Superb Infotech Private Limited v. Deputy Commissioner of Income Tax, Central Circle, Faridabad

D.B. Income Tax Appeal No. 43/2019

[2026:RJ-JP:13979-DB] | D.B. ITA No. 43/2019 (Reportable) | 2026-04-13

Section 153C action lacked year-specific incriminating material; rural agricultural-land transaction was not taxable as business profit or capital gain on the facts.

Income-tax Act,1961: sections 153C, 2(14)(iii)

High Court of Judicature for Rajasthan | 2-judge bench (Division Bench, Jaipur Bench) | Acting Chief Justice Sanjeev Prakash Sharma | Justice Sangeeta Sharma

Assessment years: 2007-08

01 FACTS OF THE CASE

Superb Infotech challenged the ITAT order dated 6 December 2018 for AY 2007-08. A search in the Kamdhenu group on 17 September 2008 led to a section 153C notice dated 10 May 2010. The assessment dated 28 December 2010 treated agricultural-land sale profit as business income. The admitted questions concerned section 153C jurisdiction and the land's treatment under section 2(14)(iii).

Source: PDF pp.1–3, paras 1–5

02 DISCUSSION BY THE HON'BLE COURT

The Court found no incriminating material linked to undisclosed income for AY 2007-08: the satisfaction referred to partnership, dissolution and miscellaneous papers, while the addition used the already disclosed transaction. It also accepted the land's rural agricultural character and investment treatment on the facts; the single transaction and absence of frequent dealing did not establish business activity, and a buyer's later use did not change the relevant character.

Source: PDF pp.13–21, paras 22–36

03 JUDICIAL DECISION

Both questions were answered for the assessee. The orders dated 21 July 2010,27 February 2013 and 6 December 2018 were quashed.

Source: PDF p.21, para 37

04 OUTCOME / IN WHOSE FAVOUR

Assessee succeeded on both the section 153C issue and the land-character issue.

Source: PDF p.21, para 37

05 EXPERT COMMENTS

AKHB Expert Comments — editorial analysis, distinct from the Court's findings.

Ownership papers were not enough to support this addition: The judgment separates documents showing the transaction or relationship from incriminating material revealing undisclosed income for the relevant year. The assessment relied on a sale already disclosed in the return. The practical inquiry is therefore the actual document-to-year-to-addition connection, not merely whether some papers concerning the assessee were seized. (PDF pp.13–19, paras 22–30)

The land holding is fact-specific and independent: The Court also examined the agricultural character, location and investment treatment. Its reliance on a single transaction and lack of frequent dealing does not make every isolated land sale non-business. The source's accepted factual combination matters, as does the distinction between the assessee's position at transfer and the buyer's later use. (PDF pp.19–21, paras 30–36)

Use the correct statutory period and procedural ground: The judgment reproduces statutory passages and precedents. Its result rests on the missing incriminating nexus and the land findings. For another year, the applicable statutory version and completed-assessment position require examination; quoted later language cannot silently replace the rule governing that year. (PDF pp.8–18,21, paras 22–29,37)

Source: PDF pp.13–19, paras22–30

SOURCE & VERIFICATION

High Court of Judicature for Rajasthan official judgment PDF - AKHB Repository (20260413_RJHC020327292019.pdf)

All 21 original pages read and visually reviewed; source hash verified.

Source and all five panels checked on 21 October 2026.

Open cited source rendition

STATUTORY SCOPE

Only provisions expressly stated in this order are indexed. Subsequent treatment and current law have not been independently verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent proceedings and current judicial treatment have not been independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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