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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ ITA 228/2024

THE PR. COMMISSIONER OF INCOME TAX -CENTRAL-1 ..... Appellant

Through: Mr. Ruchir Bhatia, Sr. Standing Counsel with Mr. Anant Mann, Mr. Pratyaksha Gupta, Jr. Standing Counsels and Mr. Sanju Kaushik, Adv.

versus

SAHARA PRIME CITY LTD. ..... Respondent

Through: Mr. Ajay Vohra, Sr. Adv. with Mr. Aniket D. Agrawal and Mr. Sanjeev Kumar Gupta, Advs.

7

\+ ITA 230/2024

THE PR. COMMISSIONER OF INCOME TAX -CENTRAL-1 ..... Appellant

Through: Mr. Ruchir Bhatia, Sr. Standing Counsel with Mr. Anant Mann, Mr. Pratyaksha Gupta, Jr. Standing Counsels and Mr. Sanju Kaushik, Adv.

versus

SAHARA PRIME CITY LTD. ..... Respondent

Through: Mr. Ajay Vohra, Sr. Adv. with Mr. Aniket D. Agrawal and Mr. Sanjeev Kumar Gupta, Advs.

8

\+ ITA 231/2024

THE PR COMMISSIONER OF INCOME TAX –CENTRA-1 ..... Appellant

Through: Mr. Ruchir Bhatia, Sr. Standing Counsel with Mr. Anant Mann, Mr. Pratyaksha Gupta, Jr. Standing Counsels and Mr. Sanju Kaushik, Adv.

versus

SAHARA PRIME CITY LTD. ..... Respondent

Through: Mr. Ajay Vohra, Sr. Adv. with Mr. Aniket D. Agrawal and Mr. Sanjeev Kumar Gupta, Advs.

9

\+ ITA 232/2024

THE PR. COMMISSIONER OF INCOME TAX -CENTRAL-1 ..... Appellant

Through: Mr. Ruchir Bhatia, Sr. Standing Counsel with Mr. Anant Mann, Mr. Pratyaksha Gupta, Jr. Standing Counsels and Mr. Sanju Kaushik, Adv.

versus

SAHARA PRIME CITY LTD. ..... Respondent

Through: Mr. Ajay Vohra, Sr. Adv. with Mr. Aniket D. Agrawal and Mr. Sanjeev Kumar Gupta, Advs.

10

\+ ITA 233/2024

THE PR. COMMISSIONER OF INCOME TAX -CENTRA -1 ..... Appellant

Through: Mr. Ruchir Bhatia, Sr. Standing Counsel with Mr. Anant Mann, Mr. Pratyaksha Gupta, Jr. Standing Counsels and Mr. Sanju Kaushik, Adv.

versus

SAHARA PRIME CITY LTD. ..... Respondent

Through: Mr. Ajay Vohra, Sr. Adv. with Mr. Aniket D. Agrawal and Mr. Sanjeev Kumar Gupta, Advs.

11

\+ ITA 234/2024

THE PR. COMMISSIONER OF INCOME TAX -CENTRAL-1

..... Appellant

Through: Mr. Ruchir Bhatia, Sr. Standing Counsel with Mr. Anant Mann, Mr. Pratyaksha Gupta, Jr. Standing Counsels and Mr. Sanju Kaushik, Adv.

versus

SAHARA PRIME CITY LTD. ..... Respondent

Through: Mr. Ajay Vohra, Sr. Adv. with Mr. Aniket D. Agrawal and Mr. Sanjeev Kumar Gupta, Advs.

12

\+ ITA 235/2024

THE PR. COMMISSIONER OF INCOME TAX -CENTRAL-1 ..... Appellant

Through: Mr. Ruchir Bhatia, Sr. Standing Counsel with Mr. Anant Mann, Mr. Pratyaksha Gupta, Jr. Standing Counsels and Mr. Sanju Kaushik, Adv.

versus

SAHARA PRIME CITY LTD. ..... Respondent

Through: Mr. Ajay Vohra, Sr. Adv. with Mr. Aniket D. Agrawal and Mr. Sanjeev Kumar Gupta, Advs.

13

\+ ITA 236/2024

THE PR. COMMISSIONER OF INCOME TAX -CENTRAL-1 ..... Appellant

Through: Mr. Ruchir Bhatia, Sr. Standing Counsel with Mr. Anant Mann, Mr. Pratyaksha Gupta, Jr. Standing Counsels and Mr. Sanju Kaushik, Adv.

versus

SAHARA PRIME CITY LTD. ..... Respondent

Through: Mr. Ajay Vohra, Sr. Adv. with Mr. Aniket D. Agrawal and Mr. Sanjeev Kumar Gupta, Advs.

CORAM:
HON'BLE MR. JUSTICE YASHWANT VARMA
HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

O R D E R

% **17.05.2024**

CM APPL. 24465/2024 (Ex.) in ITA 228/2024
CM APPL. 24470/2024 (Ex.) in ITA 230/2024
CM APPL. 24471/2024 (Ex.) in ITA 232/2024
CM APPL. 24472/2024 (Ex.) in ITA 233/2024
CM APPL. 24473/2024 (Ex.) in ITA 234/2024
CM APPL. 24474/2024 (Ex.) in ITA 235/2024
CM APPL. 24489/2024 (Ex.) in ITA 236/2024

Allowed, subject to all just exceptions.

Applications stand disposed of.

ITA 228/2024, ITA 230/2024, ITA 231/2024, ITA 232/2024, ITA 233/2024, ITA 234/2024, ITA 235/2024 & ITA 236/2024

1. This batch of appeals principally raise issues pertaining to disallowances referable to Section 14A of the Income Tax Act, 1961 ['**Act**'] read along with Rule 8D of the Income Tax Rules, 1962 ['**Rules**'] and disallowance of interest expense under Section 36(1)(iii) of the Act.

2. The question of disallowance of commission is one which is additionally raised in ITA 231/2024. On hearing Mr. Bhatia, learned counsel appearing for the appellant and Mr. Vohra, learned senior counsel representing the respondent, we find that insofar as the three flagged issues are concerned, both the Commissioner of Income Tax (Appeals) ['**CIT(A)**'] as well as the Income Tax Appellate Tribunal

['**ITAT**'] have rendered concurrent findings of fact in favour of the assessee.

3. Taking up the issue of disallowance under Section 14A first, it becomes relevant to note that as per the Return of Income as filed by the assessee, the income had not been claimed as exempt and the same had in fact been offered to tax. Hence, the question of the disallowance under Section 14A of the Act would not arise.

4. The interest expense question under Section 36(1)(iii) of the Act pertained to advances which were made for business purposes. That business purpose is identified as pertaining to the purchase of an asset in Gurgaon.

5. Similarly, the aspect of commission was also answered in favour of the respondent-assessee upon both the CIT(A) and ITAT finding that the infrastructure of M/s Sahara India Club Royal Ltd. was taken on a rental basis by the assessee and payments to field agents were subjected to a deduction of tax at source.

6. In view of the aforesaid, we are of the considered opinion that the appeals fail to raise any substantial question of law. They shall consequently stand dismissed.

YASHWANT VARMA, J.

PURUSHAINDRA KUMAR KAURAV, J.

MAY 17, 2024
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