INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "B": NEW DELHI

BEFORE SHRI M. BALAGANESH, ACCOUNTANT MEMBER
AND
SHRI SUDHIR KUMAR, JUDICIAL MEMBER

I.T.A. Nos. 1913 to 1915/Del/2026
(Assessment Years: 2014-15 to 2016-17)

I Home And Infrastructure Pvt. Ltd., Office No. 208, 2nd Floor, Plot No. C-3, Pooja House, Karampura Commercial Complex, Karam Pura, West Delhi-110015, Delhi	Vs.	Deputy Commissioner of Income Tax, Central Circle-28, NCC DIT(S), Jhandewala, Ext. New Delhi 110055
(Appellant)		**(Respondent)**
PAN: AACCI 9550J		

Assessee by :	Sh. Rajat Jain, C.A. and Sh. Akshat Jain, C.A.
Revenue by:	Ms. Sugandha Sharma, CIT(DR)
Date of Hearing	10.08.2026
Date of pronouncement	19.08.2026

O R D E R

PER M. BALAGANESH, A. M.:

These appeals of the assessee arises out of the order passed by the Commissioner of Income Tax, Appeal, Delhi-25 [hereinafter referred to as 'ld. CIT(A)', in short] in Appeal Nos. 1913 to 1915/Del/2026 for A.Ys. 2014-15 to 2016-17 even dated 12.12.2025 which in turn arises out of the order passed by the Assessing Officer, DCIT, Circle-28, Delhi (hereinafter referred to as 'ld. AO') passed u/s 153C of the Income Tax Act, 1961 (hereinafter referred to as 'the Act') dated even 31.03.2023. Identical issues are involved in all these appeals and hence they are taken up

together and disposed of by this common order for the sake of convenience.

ITA No. 1913/Del/2026 – Asst Year 2014-15 – Assessee Appeal

ITA No. 1914/Del/2026 – Asst Year 2015-16 – Assessee Appeal

2. The preliminary issue to be decided in these appeals is as to whether the learned AO was justified in validly assuming jurisdiction for the Assessment Years 2014-15 and 2015-16 in the facts and circumstances of the case.

3. We have heard the rival submissions and perused the materials available on record. A search and seizure operation under section 132 of the Act was carried out on Alankit group on 18.10.2019 wherein certain documents pertaining or relating to the assessee herein were found. Accordingly, the satisfaction note qua the assessee was recorded in terms of section 153C of the Act on 14.02.2022 relevant to Assessment Year 2022-23 pursuant to handing over of documents by the AO of the searched person. This date of handing over of the seized documents by the AO of the searched person becomes the deemed date of search qua the assessee herein being proceeded under section 153C of the Act in view of the decision of the Hon'ble Supreme Court in the case of Jasjit Singh reported in 458 ITR 437 (SC). Accordingly, reckoning the period of 6 years from this deemed date of search, the assessment years 2014-15 and 2015-16 would be outside the ambit of 6 years block period and accordingly, the assessments framed under section 153C of the Act for the Assessment Years 2014-15 and 2015-16 would be barred by limitation. In this regard, reliance has been rightly placed by the Learned AR on the decision of the Hon'ble Jurisdictional Delhi High Court in the case of PCIT Vs. Ojjus Medicare Pvt. Ltd reported in 161 taxmann.com 160 (Del HC). Hence we

hold that the assessments framed for the Assessment Years 2014-15 and 2015-16 would be outside the ambit of 6 years of block period and accordingly quashed.

4. Since the assessments are quashed, the adjudication of other factual and legal grounds raised in ITA Nos. 1913/Del/2026 and 1914/Del/2026 become academic in nature and they are left open.

5. In the result, the appeals of the assessee in ITA Nos. 1913/Del/2026 and 1914/Del/2026 are partly allowed.

ITA No. 1915/Del/2026 – Assessment Year 2015-16

6. The preliminary legal issue to be decided in this appeal is as to whether the assessment could be validly framed under section 153C of the Act for the year under consideration in the facts and circumstances of the instant case.

