taxation) & Others v. Shelf Drilling Ron Tappmeyer Ltd. Etc.

Civil Appeal Nos. 10586-10589 of 2025 / Arising out of SLP (Civil) Nos. 20569-20572 of 2023 / With SLP (Civil) No. 25798 of 2024

[2025] 8 S.C.R. 1574 : 2025 INSC 946 | 2025-08-08

Whether the time permitted for the section 144C draft-order, DRP and final-assessment procedure must fit within the applicable section 153(1) or 153(3) limitation period, or whether section 153 governs the draft order and the later section 144C stages receive additional time.

144C(1) | 144C(2) | 144C(4) | 144C(12) | 144C(13) | 153(1) | 153(3)

Two-judge bench; divergent opinions followed by reference order | B.V. Nagarathna, J. | Satish Chandra Sharma, J.

Assessment years: 2014-15, 2018-19

Split opinions: no majority ratio or final merits winner

Unresolved by this divided bench; no majority ratio on the interaction of sections 144C and 153. This note reports the 8 August 2025 opinions and joint reference order only. Statements allowing or dismissing appeals inside the separate opinions are not the operative Court disposition. It does not certify any later resolution, subsequent stay position or current case status.

01 FACTS OF THE CASE

The Revenue challenged the Bombay High Court's common judgment of 4 August 2023 concerning four non-resident drilling-company assessments. Two matters concerned AY 2014-15: after the original assessment, the Tribunal remanded the cases for fresh adjudication on 4 October 2019. The other two concerned original assessments for AY 2018-19. Draft assessment orders were issued on 28 September 2021, shortly before the limitation date of 30 September 2021 recorded in the judgments after the COVID-era statutory extensions. The assessees argued that the entire section 144C process, including the final order, had to be completed within the applicable section 153 period. The High Court accepted the limitation objection. The Revenue contended that a timely draft order was sufficient to engage the separate timelines under section 144C. A connected SLP challenged an interim Bombay High Court order in a writ petition that remained pending.

Source: [reported judgments and court order / paragraphs 3-3.6 / PDF pages 45, 46, 47 / separate opinion b v nagarathna j](#); [reported judgments and court order / paragraphs 5-8, 11-13 / PDF pages 12, 23, 24 / separate opinion satish chandra sharma j](#)

02 DISCUSSION BY THE HON'BLE COURT

The judges delivered opposing interpretations. Satish Chandra Sharma J. read section 153 as governing the deadline for the draft order under section 144C(1). In his view, the non-obstante clauses in section 144C(4) and (13) allow the subsequent prescribed stages to operate beyond that deadline. He considered that requiring all stages to fit within section 153 would unduly compress the Assessing Officer's work or the DRP process, and relied on statutory workability, the distinct procedural stages and section 92CD(5)'s separate reference to section 144C. He also distinguished section 153 Explanation 1 exclusions from the Assessing Officer's executory role after the draft order. B.V. Nagarathna J. instead read section 153 as requiring completion of the final assessment, including the section 144C procedure. She treated section 144C(1)'s non-obstante clause as establishing a special procedure for eligible assessee; the clauses in subsections (4) and (13) imposed shorter stage-specific deadlines within the overall limit. Her reasoning stressed the distinction between a draft and a completed assessment, the statutory purpose of expeditious dispute resolution and the absence of an express exclusion for the DRP process. Administrative inconvenience or possible revenue loss could not enlarge the fiscal limitation provision. These are the respective judges' positions, not a majority ruling on the disputed construction.

Source: [reported judgments and court order / paragraphs 35-52 / PDF pages 34, 35, 36, 37, 38, 39 / separate opinion satish chandra sharma j](#); [reported judgments and court order / paragraphs 53-60 / PDF pages 39, 40, 41, 42, 43 / separate opinion satish chandra sharma j](#); [reported judgments and court order / paragraphs 8.1-8.3 / PDF pages 84, 85 / separate opinion b v nagarathna j](#); [reported judgments and court order / paragraphs 12.12-12.25 / PDF pages 105, 106, 107, 108, 109, 110, 111 / separate opinion b v nagarathna j](#); [reported judgments and court order / paragraphs 14-15.3 / PDF pages 115, 116, 117, 118, 119, 120 / separate opinion b v nagarathna j](#)

03 JUDICIAL DECISION

Sharma J. would allow the Revenue's appeals, set aside the Bombay High Court judgment and permit lawful assessment action. Nagarathna J. would reject the Revenue's appeals, hold the final assessments time-barred and accept the returns as filed, without preventing other steps available in law. Their proposed treatments of the connected interim-order SLP also differed. The controlling joint Order of the Court did not adopt either merits disposition: it directed the Registry to place the matters before the Chief Justice of India for constitution of an appropriate Bench to consider the issues afresh.

