IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH, NAGPUR.

INCOME TAX APPEAL NO.37 OF 2024

[The Pr. Commissioner of Income Tax-1, Nagpur **.vs.** M/s Gupta Domestic Fuels (Nagpur) Ltd., Nagpur]

Office Notes, Office Memoranda of Coram, Appearances, Court's orders or directions and Registrar's orders.	Court's or Judge's orders

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Mr B. N. Mohata, Advocate for Appellant through V.C.
Mr K. P. Dewani, Advocate for Respondent.

CORAM: ANIL L. PANSARE AND RAJ D. WAKODE, JJ.
DATE : 24-12-2025.

. The challenge is to the order dated 19th December 2023 passed by the Income Tax Appellate Tribunal, Nagpur (ITAT), whereby the appeal filed by the Revenue was dismissed. The reasons assigned read as under :

> *"5. Admittedly, the impugned order before the CIT(A) is consequential assessment order passed by the Assessing Officer giving effect to the 263 order. However, when the 263 order itself had been quashed by the Tribunal, the question of passing consequential assessment order to the effect of 263 order does not arise and, therefore, the Id. CIT(A) had rightly quashed the consequential assessment order passed by the Assessing Officer u/s 143(3) r.w.s. 263 of the Act. In the circumstances, we do not find any reason to interfere with the impugned order of the Id. CIT(A). Therefore, the grounds of appeal raised by the Revenue stand dismissed."*

2. The order passed under Section 263 of the Income Tax Act, 1961 by the Principal Commissioner of Income Tax (Pr. CIT), which was the subject matter before the Tribunal in Appeal No. 201/NAG/2022, was allowed by the Tribunal. Consequently, the order passed by the Pr. CIT under Section 263 was quashed and set aside. The said order of the ITAT

was challenged by the Revenue before this Court in Income Tax Appeal No.1 of 2023. The appeal came to be dismissed vide order dated 28.11.2025. Thus, the order of the ITAT quashing the order passed under Section 263 by the Pr. CIT was upheld.

3. That being so, the consequential assessment in terms of order passed under Section 263 of the Act is not permissible. Considering the above status, and since in the present case, the ITAT has dismissed the appeal on the ground that the order passed under Section 263 itself was quashed, no interference is required. The appeal is, accordingly, dismissed.

(JUDGE) **(JUDGE)**

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