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

\+ ITA 11/2026 CM APPL. 1744/2026 CM APPL. 1745/2026

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED .....Appellant

Through: Mr. Gagan Kumar and Ms. Puja Jaktiar, Advs.

versus

ADDITIONAL COMMISSIONER OF INCOME TAX RANGE 12 NEW DELHI .....Respondent

Through: Mr. Shlok Chandra, SSC, Ms. Naincy Jain and Ms. Madhavi Shukla, JSCs and Mr. Udit Dad, Adv.

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

O R D E R

% **27.04.2026**

1. By way of present appeal, the appellant, a public sector undertaking, has challenged the order dated 04.11.2024 passed by the Income Tax Appellate Tribunal *(hereinafter referred to as 'the Tribunal')* in ITA 3262/Del/2015.

2. Learned counsel for the appellant invited Court's attention towards page 146 of the paper-book being part of the Tax Audit Report and submitted that pursuant to tax Audit Report, prior period income of the assessee was offered for tax in the year under consideration by the appellant but when it came to allowance of expenditure of Rs.4,26,772/- in relation to prior payment/expenditure, the Assessing officer (AO) refused to give deduction of such expenditure by observing that prior period expenditure

cannot be allowed.

3. Learned counsel for the appellant argued that if the prior period income has been assessed in the relevant Assessment Year(AY) it was incumbent upon the AO to allow deduction of the corresponding expenditure as well.

4. On principle, what learned counsel for the appellant has argued is correct that if the prior period income is being assessed in a particular year, the expenditure in relation thereto are also required to be deducted. But on perusal of the record, more particularly, paragraph No. 6.4 of the order of the Commissioner of Income Tax (Appeals) [CIT(A)], we find that the CIT(A) had given an opportunity to the appellant to substantiate the claim by furnishing proof, but the assessee has failed to adduce requisite evidence.

5. We find that in the impugned order, even the Tribunal has observed that no document in relation to its claim was filed by the appellant.

6. Considering that the appellant-assessee has not produced any evidence in support of its contention that an amount of Rs.4,26,772/- was spent, by way of producing supporting vouchers, bills etc., the CIT(A) was justified in rejecting the appellant's ground No.3 of the appeal. The Tribunal has thus, committed no error of law in rejecting the appellant's appeal.

7. As an upshot of discussion foregoing, the present appeal which does not involve any substantial question of law, is hereby dismissed along with pending applications.

DINESH MEHTA, J

VINOD KUMAR, J

APRIL 27, 2026/*ss*