Source: [reported judgments and court order / paragraphs 61-62 / PDF pages 43 / separate opinion satish chandra sharma j](#); [reported judgments and court order / paragraphs 15.4-15.5 / PDF pages 120 / separate opinion b v nagarathna j](#); [reported judgments and court order / paragraphs Unnumbered joint Order of the Court / PDF pages 121 / operative court order](#); [official signed judgment compilation / paragraphs Unnumbered signed joint Order of the Court / PDF pages 164 / operative court order](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Neither party received a final merits determination in the joint order

Matters directed to be placed before the Chief Justice of India for an appropriate Bench to consider the issues afresh

Unresolved by this divided bench; no majority ratio on the interaction of sections 144C and 153

This note reports the 8 August 2025 opinions and joint reference order only. Statements allowing or dismissing appeals inside the separate opinions are not the operative Court disposition. It does not certify any later resolution, subsequent stay position or current case status.

Source: [reported judgments and court order / paragraphs Unnumbered joint Order of the Court / PDF pages 121 / operative court order](#); [official signed judgment compilation / paragraphs Unnumbered signed joint Order of the Court / PDF pages 164 / operative court order](#)

05 AKHB REVIEW POINT

Before relying on Shelf Drilling, read the final joint order and identify which judge supports the proposition being cited. This record alone cannot be used to say that the Supreme Court finally allowed an additional DRP period, finally prohibited it, or overruled Roca Bathroom Products. In a live limitation review, retain evidence of receipt of the Tribunal's order by the specified authority, forwarding and receipt of the draft order, objections, DRP directions and the final order. Apply the relevant year's statutory text and any valid extensions. The opinions' approximate descriptions of an eleven-month process should not replace the distinct receipt, forwarding and end-of-month triggers in section 144C. Check later judicial treatment before advising on the unresolved issue; no automatic carryover to the Income-tax Act, 2025 is asserted.

Source: [reported judgments and court order / paragraphs 17 \(statutory text\), 35-39, 46 / PDF pages 26, 27, 28, 34, 35, 38 / separate opinion satish chandra sharma j; reported judgments and court order / paragraphs 11.7-11.8, 12.12-12.17, 13.1-13.5 / PDF pages 99, 100, 105, 106, 107, 108, 112, 113, 114, 115 / separate opinion b v nagarathna j; official signed judgment compilation / paragraphs Unnumbered signed joint Order of the Court / PDF pages 164 / operative court order](#)

SEPARATE JUDICIAL OPINIONS

1.

Judge: Satish Chandra Sharma, J.

Status: one of two opposing opinions; no majority

Position: Section 153 governs the draft-order deadline; the prescribed subsequent section 144C stages operate additionally.

Proposed disposition: Allow the four Revenue appeals and set aside the High Court judgment; dispose of the connected matter in terms of the liberty in the High Court order.

Pinpoints**1.****Source url:** [Open cited source](#)**Paragraphs:** 35-46, 59-62**Pdf pages:** 34; 35; 36; 37; 38; 43**Source role:** separate_opinion_satish_chandra_sharma_j**Scr pages:** 1607; 1608; 1609; 1610; 1611; 1616**2.****Judge:** B.V. Nagarathna, J.**Status:** one of two opposing opinions; no majority**Position:** The final assessment, including the section 144C process, must be completed within the applicable section 153 period.**Proposed disposition:** Reject the four Revenue appeals and uphold the limitation objection; dismiss the connected interim-order SLP without interfering with the High Court.**Pinpoints****1.****Source url:** [Open cited source](#)**Paragraphs:** 12.12-12.25, 14.3-15.5**Pdf pages:** 105; 106; 107; 108; 109; 110; 111; 116; 117; 118; 119; 120**Source role:** separate_opinion_b_v_nagarathna_j**Scr pages:** 1678; 1679; 1680; 1681; 1682; 1683; 1684; 1689; 1690; 1691; 1692; 1693**ASSESSMENT-YEAR DISTINCTIONS****1.****Assessment year:** 2014-15**Originating proceedings:** SLP(C) Nos. 20569-20570/2023; W.P. Nos. 2340 and 2661/2021**Assessment stage:** Fresh assessment following Tribunal remand**Pinpoint****Source url:** [Open cited source](#)**Paragraphs:** 3-3.4**Pdf pages:** 45; 46; 47**Source role:** separate_opinion_b_v_nagarathna_j**Scr pages:** 1618; 1619; 1620**2.****Assessment year:** 2018-19**Originating proceedings:** SLP(C) Nos. 20571-20572/2023; W.P. Nos. 3059 and 3060/2021**Assessment stage:** Original assessment**Pinpoint**

