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

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Date of Decision : 02.07.2025

+ **ITA 192/2025**

PR. COMMISSIONER OF INCOME TAX, DELHI-7

.....Appellant

Through: Mr Puneet Rai, SSC, Mr Ashvini Kumar, Mr Rishabh Nangia, Mr Gibran, JSCs and Mr Nikhil Jain, Ms Srishti Sharma and Mr Pratham Aggarwal, Advocates.

versus

M/S THOMSON PRESS (INDIA) LTD.

.....Respondent

Through: Mr Salil Aggarwal, Sr Advocate with Mr Uma Shankar, Mr Madhur Aggarwal, Advocates.

CORAM:

HON'BLE MR. JUSTICE VIBHU BAKHRU

HON'BLE MR. JUSTICE TEJAS KARIA

VIBHU BAKHRU, J. (ORAL)

CM APPL. 37712/2025 & CM APPL. 37713/2025

1. For the reasons stated in the applications, the delays in re-filing and filing the captioned appeal stand condoned.

2. The applications are disposed of.

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3. The Revenue has filed the present appeal under Section 260A of the



Income Tax Act, 1961 [**the Act**], *inter alia*, impugning an order dated 30.06.2023 [**impugned order**] passed by the learned Income Tax Appellate Tribunal [**ITAT**] in ITA No.9342/Del/2019 captioned *ACIT Circle-25 (2) v. Thomson Press (India) Limited*, in respect of Assessment Year [**AY**] 2014-15

4. The Revenue had preferred the aforesaid appeal against the order dated 27.09.2019 passed by the Commissioner of Income Tax (Appeals)– 9, New Delhi [**CIT(A)**] whereby the Assessee’s appeal against an order dated 05.12.2018 passed under Section 147 of the Act read with Section 143(3) of the Act was partly allowed.

5. The controversy in the present case relates to the addition of ₹20.00 Crores made by the Assessing Officer [**AO**] under Section 50C of the Act. The said addition relates to the transaction between M/s. Living Media India Limited and M/s. Maccons Infra Private Limited whereby the Vendor had sold the immovable property described as Plot No. 9, land measuring 20000 square meters located in Block-B, Sector 132, Noida, Gautam Budh Nagar, Uttar Pradesh [**property in question**] at the rate of ₹18,000/- per square meter. M/s. Living Media India Limited was subsequently merged with the Assessee.

6. Search and seizure operation was conducted under Section 132 of the Act at the residential and business premises of Maccons group on 27.11.2014. During the course of said search, the sale deed dated 11.10.2013 executed by M/s. Living Media India Private Limited in respect of the property in question was found. The circle rate of the area where the



property in question was located as on the date of the Sale Deed was ₹28,000/- per square meter and therefore, the total sale value is required to be computed at ₹56.00 Crores. This information was received by the AO. On the basis of the said information, the AO took steps for initiating the reassessment proceedings. The reassessment proceedings culminated into the assessment order dated 05.12.2018.

7. The said order was challenged by the Assessee before the CIT(A). The CIT(A) found that the addition of ₹20.00 Crores under Section 50C was not sustainable as the date on which the transaction for sale and purchase of the property in question was entered into was prior to the date of enhancement of the circle rate. It was noted that the transacting parties, that is M/s Living Media India Limited and Maccons Infra Private Limited, had entered into the registered agreement to sell on 30.05.2013 and on the same date stamp duty of ₹72.00 Lakhs was paid by the Maccons Infra Private Limited.

8. Undisputedly, the circle rate applicable to the property in question at the material time was ₹18,000/- per square meter and thus, the transaction entered into was not a value, which was below the circle rate. Consequently, the addition made by the AO was set aside.

9. It is the Revenue's case that since circle rate had increased to ₹28,000 per square meter with effect from 01.08.2013 – which was prior to the execution of the sale deed on 11.10.2013 – the addition under Section 50C of the Act was warranted.

