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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
+ ITA 394/2025
+ ITA 404/2025
PR. COMMISSIONER OF INCOME TAX, DELHI -15Appellant

Through: Mr. Puneet Rai, SSC with Mr. Ashvini
Kr., Mr. Rishabh Nangia, Mr. Gibran,
JSC.

versus

GAURAV AGGARWALRespondent
Through: Mr. Salil Aggarwal, Senior Advocate
with Mr. Madhur Aggarwal, Mr. Uma
Shankar, Mr. Mahir Aggarwal, Advs.

CORAM:
HON'BLE MR. JUSTICE V. KAMESWAR RAO
HON'BLE MR. JUSTICE VINOD KUMAR

ORDER

% **10.09.2025**

CM APPL. 56935/2025 (Exemption) in ITA 394/2025

CM APPL. 57121/2025 (Exemption) in ITA 404/2025

1. Exemption allowed, subject to all just exceptions.
2. The applications are disposed of.

CM APPL. 56936/2025 (condonation of delay of 107 days in filing the appeal) in ITA 394/2025

CM APPL. 56937/2025 (condonation of delay of 452 days in re-filing the appeal) in ITA 394/2025

CM APPL. 57122/2025 (condonation of delay of 107 days in filing) in ITA 404/2025

CM APPL. 57123/2025 (condonation of delay of 425 days in re-filing) in ITA 404/2025

3. For the reasons stated in the application, the delay in re-filing and filing of the appeals are condoned.



4. The applications are disposed of.

ITA 394/2025 & ITA 404/2025

5. These appeals lay a challenge to an order dated 04.09.2023 passed by the Income Tax Appellate Tribunal ('ITAT'). The appeals were filed by the appellant/revenue, whereby the Tribunal has decided the appeals / the cross-objections filed by the assessee by stating as under:

"19. Assuming that the allegation of the Revenue that the impounded seized documents pertain to the assessee, even then, if we look at the transactions recorded in the alleged incriminating documents as exhibited hereinabove, we see that none of the dates fall within the A.Ys under consideration, which means that the alleged incriminating documents do not pertain to the A.Ys under consideration.

20. Therefore, the ratio laid down by the Hon'ble Bombay High Court in the case of Singhad Educational Society 378 ITR 84 which has been affirmed by the Hon'ble Supreme Court in 397 ITR 344 squarely apply as no document pertaining to the A.Ys under consideration was found.

21. Therefore, initiation of proceedings u/s 153C of the Act qua the Satisfaction Note mentioned elsewhere is unsustainable in law. On the given facts in light of the decision of the Hon'ble Bombay High Court in the case of Singhad Educational Society [supra] affirmed by the Hon'ble Supreme Court [supra], the findings of the Id. CIT(A) read as under :

"6 In view of the aforesaid, it is held that addition made by the AO is beyond the scope of section 153C of the Act, as page No. 13 and 14 of Annexure A - 13 found from the premises of Shri. Sant Lal Aggarwal is a rough document and no corroborative material was brought on record to suggest that any such alleged advance of Rs. 35.252 crores was given. Even otherwise, no document pertaining to this year was found. As such, in any case, initiation of the proceeding for this year is unsustainable in law. Accordingly this ground of the appeal of the appellant is allowed."

22. We could not find any reason to interfere with the above findings of the Id. CIT(A). Both the appeals are accordingly dismissed and the cross objections become infructuous.

23. Before parting, the Id. DR has placed reliance on several judicial decisions in the form of synopsis, but none of the decisions is on the issues before us as all the decisions are relevant to reopening of assessment u/s 147 of the Act, therefore, not found to be relevant.



24. In the result, the appeals of the Revenue in ITA No. 6202 & 6203/DEL/2017 as well as the cross objections of the assessee in CO No. 11 and 12/DEL/2021 are dismissed.

The order is pronounced in the open court on 04.09.2023.”

6. Suffice to state that the satisfaction note was issued under Section 153C of the Income Tax Act, 1961 (**‘the Act’**), by the concerned Assessing Officer (**‘AO’**) which reads as under:

“During the course of assessment proceedings in the case of Sh. Sant Lai Aggarwal, it was noticed that during the search and seizure operation u/s 132 undertaken on 14.09.2010 in the case of Sh. Sant Lai Aggarwal at D-31, Pushpanjali Enclave, Pitampura, Delhi, documents incriminating to Sh. Sant Lai Aggarwal Prop.M/s Gaurav Enterprises were found and seized from the above premise. Page no. 13 and 14 of Annexure A-13 were seized. The seized documents contain details of transactions amounting to Rs.32.252 crores. During the course of recording of statement, these documents were confronted to Sh. Sant Lai Aggarwal. Sh. Sant Lai Aggarwal, in answer to question No. 15, admitted that the payments recorded on these two pages were made in cash to farmers for procurement of paddy and surrendered this amount of Rs.32.252 crores in the hands of M/s Gaurav Enterprises, a proprietorship concern of his son Gaurav Aggarwal as these payments were made by Gaurav Aggarwal.

2. *Statement of Sh. Gaurav Aggarwal was recorded. In answer to Q. No. 2, Sh. Gaurav Aggarwal confirmed that the payments were made by him as advance to farmers for pronouncement of paddy in case. He offered it for taxation in the name of Gaurav Enterprises.*

3. *Later on, the disclosure was retracted merely by filing two letters dated 20.09.2010 on the ground that the surrender was not voluntary and it was taken under pressure.*

4. *However, the fact remains that these documents were found and seized during the course search and seizure operation u/s 132 of the Income-tax Act 1961. The retraction is merely after thou... and is not supported by any evidence to show the exact nature of transaction. Sh. Saurav Aggarwal categorically admitted in his statement recorded during search operation that the documents contained payments in cash and was unable to adduce evidence to show that the same were recorded in the books of accounts.*

5. *The cash of Sh. Gaurav Aggarwal has been centralized to this Circle vide letter F.No. CIT-IX/ITO(H.Q)/127/2011-12/1556 dated 16.11.2011.*

I am therefore satisfied that the documents referred to above belong to Sh. Gaurav Aggarwal, warranting action u/s 153C in his case.”



7. It is noted that the amount of Rs.32.252 crores of which a reference has been made in the satisfaction note as depicted at Pages 50-51 of the impugned judgment primarily pertains to the Assessment Year ('AY') 2011-12.

8. The subject matter of the appeals is in respect of AYs 2009-10 and 2010-11 and it is in that sense, the Tribunal has in Paragraphs no.19-24 stated that the transactions which have been recorded are for the dates which do not fall within the AYs under consideration, which means that the alleged incriminating documents do not pertain to the AYs under consideration, i.e., AY 2009-10 and 2010-11.

9. It is on this basis the Tribunal has dismissed the revenue's appeals as well as the cross-objections of the assessee.

10. Given the fact scenario, which we have noted from the impugned order and after hearing the submissions advanced by Mr. Puneet Rai, learned Senior Standing Counsel for the appellant/revenue and Mr. Salil Aggarwal, learned Senior Counsel for the respondent/assessee, we find no fault, insofar as the impugned order passed by the Tribunal is concerned, as such no substantial question of law arises for consideration in these appeals, accordingly, these appeals are dismissed.

V. KAMESWAR RAO, J

VINOD KUMAR, J

SEPTEMBER 10, 2025

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