

1. **Computation of undisclosed income-** In the absence of any material found during search having nexus with undisclosed income, no addition could be made in block assessment under Chapter XIV-B- Further Tribunal was justified in deleting addition on account of jewellery having regard to CBDT Instruction No. 1916, dt. 11th May, 1994.

- **CIT vs. M.S. Agarwal (HUF) (MP) 11 DTR 169 (2008).**

2. **Scope and applicability of s. 50C-** Sale consideration stated in the sale deed having been accepted by the stamp valuation authority for purposes of registration, there is no question of replacing value adopted by stamp valuation authority by valuation arrived at by DVO- Sec. 50C comes into play only when there is valuation at a higher value for stamp valuation purposes by the State authority than declared by assessee in the sale deed.

- **Punjab Poly Jute Corporation vs. Asstt. CIT (Asr) 19 DTR 65 (2009).**

3. **Limitation under s. 158BE-** Director of IT (Inv.) issued warrant of authorisation on 25th May, 2000, Panchnama drawn on that very date and a restraint order under s. 132(3) passed in respect of a bank locker on that day- Thereafter, a second authorisation issued by Addl. Director of IT (Inv.) authorising some Dy. Directors of IT, Asstt. Directors of IT and ITos to conduct search in respect of that locker on 25th May, 2000 itself - Panchnama drawn on 26th May 2000, indicated that search in respect of said locker commenced on 26th May, 2000 and further search of the said locker was conducted on 2nd June, 2000 and Panchnama was drawn- Limitation for block assessment shall start running qua Panchnama dt. 2nd June, 2000 as the Addl. Director of IT (Inv.) was not competent to issue authorisation for search under s. 132 and hence all subsequent proceedings were invalid- Contention of Revenue that as per s. 2(28D), Jt. Director meant a person appointed as such or an Addl. Director under s. 117(1) and thus the subsequent authorisation dt. 25th May, 2000 issued by the Addl. Director of IT (Inv.) meant that it was issued by Jt. Director of IT

(Inv.) is not acceptable as the definition of "Jt. Director" has to be read contextually- Sec. 132(1) refers to Director General or Director as well as Jt. Director or Jt. CIT- First two authorities are empowered by the statute itself to issue warrant of authorisation under s. 132 (1)- Latter two authorities namely, Jt. Director or Jt. CIT can only authorize action if specifically empowered by the Board- If the argument of Revenue were to be accepted, then Director General or Director as defined in s. 2(21) also included Addl. Director or Jt. Director which expressions were absent in s. 132(1)- Thus, in the context of s.132(1), powers to issue authorisation for search conferred on Jt. Director or Jt. CIT could not be extended to Addl. Director by reference to s. 2(28D)- While the definition of Addl. Director in s. 2(1D) has been inserted with retrospective effect from 1st June, 1994 by virtue of the Finance Act, 2007, the definition of Jt. Director was introduced as s. 2(28D) for the first time in the Act by virtue of the Finance No.(2) Act of 1998 w.e.f 1st Oct., 1998- Had the legislature intended to include an Addl. Director, it would have done so specifically in s. 132(1) itself.

-**CIT vs. Pawan Kumar Garg (Del) 19 DTR 52(2009).**

4. **Powers of Addl. Director of IT (Inv.)-** In view of the fact that CIT in exercise of powers under s. 132B, has released cash, jewellery and books of accounts seized during search impugned, the question whether the Addl. Director of IT (Inv.) has the requisite jurisdiction to authorize any officer to effect search and seizure in purported exercise of his power conferred upon him under s. 132(1) has become infructuous and need not be examined- Question is left open.

-**Director if IT & Ors. vs. Dr. Nalini Mahajan & Ors (SC) 19 DTR 50 (2009).**

5. **Authorisation under s. 132(1)-** Powers of Addl. Director of IT (Inv.)- Warrant of authorisation issued by the Addl. Director of IT (Inv.) was without authority and, therefore, the entire search as well as the assessment proceedings consequent to such warrant were invalid and bad in law- Appeal does not call for any further consideration.

- **CIT vs. Jainson (Del) 19 DTR 49 (2009).** ■