7. We have heard the rival submissions and perused the materials available on record. We find that pursuant to the search action under section 132 of the Act conducted on Alankit group on 18.10.2019, proceedings stood initiated on the assessee herein under section 153C of the Act after the handing over of the seized documents pertaining / relating to the assessee herein by the AO of Alankit Group on 14.2.2022. Hence the deemed date of search qua the assessee herein would be 14.2.2022 relevant to Assessment Year 2022-23. Since this date falls after 1.4.2021, now the short question that arises for our consideration is as to whether any assessment could be framed under section 153C of the Act in the hands of the assessee herein. At the cost of repetition, in the instant case before us, the date of handing over of seized documents by the AO of Alankit group to the AO of the assessee herein was 14.2.2022

which falls in Assessment Year 2022-23. The satisfaction note in the case of the assessee herein was recorded by the AO of the assessee on 14.2.2022. Hence the date of search qua the assessee herein would be 14.2.2022 falling in Assessment Year 2022-23. Since the said date falls after 1-4-2021, the provisions of Section 153 C of the Act were no longer applicable by virtue of Section 153C(3) of the Act. Consequently, it was argued that the Learned AO lacked jurisdiction to invoke Section 153C of the Act and if at all any proceedings were required to be initiated, the same could have been done only under the reassessment provisions contained in Section 147 to 151 of the Act. Accordingly, the Learned AR argued that the notice issued under Section 153C of the Act dated 18.2.2022 and consequential assessment order ought to be declared as void *ab-initio* and liable to be quashed for want of jurisdiction. In this regard, the Learned DR filed his written submissions which reads as under: -

"Ground No. 3: Proceedings are void under the first proviso to section 153C and section 153C(3).
Contentions of the Learned DR

1. The contention proceeds on an erroneous interpretation of section 153C(3) and the first proviso to section 153C.

2. The applicability of the search assessment provisions is governed by the actual date of initiation of search under section 132 and not by the subsequent date of recording satisfaction or transmission of seized material to the jurisdictional Assessing Officer.

3. The legal fiction contained in the first proviso to section 153C is enacted only for determining the block of assessment years and the applicability of abatement provisions. Such deeming fiction cannot be extended beyond the limited purpose for which it has been created so as to extinguish valid jurisdiction already arising from a search initiated prior to 01.04.2021.

4. Since the parent search admittedly commenced on 18.10.2019 which is prior to 01.04.2021, the Assessing Officer rightly invoked section 153C and not the reassessment provisions under sections 147 and 148. The challenge raised by the assessee is therefore contrary to the provisions of the Act.

Ground No, 4: Proceedings barred by limitation since the relevant date is 14.02.2022, being the date of receipt of documents by the jurisdictional Assessing Officer.

Contentions of DR

1. The assessee seeks to import the deeming provision contained in the first proviso to section 153C into section 153C(3), which is legally impermissible.

2. The deeming fiction regarding the date of receipt of seized material is confined to determining the relevant assessment years and the limitation applicable to the other person. It does not substitute or alter the actual date of initiation of search under section 132.

3. The actual search having been initiated prior to 01.04.2021. jurisdiction under section 153C remained fully available notwithstanding the subsequent transmission of seized material.

4. Acceptance of the assessee's interpretation would produce an anomalous situation whereby a valid search would yield incriminating evidence but the Revenue would be rendered remediless merely because the documents reached the jurisdictional Assessing Officer after 01.04.2021. Such interpretation defeats the legislative intent and must be rejected.

5. The judicial decisions relied upon by the assessee deal only with computation of the assessment block and limitation and do not hold that proceedings under section 153C become invalid merely because satisfaction was recorded after 01.04.2021."

