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

\+ ITA 228/2025
\+ ITA 229/2025
\+ ITA 230/2025

PR. COMMISSIONER OF INCOME TAX (CENTRAL)-2, DELHI
.....Appellant
Through: Mr. Siddhartha Sinha, SSC and Ms. Easha Gurung, JSC

versus

AMBIENCE HOTELS AND RESORTS PVT. LTD.
.....Respondent
Through: Mr. Kumail Abbas, Mr. Sahar Irfan and Ms. Riya Jain, Advs.

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MR. JUSTICE VINOD KUMAR

O R D E R

% 05.02.2026

1. The Income Tax Appellate Tribunal, Delhi Bench: ‘A’ New Delhi (*hereinafter referred to as ‘the Tribunal’*) while holding the penalty proceedings under Section 271(1)(c) of the Income Tax Act, 1961 to be illegal, has quashed the orders of the authorities. While doing so, it has found that the basic ingredients for levy of penalty i.e. inaccurate particulars of income or concealment has not been recorded in the penalty order dated 27.01.2023, as held in the judgment of Bombay High Court in the case of **Mohd. Farhan A. Shaikh Vs. ACIT** reported at 434 ITR 1 (Bom) (FB) and the judgment of this Court in the case of **PCIT Vs. Sahara Life Insurance Co. Ltd.** reported as 432 ITR 82 (Del).

2. It is fairly informed by Mr. Siddhartha Sinha, learned Senior Standing Counsel that Special Leave Petition (SLP) against these judgments has been rejected. The Diary no.10953/2024 provided by the Income Tax Department does not match with the parties name as annexed.

3. In view of the aforesaid, since this issue has attained finality, all three appeals are dismissed.

DINESH MEHTA, J.

VINOD KUMAR, J.

FEBRUARY 5, 2026/*ss*