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

\+ W.P.(C) 3509/2025 and CM APPL. 16394/2025

LANDCRAFT DEVELOPERS PRIVATE LIMITED .....Petitioner

Through: Mr Salil Kapoor, Mr Sumit Lalchandani, Ms Ananya Kapoor and Mr Shivam Yadav, Advocates.

versus

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

Through: Mr Gaurav Gupta, senior standing counsel with Mr Shivendra Singh and Mr Yojit Pareek, Advocates.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MR. JUSTICE TEJAS KARIA

O R D E R

% **21.04.2025**

1. The petitioner has filed the present petition impugning a notice dated 19.12.2023 issued under Section 153C of the Income Tax Act, 1961 [**the Act**] in respect of Assessment Year 2018-19. The petitioner also prays that the respondents be restrained from proceeding further with the aforesaid impugned notice.

2. The petitioner had filed its return of income under Section 139(1) of the Act in respect of Assessment Year [**AY**] 2018-19 on 28.10.2018.

3. On 24.03.2022, a notice under Section 148A(b) of the Act was issued by the Assessing Officer [**AO**] calling upon the petitioner to show cause why proceedings for re-assessment of income chargeable to tax in respect of AY 2018-19 not be initiated. This was followed by an order dated 25.04.2022 passed under Section 148A(d) of the Act holding that it was a fit

case for issuance of a notice under Section 148 of the Act. The petitioner was served with the said order along with a notice under Section 148 of the Act.

4. In the meanwhile, a search was conducted under Section 132 of the Act in respect of entities belonging to the Alankrit Group and *panchnamas* dated 18.10.2019 and 21.10.2019 were prepared. Thereafter, the AO of the searched entities prepared a satisfaction note recording his satisfaction that certain documents, which were found and seized during the course of the search conducted under Section 132 of the Act belong to the Assessee. The relevant documents and material found during the search were also handed over by the AO exercising jurisdiction in respect of the searched person(s) to the AO exercising jurisdiction in respect of the Assessee. On receipt of the said material, the AO also examined the same and recorded his satisfaction that the documents and material handed over had a bearing on the income of the Assessee. Paragraph 3 of the said satisfaction note recorded by the AO on 08.11.2023 is relevant and is set out below:

> "3. From the analysis of ledgers related to Sh. Sudhir Gupta, the following beneficiary is seen to have taken accommodation entry against unaccounted cash or otherwise as tabulated below:

Beneficiary	FY	Particulars as per Ledger	Amount Debited in Ledger	Amount Credits in Ledger
Landcraft Developers Pvt. Ltd.	2009-10	Vijaya Bank-Diwakar-190	1,00,00,000	
	2010-11	Vijaya Bank- Diwakar	1,00,00,000	
	2011-12	HDFC Bank – Diwakar (38263)		30,00,000
	2012-13	Vijaya Bank- Diwakar		88,32,310
	2013-14	Axis Bank – AFL (2682)	1,69,00,000	
		Axis Bank Diwakar	2,05,00,000	80,00,000

	2014-15	Axis Bank – AFL (32682)		1,48,44,280
		Axis Bank – Diwakar	2,63,00,000	2,62,83,277
		Axis Bank – New Wave - 6118	2,95,00,000	35,00,000
		Vijaya Bank – Diwakar	15,00,000	
		Vijaya Bank – New wave	20,00,000	
	2015-16	Axis Bank – Diwakar	52,00,000	
		Axis Bank – EURO Finmart (22444)	35,00,000	
		Axis Bank-Newwave-6118		25,00,000
		Cash	35,00,000	
Landcraft Developers Pvt. Ltd.	2012-13	Cash	48,32,000	

5. A plain reading of the aforementioned satisfaction note dated 08.11.2023 indicates that the AO did not find any incriminating material having a bearing on the income of the petitioner for AY 2018-19. Concededly, absent any material for the relevant assessment year, the proceedings under Section 153C of the Act could not be initiated for the said year.

6. The aforesaid issue is covered by the decision of this Court in ***Saksham Commodities Ltd. v. Income Tax Officer: [2024] 161 taxmann.com 485 (Delhi)*** and the decision of the Supreme Court in ***Commissioner of Income Tax-III, Pune v. Sinhgad Technical Education Society: [2017] 8 S.C.R. 463*** as well as the decision in the case of ***Deputy Commissioner of Income Tax Central Circle 20 v. M/s U.K. Paints (Overseas) Ltd.: Civil Appeal No.6634/2021, decided on 25.04.2023***.

7. The petitioner also challenged assessment as being barred by limitation. However, it is not necessary to examine that question since

admittedly, the challenge to the impugned notice is required to be sustained on the ground that it had been issued without any incriminating material in respect of the relevant assessment year.

8. In view of the above, the impugned notice is set aside. All proceedings initiated by the AO pursuant to the said notice are also set aside. The pending application is also disposed of.

VIBHU BAKHRU, J

TEJAS KARIA, J

APRIL 21, 2025
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Click here to check corrigendum, if any