Source url: [Open cited source](#)

Paragraphs: 3, 3.5

Pdf pages: 45; 47

Source role: separate_opinion_b_v_nagarathna_j

Scr pages: 1618; 1620

3.

Assessment year

Originating proceedings: SLP(C) No. 25798/2024; W.P.(L) No. 30944/2023

Assessment stage: Challenge to interim High Court order

Verification: not_specified_in_reviewed_source

Pinpoint

Source url: [Open cited source](#)

Paragraphs: 3.6, 15.5

Pdf pages: 47; 120

Source role: separate_opinion_b_v_nagarathna_j

Scr pages: 1620; 1693

PROVISION-SPECIFIC SCOPE

1.

Section: 144C(1), (2), (4), (12), (13)

Role: core disputed procedure and stage-specific limitation provisions

Detail: Draft-order, objection, DRP and final-order scheme; opposing constructions are set out separately, with no majority merits resolution.

Pinpoint

Source url: [Open cited source](#)

Paragraphs: 17-21, 35-46

Pdf pages: 26; 27; 28; 29; 30; 31; 34; 35; 36; 37; 38

Source role: separate_opinion_satish_chandra_sharma_j

Scr pages: 1599; 1600; 1601; 1602; 1603; 1604; 1607; 1608; 1609; 1610; 1611

2.

Section: 153(1), (3)

Role: core disputed overall assessment limitation provisions

Detail: Section 153(1) applies to original AY 2018-19 assessments; section 153(3) to fresh assessments after Tribunal remand for AY 2014-15. Whether these time limits govern the draft or final order divided the bench.

Pinpoint

Source url: [Open cited source](#)

Paragraphs: 3-3.5, 11.3-11.8, 15.1-15.4

Pdf pages: 45; 46; 47; 98; 99; 100; 117; 118; 119; 120

Source role: separate_opinion_b_v_nagarathna_j

Scr pages: 1618; 1619; 1620; 1671; 1672; 1673; 1690; 1691; 1692; 1693

3.

Section: 153 Explanation 1

Role: interpretive context; exclusions argument

Detail: The opinions address the absence of an express DRP-time exclusion, with different conclusions.

Pinpoint

Source url: [Open cited source](#)

Paragraphs: 49-52

Pdf pages: 38; 39

Source role: separate_opinion_satish_chandra_sharma_j

Scr pages: 1611; 1612

4.

Section: 254

Role: procedural trigger for fresh assessment

Detail: Tribunal remand supplied the section 153(3) context in two of the four appeals.

Pinpoint

Source url: [Open cited source](#)

Paragraphs: 3.2, 11.7-11.8

Pdf pages: 46; 99; 100

Source role: separate_opinion_b_v_nagarathna_j

Scr pages: 1619; 1672; 1673

5.

Section: 44BB

Role: underlying business and computation context

Detail: Non-resident mineral-oil service business and option to compute profits presumptively; no substantive section 44BB deduction or computation issue is resolved by the joint order.

Pinpoint

Source url: [Open cited source](#)

Paragraphs: 3-3.1, 7.1

Pdf pages: 45; 46; 56

Source role: separate_opinion_b_v_nagarathna_j

Scr pages: 1618; 1619; 1629

6.

Section: 92C, 92CA, 153(4)

Role: transfer-pricing comparison; not an independent merits determination for these assesseees

Detail: Additional time associated with a TPO reference is discussed; do not assume that a foreign company automatically receives that extension or that the historical versions are identical.

Pinpoint

Source url: [Open cited source](#)

Paragraphs: 29, 58-59

Pdf pages: 33; 43

Source role: separate_opinion_satish_chandra_sharma_j

Scr pages: 1606; 1616

7.

