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

\+ W.P.(C) 4812/2007

PUNJAB STAINLESS STEEL INDSUTRIES THR. MR.HARVINDER SINGH .....Petitioner

Through: None.

versus

UOI THR. SECRETARY MINISTRY OF FINANCE GOVT. OF INDIA DEPARTMENT OF REVENUE NORTH BOLCK .....Respondent

Through: Mr. Vipul Agrawal, SSC with Ms. Harshita K., Adv.

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MS. JUSTICE RENU BHATNAGAR

O R D E R

% **25.02.2026**

1. By way of the present writ petition, the petitioner has challenged the reassessment order passed under Sections 143(3)/148 of the Income Tax Act, 1961 *(hereinafter referred to as 'the Act of 1961')* and the consequential demand dated 29.12.2006 raised under Section 156 of the Act of 1961.

2. Retrospectivity given to Section 80HHC of the Act of 1961 has been held to be *ultra vires* by the Gujarat High Court and affirmed by Hon'ble the Supreme Court in the case of **Commissioner of Income Tax v. Avani Exports** reported in (2015) 232 Taxman 357 (SC).

3. Following the same in W.P.(C) No. 16816/2006 (**Saroj Dassani v. UOI**), this Court has held thus :-

"5. If the judgment dated 30.03.2015 passed by Hon'ble the Supreme Court in Avani Exports (supra) is read in conjunction with the judgement of the Gujarat High Court dated 02.07.2012, it is clear that the finding recorded in para 26, reproduced hereinabove, was upheld with some alteration in para 27 of the said judgment, that too in favour of the assessees and direction given in para 27 of aforesaid judgment was substituted by the following:

> *"Having seen the twin conditions and since 80HHC benefit is not available after 1.4.05, we are satisfied that cases of exporters having a turnover below and those above 10 cr. Should be treated similarly. This order is in substitution of the judgment in Appeal".*

6. The consequence of the judgment dated 30.03.2015 of Hon'ble the Supreme Court, is that irrespective of the amount involved, the amendment brought in Section 80HHC of the Act of 1961 cannot be given retrospective effect."

4. In the light of the judgment in the case of **Avani Exports *(supra)*** rendered by Hon'ble the Supreme Court and reasoning given in **Saroj Dassani *(supra)***, the reassessment order passed under Sections 143(3)/148 of the Act of 1961, and the consequential demand dated 29.12.2006 raised under Section 156 of the Income Tax Act, 1961 are hereby quashed and set aside. The petition is allowed.

DINESH MEHTA, J

RENU BHATNAGAR, J

FEBRUARY 25, 2026/*neha/my*