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

\+ W.P.(C) 1972/2025 & CM APPL. 9262/2025, CM APPL. 9263/2025

SUNRISE STRUCTURES AND DEVELOPERS PVT. LTD.

.....Petitioner

Through: Mr. Gautam Jain, Mr. Shaantanu Jain, Mr. Deepanshu Jain, Mr. Manish Yadav and Mr. Prateek Kumar, Advocates.

versus

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

.....Respondent

Through: Mr. Shlok Chandra Sr. Standing Counsel, Ms. Naincy Jain Jr. Standing Counsel and Ms. Madhavi Shukla Jr. Standing Counsel for R1.

Mr. Ram Kumar with Mr. Sushil Kumar, Advocates for UOI.

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

O R D E R

% **24.02.2025**

1. Present writ petition has been filed under section 226/227 of the Constitution of India, 1950 seeking quashing the impugned notice dated 31.03.2024 (hereinafter referred to as *"the impugned notice"*) under section

148 of the Income Tax Act, 1961 (hereinafter referred to as *"the Act"*) for the Assessment Year (AY) 2018-19.

2. At the outset, Mr. Gautam Jain, learned counsel appearing for the petitioner submits that the alleged income escaping assessment is Rs. 15,00,000/- for AY 2018-19. He further submits that in view of the provisions of section 149(1)(b) of the Act, the reassessment proceedings can be initiated against the assessee beyond the period of three years from the end of the relevant assessment year if the income escaping assessment is Rs. 50 lakhs or more. He submits that in the present case, the income escaping assessment is less than Rs. 50 lakhs and the period of limitation expired on 31.03.2022.

3. Learned counsel for petition submits that the issue stands covered by the judgement of the Supreme Court in ***Union of India & Ors. vs. Rajeev Bansal; 2024 SCC OnLine SC 2693***.

4. Mr. Jain, also referred to the decision of a Co-ordinate Bench of this Court in ***Rohit Kumar vs. Income Tax Officer Ward 54(1), Delhi***; ***Neutral Citation no. 2025:DHC:167-DB*** and drew the attention of this Court to the following passages from the said judgement:

> *"24. The Supreme Court thus essentially held that the pecuniary quantification of income which had allegedly escaped assessment and its revision from INR 1 lakh or more to INR 50 lakhs or more being beneficial to the assessee would additionally apply. It was perhaps in that light that Mr. Aggarwal had sought to urge that the reassessment action is additionally liable to be struck down on this ground.*
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> *25. It would be pertinent to recall that the "reasons to believe" which were provided to the writ petitioner had pegged the escaped assessment at INR 46,17,000/- and thus ex facie falling below the threshold prescribed by Section 149(1)(b). The Supreme Court in Rajeev Bansal has categorically held that an action of reassessment commenced post 01 April 2021 would have to be compliant with the pecuniary threshold which now applies.*

Tested on that basis it becomes apparent that the impugned action would not sustain on this score.

26. We may and while closing this issue additionally note that the respondent has while passing an order of assessment pursuant to the liberty accorded by us made additions of INR 49,98,000/- as unexplained cash credits under Section 69 of the Act as well as a further addition of INR 3,68,750/- on account of income from other sources. While this would cross the qualifying benchmark of INR 50 lakhs which applies, what needs to be fundamentally borne in mind is the initial formation of opinion and the quantum of income which was alleged to have escaped assessment. Additions ultimately made in the course of reassessment would not validate the initiation of proceedings if founded on income of INR 46,17,000/- having escaped assessment and thus evidently below the threshold of INR 50 lakhs."

5. In the present case, the income chargeable to tax which has escaped assessment is less than Rs. 50 lakhs and the period of three years from the end of the relevant AY 2018-19 expired on 31.03.2022. The impugned notice has been issued thereafter, and the same is thus barred by limitation.

6. The learned counsel for the respondent/revenue concurs with the aforesaid view.

7. In view of the above, the impugned notice is set aside.

8. The petition is allowed in the aforesaid terms. Pending applications stand disposed of.

DEVENDRA KUMAR UPADHYAYA, CJ

TUSHAR RAO GEDELA, J

FEBRUARY 24, 2025/*rl*