Pr. Commissioner of Income Tax-4, New Delhi v. M/s NTPC Vidyut Vyapar Nigam Ltd

ITA 690/2026 (CNR No. DLHC011323192024)

ITA 690/2026 (CNR No. DLHC011323192024) (High Court of Delhi, 2026-08-24) | 2026-08-24

The appeal was dismissed following the earlier judgment; pending applications were disposed of.

High Court of Delhi | Division Bench | Dinesh Mehta | Rajneesh Kumar Gupta

Assessment years: 2013-14

Scope of this source order

The restriction on use and absence of an asset accruing to this assessee are material. Do not treat all fly-ash sale proceeds as automatically excluded from income.

01 FACTS OF THE CASE

Revenue's ITA690/2026 challenged the Tribunal's 3 November 2023 order in ITA6816/Del/2019 for AY2013–14. The assessee relied on the Court's 23 April 2025 dismissal of ITA260/2024 for AY2015–16 concerning the same fly-ash proceeds issue. Revenue did not dispute that position.

Source: Paras1–3, PDF pp.1–2

02 DISCUSSION BY THE HON'BLE COURT

The Court reproduced the earlier decision: proceeds from fly ash supplied by NTPC were restricted to specified uses and did not result in the assessee acquiring an asset. The earlier reasoning drew an analogy with the controlled Molasses Storage Reserve Fund in New Horizon Sugar Mills. The present Court found the issues identical and followed that judgment.

Source: Paras4–5, PDF pp.2–3

03 JUDICIAL DECISION

The appeal was dismissed following ITA260/2024 dated 23 April 2025. All pending applications were disposed of.

Source: Paras6–7, PDF p.3

04 OUTCOME / IN WHOSE FAVOUR

Final assessee-favourable result for AY2013–14 on the restricted fly-ash proceeds issue. AY2015–16 belongs to the precedent followed, not the assessment year of this appeal.

Source: Paras1,4–7, PDF pp.1–3

05 EXPERT COMMENTS

Restrictions on use are central to the reasoning — The reproduced precedent links the result to the assessee's inability freely to use the fly-ash proceeds and the absence of asset acquisition. It does not exempt every sale receipt merely because management earmarks it. Applying the analogy elsewhere requires evidence of the operative restrictions and the resulting use of funds.

Keep the analogy and the parties' own facts separate — The molasses-storage arrangement belongs to New Horizon Sugar Mills, cited in the earlier NTPC decision. It is an analogy, not a factual description of this assessee's business. This appeal concerns fly ash and AY2013–14; the Court used the later-year decision because it found identical issues.

Following a prior year does not merge the cases — ITA690/2026 and ITA260/2024 remain distinct appeals for different years. The present dismissal adopts the earlier reasoning after comparison of issues. Neither the source's quoted discussion nor the final order states a receipt amount for AY2013–14, so no amount is carried over.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

High Court of Delhi source judgment/order

Complete 3-page source PDF; corrected note based on this document.

All 3 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

Source-era statutory provisions only; no Income-tax Act, 2025 equivalence asserted.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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