8. The Learned AR placed reliance on the decision of Hon'ble Madras High Court in the case of Harigovind vs ACIT reported in 485 ITR 509 (Mad) in support of his contentions. The relevant portion of the said judgement of Hon'ble Madras High Court are reproduced here under: -

3. *The common issue involved in all these writ petitions is as to whether the issuance of impugned notice, under Section 153C of the Act, is sustainable and in accordance with the provision of said Section of the Act.*

4. *The learned counsel appearing for the petitioner would submit that in this case, initially, on 29.01.2019, the Income Tax Authorities had conducted a search at 3rd party premises. According to the Authorities, they have received/obtained incriminating materials, pertaining to the petitioner, at the said 3rd party premises. Pursuant to the same, the notice under Section 148A of the Act was issued by the Authorities on 15.03.2022 for the AY 2018-19. Subsequently, the notice under Section 148 of the Act was issued, on 31.03.2022, without granting sufficient opportunity to the petitioner to file*

objections to the aforesaid notice dated 15.03.2022. Therefore, the petitioner challenged the notice dated 31.03.2022 by way of filing a writ petition in Harigovind v. G.Ravindran [W.P. No. 9958 of 2022], wherein this Court, vide order dated 22.04.2022, set aside the notice and directed the concerned officer to issue a fresh hearing.

.....

***40.** Thus, as far as the searched person is concerned, the date of initiation of search is the date, on which the search was conducted in his premises. The said date would be the date of initiation of search for searched person for all purposes. **As far as the other person is concerned, the date of initiation of search would be the date, on which the materials, books of accounts, etc., are handed over to the JAO of the other person and this date would be considered as the date of initiation of search for other person for all purposes.** Thus, there cannot be two different date of initiation of search, either for the searched person or for the other person.*

***41.** The provisions of Sub-Section (3) of Section 153C states that*

"153C(3).nothing contained in this Section shall apply in relation to a search initiated under Section 132 or books of account, other documents or any assets requisition under Section 132A on or after the 1st day of April, 2021"

which means, if the search is initiated subsequent to 01.04.2021, the provision of Section 153C will not apply and accordingly, no proceedings can be initiated against the other person.

***42.** According to the petitioner, the date of handing over of the seized materials, i.e., 25.11.2022, is the date of initiation of search. If the said contention of the petitioner is accepted, obviously, the issuance of impugned notices dated 07.02.2023 by the 2nd respondent is without any authority and contrary to Sub-Section (3) of Section 153C of the Act and thus, the same is liable to be quashed.*

***43.** In terms of Sub-Section (1) of Section 153C of the Act, for the purpose of calculating the six years period, the date of handing over of the materials to the petitioner's JAO has to be construed as the date of initiation of search for other person. Further, in terms of first proviso to Sub-Section (1) of Section 153C, for the purpose of abatement also, the date of handing over of the materials to the petitioner's JAO has to be construed as the date of initiation of search for the other person. In such view of the matter, this Court is unable to comprehend the submissions made by the learned counsel for respondents that yet another date is available for the purpose of initiation of search in respect of the other person.*

44. Certainly, there cannot be two different dates for initiation of search for the other person. Hence, for all practical purpose, the initiation of search would be the same date and it is apparent upon reading the provisions of Section 153C of the Act. In the provision of Section 153C(1) of the Act, the date of initiation of search is mentioned as the date of handing over of materials and as per the first proviso, the same date would apply for the purpose of abatement also. When

such being the case, no other date will come into picture for the purpose of determination of initiation of search for other person. At this juncture, it would be apposite to refer the judgement rendered by the Hon'ble Apex Court in Jasjit Singh (supra), wherein, it was held on the aspect as to whether the first proviso to Section 153C would apply only for the purpose of abatement of pending proceedings or otherwise.

45. *When a similar contention was raised before the Hon'ble Supreme Court in the aforesaid case of Jasjit Singh (supra), the same was recorded in the said judgement as*

"..The revenue argued that the proviso to Section 153C(1), is confined in its application to the question of abatement".

However, while deciding the said issue, the Hon'ble Apex Court had arrived at a conclusion and rendered its judgement by stating that

".the revenue's argument is insubstantial and without merit"..