10. The learned ITAT did not accept the said contention. It noted that part



of the sale consideration was received even before the date of the transfer agreement and there was no dispute that the stamp duty had been paid on the date of the agreement to sell, that is, on 30.05.2013. Thus, the sale consideration as agreed was at the circle rates, which were applicable at the material time.

11. Mr. Aggarwal, the learned Senior Counsel appearing for the Assessee has also handed over a copy of the sale deed dated 11.10.2013 and has drawn the attention of this Court to the following recital in the sale deed:

“And whereas, both the parties have already entered into an agreement to sell dated 30/05/2013, and the same was duly registered in the office of Sub-Registrar, Noida Vide Book No. I, Volume No. 5071 on pages 341 to 916 Document No. 6280 Dated 30/05/2013 on which a stamp duty of ₹72,00,000/- has already been paid by the Transferee aforesaid.”

12. In view of the above, there is no dispute that the transaction in question was prior to the increase in the stamp duty and was at the value, as computed in accordance with the prevalent circle rate. However, the Revenue has projected the following questions for consideration of this Court:

“A. Whether on the facts and circumstances of the case, the Hon’ble ITAT justified in deleting the addition of Rs. 20 Crores made on account of Capital Gains u/s 50C of the Act on the basis of the information received from Investigation Wing of the Income Tax Department, Noida?

B. Whether on the facts and circumstances of the case, the Hon’ble ITAT is justified in giving relief to the assessee on the basis of Proviso to 50C of the I.T. Act,



1961 which was made applicable from 01.04.2017, whereas the case is related for F.Y 2013-14?”

13. It is at once clear that no substantial questions of law arise in the facts of the present case. The issue sought to be raised on behalf of the Revenue is whether the proviso to Section 50C of the Act is applicable retrospectively. However, in view of the express finding that the transaction was at the value which is commensurate with the Circle rate at the material time, the fact that the circle rate had been increased subsequently would have little effect for the purposes of Section 50C of the Act.

14. The issue involved in the present case is also covered by an earlier decision of this Court in ITA No.543/2015 captioned ***Principal Commissioner of Income Tax-6 v. Modipon Limited***. In the said case, the parties had entered into an agreement to sell, which was duly registered prior to 16.09.2004. The said agreement stipulated a schedule for payment of consideration of the subject immovable property. The parties had adhered to the said schedule and had thereafter entered into a sale deed on 16.09.2004. However, on 16.09.2004, the circle rate was revised upwards. In the aforesaid context, the Revenue had contended that the circle rate, as on the date of the sale deed, was required to be considered for the purposes of Section 50C of the Act. This Court had rejected the said contention in the following words:

“This Court is of the opinion that where there is adequate external evidence supporting the assessee’s case that the transaction has been recorded and been reflected objectively in the form of a registered instrument (agreement to sell dated 27.05.2004), and all subsequent payments made have adhered to the time schedule agreed upon in respect of the amounts,



the application of Section 50(C) would be unwarranted. The ITAT's conclusion that the transaction was covered by two deeds, both of which characterised as sale deeds though not strictly correct in one sense, describes the nature of the agreements between the parties. Quite possibly there can be a situation like the present one where transaction recorded in the agreement to sell are acted upon over a period of time - and in the interregnum the circle rates are increased. Application of Section 50(C) in such cases would result in extreme hardship. Parliament has recognized this mischief and has added proviso to Section 50 (C) (i) w.e.f. 01.04.2017. Having regard to the forgoing reasons, the Court is of the opinion that no question of law arises; the appeal is accordingly dismissed.”

15. We are of the view that the present appeal must bear the same fate as the case in *Principal Commissioner of Income Tax-6 v. Modipon Limited* (supra).

16. No substantial question of law arises for consideration of this court. The appeal is accordingly dismissed.

VIBHU BAKHRU, J

TEJAS KARIA, J

JULY 02, 2025

SMS/M

Click here to check corrigendum, if any