Section: 92CD(5), 153B

Role: statutory comparison in Sharma J. opinion

Detail: Separate assessment timelines and the express reference to section 144C support Sharma J.'s interpretation; this is not a majority holding.

Pinpoint

Source url: [Open cited source](#)

Paragraphs: 47-48

Pdf pages: 38

Source role: separate_opinion_satish_chandra_sharma_j

Scr pages: 1611

8.

Section: 2(40), 143(3), 246A, 253(1)(d)

Role: assessment definition and appeal-route context

Detail: Nagarathna J. distinguishes a draft from a final assessment and describes the DRP-linked direct appeal route to the Tribunal.

Pinpoint

Source url: [Open cited source](#)

Paragraphs: 7-7.3, 14-14.3

Pdf pages: 56; 57; 72; 115; 116; 117

Source role: separate_opinion_b_v_nagarathna_j

Scr pages: 1629; 1630; 1645; 1688; 1689; 1690

SOURCE & VERIFICATION

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

Identified source rendition: 164 PDF pages; SHA-256

69bf8a02ca038ebe9079b8765b2e596a2cc1a259dce122e354194c370eaba4b2. Original bytes preserved.

Nagarathna J. opinion including title/index pp. 1-112; Sharma J. opinion pp. 113-163 (internally numbered 1-51); separate joint Order of the Court p. 164. Official compilation reverses the opinion order used in the reported rendition.

[Open cited source rendition](#)

Divided two-judge bench: do not display a Revenue or taxpayer win badge, a unanimous holding or a final merits disposition.

The reported headnote labels Nagarathna J. as dissenting. That editorial label does not make Sharma J. a majority on a two-judge split.

The joint Order of the Court controls the procedural outcome over the differently worded dispositive passages in the individual opinions, including the connected SLP.

Actual section 144C time triggers differ by subsection. The note does not convert approximate one-month/eleven-month passages into a universal date-computation rule.

The reported and official compilations contain the same two opinions in opposite order. Source-specific PDF page numbers must not be interchanged.

Nagarathna J. paragraph 6.6 prints the remand date as 04.09.2019 while the detailed facts in paragraph 3.2 and Sharma J. paragraph 6 give 04.10.2019. The note follows the detailed factual accounts and does not silently treat both dates as established.

General transfer-pricing discussion under sections 92C/92CA and 153(4) is separated from the foreign-company facts; no TPO reference or universal additional twelve months is inferred for these assesseees.

No subsequent larger/appropriate-Bench decision or other later treatment has been verified.

SCR citation, neutral citation, appeal numbers, judges and date verified from reported PDF p. 1. The signed official compilation prints the neutral citation and originating SLP numbers but leaves the civil appeal numbers blank. Its final joint order is dated 8 August 2025.

Nagarathna J., paragraph 3, identifies AY 2014-15 for SLP(C) Nos. 20569-20570/2023 (fresh assessments after Tribunal remand) and AY 2018-19 for SLP(C) Nos. 20571-20572/2023 (original assessments). No assessment year is inferred for the connected interim-order SLP(C) No. 25798/2024.

STATUTORY SCOPE

Income-tax Act, 1961 provisions quoted and discussed in the 8 August 2025 separate opinions, with AY 2014-15 remand and AY 2018-19 original-assessment contexts distinguished

No comprehensive later-amendment, Income-tax Act, 2025 equivalence, commencement or savings review has been performed. The separate opinions themselves do not supply a majority interpretation for automatic carryover.

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 compilation - PDF pages: 164](#)

Nagarathna J. opinion including title/index pp. 1-112; Sharma J. opinion pp. 113-163 (internally numbered 1-51); separate joint Order of the Court p. 164. Official compilation reverses the opinion order used in the reported rendition.

SHA-256: 69bf8a02ca038ebe9079b8765b2e596a2cc1a259dce122e354194c370eaba4b2

[reported judgments and court order - PDF p. 1 / SCR p. 1574 - PDF pages: 121](#)

Editorial title, issues, headnotes and authorities occupy pp. 1-10 and the upper part of p. 11; Sharma J. opinion pp. 11-43; Nagarathna J. opinion pp. 44-120; joint Court order p. 121. No neighbouring decision is included.

SHA-256: 6c8fe09f9c0ba7ff99c853203e741c43cf026c9fb56ca49a6c270d4b89d53b66

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