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

\+ W.P.(C) 1935/2025 and CM APPL. 9060/2025, & CM APPL. 9061/2025

LANDCRAFT DEVELOPERS PRIVATE LIMITED .....Petitioner

Through: Mr. Salil Kapoor, Mr. Sumit Lal Chandani and Ms. Ananya Kapoor, Advocates.

versus

ASSISTANT COMMISSIONER OF INCOME TAX, CENTRAL CIRCLE 27, DELHI & ANR. .....Respondents

Through: Mr. Shlok Chandra, Sr. Standing Counsel alongwith Ms. Naincy Jain and Ms. Madhavi Shukla, JSCs for Revenue.

CORAM:
HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE TUSHAR RAO GEDELA

ORDER

% **28.02.2025**

1. The petitioner has filed the present petition, *inter alia*, impugning a notice dated 19.12.2023 (hereafter *the impugned notice)* issued under 153C of the Income Tax Act, 1961 (hereafter *the Act*) as well as the proceedings for re-assessment of the petitioner's income in respect of Assessment Year (AY) 2020-21.

2. The impugned notice is premised on the satisfaction note of the Assessing Officer (AO) of Sh. Alok Kumar Agarwal, Sh. Ankit Agarwal, M/s Alankit Limited and M/s Alankit Assignments Limited (searched persons), which recorded that documents containing information pertaining to the petitioner were found during the search conducted in the case of searched persons on 18.10.2019.

3. Admittedly, the satisfaction note does not contain any information which may have a bearing on determining the petitioner's income assessable in the AY 2020-21. The note indicates that in view of the description of the documents found and seized during the course of the search, the documents belong to the petitioner.

4. It is clear from the information provided in the satisfaction note dated 22.06.2022 entered by the AO of the searched persons and satisfaction note dated 08.11.2023 entered by AO of the other than the searched person could not possibly lead to the conclusion that the income of the Assessee for AY 2020-21 had escaped assessment. The ledgers found cannot be considered as containing any incriminating material pertaining to the petitioner in respect of AY 2020-21. Thus, the petitioner's assessment for the said year could not be reopened under Section 153C of the Act.

5. Concededly, the aforesaid issue is covered by the decision of the Supreme Court in ***Commissioner of Income Tax-III, Pune v. Sinhgad Technical Education Society: [2017] 84 taxmann.com 290*** as well as the recent decision of this court in ***Saksham Commodities Ltd. v. Income Tax Officer Ward 22 (1), Delhi & Anr.: 2024:DHC:2836-DB.***

6. It is relevant to set out paragraph 68 of the said decision which reads as under:

> *"68. The jurisdictional AO would have to firstly be satisfied that the material received is likely to have a bearing on or impact the total income of years or years which may form part of the block of six or ten AYs' and thereafter proceed to place the assessee on notice under Section 153C. T**he power to undertake such an assessment would stand confined to those years to which the material may relate or is likely to influence. Absent any material that may either cast a doubt on the estimation of total income for a particular year or years, the AO would not be justified in invoking its powers conferred by Section 153C. It would only be consequent to such satisfaction being reached that a notice***

would be liable to be issued and thus resulting in the abatement of pending proceedings and reopening of concluded assessments."

[Emphasis added]

7. The learned counsel for the respondent concurs with the aforesaid view.

8. In view of the above the present petition is allowed and the impugned notice issued under Section 153C of the Act in respect of AY 2020-21 is set aside.

9. Pending applications also stand disposed of.

DEVENDRA KUMAR UPADHYAYA, CJ

TUSHAR RAO GEDELA, J

FEBRUARY 28, 2025/*rl*