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

\+ W.P.(C) 1663/2016

RRPR HOLDINGS PRIVATE LIMITED .....Petitioner

Through: Mr. Sachit Jolly, Mr. Rishabh Malhotra, Ms. Disha Jham, Ms. Soumya Singh & Mr. Devansh Jain, Advs.

versus

DEPUTY COMMISSIONER OF INCOME TAX, CIRCLE-18(1) .....Respondent

Through: Mr. N.P. Sahni, Spl. Counsel along with Mr. Indruj Singh, SSC, Mr. Sanjeev Menon, Mr. Rahul Singh, JSCs and Mr. Anmol Jagga, Adv.

CORAM:
HON'BLE MR. JUSTICE YASHWANT VARMA
HON'BLE MR. JUSTICE RAVINDER DUDEJA

O R D E R

% **10.09.2024**

1. The instant writ petition has assailed the initiation of reassessment action under Section 148 of the Income Tax Act, 1961 [‘**Act**’] in terms of a notice dated 08 August 2014. The solitary allegation which was made in that notice was with respect to certain interest free loans which had been advanced.

2. We note from the order of assessment dated 30 December 2011 that the entire addition made in that respect by the Assessing Officer [‘**AO**’] itself was based upon Section 14A.

3. However, the Income Tax Appellate Tribunal [‘**Tribunal**’] in terms of its final judgment rendered on 18 August 2021 had held that

since no exempt income had been earned in that year, the provisions of Section 14A could not have been invoked. This issue has been independently examined and answered by us in **Principal Commissioner of Income Tax (Central) – 3 vs. Alchemist Ltd.** [2024:DHC:6439-DB]. The aforesaid decision of the Tribunal, though subsequent to the impugned notice under Section 148, would clearly bind parties. On this short ground alone, we find ourselves unable to sustain the impugned action.

4. The writ petition is accordingly allowed. The impugned notice dated 08 August 2014 is hereby quashed and set aside.

YASHWANT VARMA, J

RAVINDER DUDEJA, J

SEPTEMBER 10, 2024/RW