When such being the case, it is clear that the Hon'ble Apex Court had rejected the contention of the revenue that "the first proviso to Section 153C(1), is confined in its application to the question of abatement", which means, as per the law laid down by the Hon'ble Apex Court, the said provision is not only for the purpose of abatement but also for all the other practical purposes.

46. *For ready reference, the relevant portion of the judgement rendered in the case of Jasjit Singh (supra) is extracted hereunder:*

> *"9. It is evident on a plain interpretation of Section 153C(1) that the Parliamentary intent to enact the proviso was to cater not merely to the question of abatement but also with regard to the date from which the six year period was to be reckoned, in respect of which the returns were to be filed by the third party (whose premises are not searched and in respect of whom the specific provision under Section 153-C was enacted. The revenue argued that the proviso [to Section 153(c)(1)] is confined in its application to the question of abatement.*
>
> *10. This Court is of the opinion that the revenue's argument is insubstantial and without merit. It is quite plausible that without the kind of interpretation which SSP Aviation adopted, the A.O. seized of the materials - of the search party, under Section 132 - would take his own time to forward the papers and materials belonging to the third party, to the concerned A.O. In that event if the date would virtually "relate back" as is sought to be contended by the revenue, (to the date of the seizure), the prejudice caused to the third party, who would be drawn into proceedings as it were unwittingly (and in many cases have no concern with it at all), is dis-proportionate. For instance, if the papers are in fact assigned under Section 153-C after a period of four years, the third party assessee's prejudice is writ large as it would have to virtually preserve the records for at latest 10 years which is not the requirement in law. Such disastrous and harsh consequences cannot be attributed to*

Parliament. On the other hand, a plain reading of Section 153-C supports the interpretation which this Court adopts.

*[**Emphasis supplied]*

47. A reading of the above shows that the Hon'ble Apex Court had rejected the contention of the respondent and hence, it is clear that the first proviso to Sub-Section (1) of Section 153C is not only for the purpose of abatement but also for all other purposes, viz., initiation of search for other person in terms of Section 153C(3) of the Act. In such case, the date of initiation of search for the petitioner is the date, on which the documents were handed over to the JAO of the petitioner, i.e., 25.11.2022 is the date of initiation of search for the petitioner.

48. In terms of Sub-Section (3) of Section 153C, the provision of Section 153C will not apply for any search, which is initiated on or after 01.04.2021.

49. *As stated above, in this case, the date of handing over of seized material to the petitioner's JAO is on 25.11.2022 and the said date is the date of initiation of search for the petitioner.* ***Thus, in the present case, it is crystal clear like cloudless sky that the initiation of search was subsequent to 01.04.2021, for which, the provisions of Section 153C will not apply. Therefore, the impugned notices dated 07.02.2023 is unsustainable and the same were issued without authority and against the provisions of Sub-Section (3) of Section 153C of the Act****.*

50. *In such view of the matter, all the impugned notices are liable to be quashed and accordingly, all the impugned notices dated 07.02.2023 issued by the 2nd respondent are quashed.*

9. Respectfully following the aforesaid decision of Hon'ble Madras High Court, we quash the initiation of proceedings initiated under section 153C of the Act in the hands of the assessee and consequentially the assessment framed for the Assessment Year 2016-17 under section 153C of the Act is held illegal and void abinitio and is hereby quashed.

10. Since the entire assessment is quashed for the Assessment Year 2016-17 on this preliminary legal ground, the adjudication of other factual and legal grounds of the assessee become academic in nature and they are left open.

11. In the result, the appeal of the assessee for the Assessment Year 2016-17 is partly allowed.

12. To sum up, all the appeals of the assessee are partly allowed.

Order pronounced in the open court on 19/08/2026

Sd/-	**Sd-**
(SUDHIR KUMAR)	**(M. BALAGANESH)**
JUDICIAL MEMBER	**ACCOUNTANT MEMBER**

Dated: 19/08/2026

G.P. Sr. PS

Copy forwarded to

1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi