

IN THE INCOME TAX APPELLATE TRIBUNAL, DELHI 'B' BENCH,
NEW DELHI

BEFORE MS. MADHUMITA ROY, JUDICIAL MEMBER, AND
SHRI NAVEEN CHANDRA, ACCOUNTANT MEMBER

ITA No. 2888/DEL/2022 [A.Y. 2016-17]

Delhi Development Authority
B-Block, Room No. 205
Chief Accountant Officer
Vikas Sadan, INA Colony
New Delhi

Vs.

The A.C.I.T.
[Exemption]
Circle - 1(1)
New Delhi

PAN - AAALD 0031 A

(Applicant)

(Respondent)

Assessee By : Shri Baldev Raj. CA
Shri Maneesh Upneja, CA

Department By : Shri Shrikant Namdeo, CIT-DR

Date of Hearing : 01.09.2025
Date of Pronouncement : 21.11.2025

ORDER

PER NAVEEN CHANDRA, A.M:-

This appeal by the assessee is preferred against the order of the NFAC, Delhi dated 30.06.2023 for A.Y 2011-12.

2. The grievances of the assessee read as under:

"1. That on the facts and in circumstances of the case, the order dated 30-12-2018 passed by Assistant Commissioner of Income-tax Exemptions, Circle 1(1) (hereinafter referred to as "Ld. AO"] under section 143(3) of the Income-tax Act, 1961 (hereinafter referred to as "the Act"] and as upheld by the Ld. Commissioner of Income-tax (Appeals) -40, New Delhi (hereinafter referred to as "the CIT(A)"] is bad at law and void ab initio.

2. That the Ld. AO and Ld. CIT (A) erred in upholding:

a) That the Appellant is not eligible for the exemption/benefits as envisaged in section 11 and 12.

b) The case of the Appellant falls under the last limb of section 2(15) and is hit by the proviso of section 2(15) of the Act; and

c) That the provisions of section 13(8) are applicable to the facts of the Appellant.

3.1 That the Ld. CIT(A) erred in upholding that the expenditure incurred by the Appellant to the tune of Rs. 2,25,72,08,800/- is not allowable u/s 40A(9) of the Act.

3.2 That without prejudice to ground no 3.1, the Ld. CIT(A) erred in not allowing Rs 26.70 crore paid to employees on post-retirement medical expenditure during the year out of the accumulative liability.

4. That on facts and in law the Ld. AO erred, and Ld. CIT (A) upheld in levying interest u/s 234B of the Act."

3. Briefly stated, the facts of the case are that the assessee was granted registration u/s 12A of the Income-tax Act, 1961 [the Act, for short] w.e.f. 01.04.2002 dated 12.01.2006. The assessee, Delhi Development Authority (DDA) is a statutory body created by Delhi Development Act, 1957. As per the assessee, it is a city development agency constituted by the Parliament Act, viz. Delhi Development Act, 1957 with the object of development of Delhi. It encompasses Development of land, buildings and infrastructure in the city like water, sewer, roads, flyovers, greens, etc. It has to cater to the need or shelter of people of all walks of life.

4. The assessee filed its Return of Income on 14.10.2016 declaring NIL income. Return was selected for scrutiny assessment through CASS and accordingly, statutory notices were issued and served upon the assessee. The Assessing Officer assessed the income of the assessee at Rs. 5,12,80,66,351/-.

5. Aggrieved, the assessee went in appeal before the Id. CIT(A) who finding no infirmity in the order of the Assessing Officer, dismissed the appeal of the assessee on both the grounds.

6. Aggrieved further, the assessee is in appeal before us.

7. Before us, the Id. counsel for the assessee submitted that the issue whether the activities of the authority, as per section 2(15) of the

Income-tax Act, 1961 [the Act, for short] is within 20% as per the decision of the Hon'ble Supreme Court in the case of **Ahmedabad Urban Development Authority** 449 ITR 1 be remanded back to the file of the Assessing Officer with a direction to consider the same afresh. The ld. counsel for the assessee relied on the decision of ITAT in **Jhansi Development Authority** ITA Nos. 2689 to 2693 of 2013 order dated 8.07.2024 and prayed for setting aside the matter to the file of the Assessing Officer for examining the same afresh.

8. Per contra, the ld. DR fairly conceded to the same.

9. We have heard the rival submissions and have perused the relevant material on record. We find that the co-ordinate bench of ITAT Delhi in the case of **Jhansi Development Authority** ITA Nos. 2689 to 2693 of 2013 order dated 8.07.2024 has relied on the guidelines framed in the decision of the Hon'ble Supreme Court in the case of **Ahmedabad Urban Development Authority** [supra] and remitted the matter to the file of the Assessing Officer to consider the same afresh and pass order strictly in light of the observation of the hon'ble Supreme Court.

10. After considering the facts and submissions and perusing the orders of the co-ordinate bench and the Hon'ble Apex Court [supra], we are of the considered opinion that the issue of taxability of the DDA u/s 2(15) of the Act be remitted to the file of the Assessing Officer for examination

afresh and decide the issue in accordance with the guidelines/observations made by the Hon'ble Apex Court on identical issue after allowing reasonable opportunity of being heard to the assessee. We order accordingly. Grounds raised by the assessee are allowed for statistical purposes.

11. In the result, the appeal of the assessee in ITA No. 2888/DEL/2022 is allowed for statistical purposes.

The order is pronounced in the open court on 21.11.2025.

Sd/-
[MADHUMITA ROY]
JUDICIAL MEMBER

Sd/-
[NAVEEN CHANDRA]
ACCOUNTANT MEMBER

Dated: 21st November, 2025.

VL/

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar,
ITAT, New Delhi

Sl No.	PARTICULARS	DATES
1.	<i>Date of dictation of Tribunal Order</i>	
2.	<i>Date on which the typed draft order is placed before the Dictating Member</i>	
3.	<i>Date on which the typed draft order is placed before the other Member [in case of DB]</i>	
4.	<i>Date on which the approved draft order comes to the Sr. P.S./P.S.</i>	
5.	<i>Date on which the fair Order is placed before the Dictating Member for sign</i>	
6.	<i>Date on which the fair order is placed before the other Member for sign [in case of DB]</i>	
7.	<i>Date on which the Order comes back to the Sr. P.S./P.S for uploading on ITAT website</i>	
8.	<i>Date of uploading, inf not, reason for not uploading</i>	
9.	<i>Date on which the file goes to the Bench Clerk</i>	
10.	<i>Date on which the file goes for Xerox</i>	
11.	<i>Date on which the file goes for endorsement</i>	
12.	<i>The date on which the file goes to the Superintendent for checking</i>	
13.	<i>Date on which the file goes to the Assistant Registrar for signature on the order</i>	
14.	<i>Date on which the file goes to the dispatch section for dispatch the Tribunal order</i>	
15.	<i>Date of Dispatch of the Order</i>	
16.	<i>Date on which the file goes to the Record Room after dispatch the order</i>	