

## Supreme Court stays Punjab and Haryana High Court Judgement striking down JAO – FAO Retrospective Amendment as 'Unconstitutional'

19 September 2026

The Supreme Court admitted the special leave petition (SLP) filed by the tax department challenging the judgement passed by the Punjab and Haryana High Court (Judgement) and stayed the operation of the Judgement on the condition that the re-assessment proceedings shall also remain stayed (order dated 18 September 26 in *Union of India v Bharat Industrial Enterprises Pvt Ltd*, SLP Civil no. 33196/2026). The matter has been listed for final hearing before the Supreme Court on 03 December 2026.

Last week, the Punjab and Haryana High Court pronounced the Judgement striking down section 147A of the Income-tax Act, 1961 as unconstitutional (ie the JAO – FAO retrospective amendment, which was introduced retrospectively from 01 April 2021). Please see our ERGO dated 14 September 2026 on the High Court Judgement [here](#).

The impact of the Hon'ble Supreme Court's view on the constitutional validity of Section 147A will decide the fate of numerous reassessment cases. It would also be interesting to see the views that would be expressed by the other High Courts. Since the operation of the Judgement has been stayed, a taxpayer cannot place reliance on the Judgement in support of its case.

- Sanjay Sanghvi (Partner), Ujjval Gangwal (Principal Associate) and Shriraam Shankaranarayanan (Associate)



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