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

\+ ITA 507/2024

PRINCIPAL COMMISSIONER OF INCOME TAX DELHI- 04 .....Appellant

Through: Mr. Abhishek Maratha, Sr. Adv. with Mr. Apoorv Agarwal, Mr. Parth Samwal, Ms. Nupur Sharma, Mr. Gaurav Singh, Mr. Bhanukaran Singh Jodha, Ms. Muskaa Goel & Mr. Himanshu Gaur, Advs.

Versus

NTPC LTD .....Respondent

Through: Mr. Ved Kumar Jain, Mr. Nischay Kantoor & Mr. Govind Gupta, Advs.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MS. JUSTICE TARA VITASTA GANJU

O R D E R

% **21.10.2024**

CM Nos.56664/2024 & 56665/2024

1. For the reasons stated in the applications, the delay in filing and re-filing the present appeal is condoned.

2. The applications are disposed of.

ITA 507/2024

3. The Revenue has filed the present appeal impugning the common order dated 05.08.2022 passed by the learned ITAT in a batch of appeals / cross appeals including the Revenue's appeal being ITA No.6983/Del/2014 in respect of Assessment Year 2010-11. The Revenue has filed the present appeal in respect of the impugned order insofar as it allowed the assessee's appeal (ITA No. 7063/Del/2014 for AY 2010-11).

4. The principal question projected by the Revenue relates to the addition

of ₹4,40,76,00,000/- on account of disallowance under Section 14A of the Income Tax Act, 1961 (hereafter *the Act*). The assessee's exempt income for the relevant assessment year (AY 2010-11) comprised of interest amounting to ₹999.12 crores on tax free bonds and dividend of ₹77.70 crores. These incomes were not chargeable to tax by virtue of Section 10 of the Act. The AO had sought to make a disallowance of expenditure under Section 14A of the Act in proportion to the income exempt from tax.

5. Admittedly, the assessee had not borrowed any funds for making an investment in the interest free bonds. The bonds were issued as a result of a One Time Settlement Scheme whereby, amounts due from other accumulated debtors were converted into the said investment. The dividend earned by the assessee was in respect of its own subsidiary joint venture company.

6. This Court is informed that the appeals preferred by the Revenue in respect of common order, impugned in the present petition, in respect of other assessment year [being ITA Nos.502/2024 and 503/2024] have been dismissed by a Coordinate Bench of this Court on the ground that no substantial question of law arises in the present appeal.

7. Concededly, a similar order is required to be passed in this appeal as well.

8. Accordingly, the present appeal is dismissed.

VIBHU BAKHRU, J

TARA VITASTA GANJU, J

OCTOBER 21, 2024
'gsr'

Click here to check corrigendum, if any