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

\+ ITA 750/2023

PRINCIPAL COMMISSIONER OF INCOME TAX,
CENTRAL-3, DELHI ..... Appellant

Through: Mr. Abhishek Maratha, Sr. SC with Mr. Parth Semwal, SC.

versus

SHARAN SVADHA LLP ..... Respondent

Through: Mr. Gaurav Jain and Mr. Shubham Gupta, Advs.

CORAM:
HON'BLE MR. JUSTICE YASHWANT VARMA
HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

O R D E R

% **09.02.2024**

1. The Department has assailed the validity of the judgment rendered by the Income Tax Appellate Tribunal ["**ITAT**"] dated 11 October 2022.

2. The issue itself arises out of the invocation of Section 50C of the Income Tax Act, 1961 ["**Act**"] against the respondent / assessee in respect of a transaction relating to an immovable property to which it was a party. Undisputedly, the respondent / assessee had purchased the subject property for an amount of Rs.7,84,00,000/-. The respondent / assessee took into consideration the fact that the stamp duty paid in respect of that transaction was amounting to Rs.12,34,00,000/-. It was perhaps on that basis that the Department proceeded on the premise that Section 50C of the Act would be applicable.

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3. The ITAT has found that the aforesaid provision has been wrongly invoked bearing in mind the fact that it would apply only to an assessee who has received consideration or to whom consideration may have been paid as a result of the transfer of a capital asset.

4. Section 50C of the Act thus, on its plain language, is clearly concerned with the vendor or the seller of the property in question. The said provision can have no application to a purchaser.

5. In view of the aforesaid, we find no merit in the instant appeal. Consequently, the appeal fails and shall stand dismissed.

YASHWANT VARMA, J.

PURUSHAINDRA KUMAR KAURAV, J.

FEBRUARY 9, 2024/p

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