

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH, 'G': NEW DELHI**

**BEFORE SHRI SUNIL KUMAR SINGH, JUDICIAL MEMBER
AND
SHRI BRAJESH KUMAR SINGH, ACCOUNTANT MEMBER**

**ITA No.4520/Del/2024
[Assessment Year: 2014-15]**

Deputy Commissioner of Income Tax, Central Circle-06 344, ARA Centre, Jhandewalan Extn. New Delhi-110055	Vs	Sperry Plast Ltd. 208, 2 nd Floor, Akashdeep Building Brakhamba Road, New Delhi-110015
		PAN-AAACS2623L
Appellant		Respondent

Appellant by	Shri Mahesh Kumar, CIT-DR
Respondent by	Shri Amit Goel, CA, Shri Pranav Yadav, Adv. and Shri Dipanshu Singh, Adv.

Date of Hearing	13.05.2025
Date of Pronouncement	08.08.2025

ORDER

PER BRAJESH KUMAR SINGH, AM,

This appeal by the Revenue is directed against the order of the Ld. Commissioner of Income Tax(Appeals)-24, New Delhi, dated 01.07.2024, arising out of assessment order passed u/s 153C r.w.s. 143(3) of the Income Tax Act, 1961 (hereinafter referred as 'the Act'), dated 30.12.2021 for Assessment Year 2014-15.

2. Brief facts of the case:- A search and seizure operation u/s 132 of the IT Act, was carried out on Ashish Begwani Group on 22.10.2016. During the course of search various documents/books of account were seized. The Assessing Officer of the 'searched person' and 'any other person' being the

assessee in the present appeal was the same Assessing Officer i.e. DCIT, Central Circle-6, New Delhi, who in both the capacity recorded the satisfaction u/s 153C of the Act on 24.03.2021 and issued notice u/s 153C of the Act to the assessee on 26.03.2021. On the basis of the finding in the assessment order, the Assessing Officer made an addition of Rs.11,52,50,000/- u/s 68 r.w.s. 115BBE of the Act and further made an addition of Rs.34,57,500/- u/s 69C of the Act.

3. Aggrieved with the said order, the assessee filed an appeal before the Ld. CIT(A) on the ground that the assessment was barred by limitation. The same was allowed by the Ld. CIT(A) and the relevant extract of the discussion as under:-

“4. I have considered the material on record including written submission of the AR of the appellant filed in course of appellate proceedings. I have also perused the assessment order u/s 153C r.w.s. 143(3) of the Act passed by the Assessing Officer. In the present appeal the appellant has raised following grounds of appeal.

4.1.1 In Ground No. 1, the appellant has contended that the Deputy Commissioner of Income Tax, Central Circle -06, Delhi under section 153C of the Income Tax Act, 1961 is bad in law being unconstitutional, beyond jurisdiction and void ab initio.

4.1.2 The brief facts of the case are that search and seizure operation u/s 132 of the IT Act, was carried out on Ashish Begwani Group on 22.10.2016. During the course of search various documents/books of account were seized. The Assessing Officer observed that the satisfaction in terms of section 153C was recorded on 24.03.2021 by the Assessing Officer of searched party and on 24.03.2021 by the Assessing Officer of appellant and notice u/s 153C was issued on 26.03.2021.

4.1.3 The Appellant submitted that the period of six assessment years as per the decision of Jurisdictional High Court of Delhi mean six years prior to the A Y in which the satisfaction note u/s 153C was recorded by the concerned Assessing Officer. The satisfaction note in the instant case was recorded by the Assessing Officer on 24.03.2021 i.e. in the F.Y. 2020-2021 relevant to AY

2021-2022 therefore six years period as referred in Sec 153C(I) should have been from AY 2015-16 to 2020-21. The appellant has relied on the judgment of Hon'ble High court of Delhi in the case of CIT vs. M/s RRJ Securities Pvt. Ltd and M/s ARN infrastructure India Ltd. vs. ACIT.

4.1.4 The submission of the appellant and the judicial position on the facts of the case have been carefully perused. The appellant submitted that the position of law has been very clearly laid down by Hon'ble High Court of Delhi in the case of CIT vs. RRJ Securities and PCIT vs Sarwar Agency P. Ltd. In these cases, Hon'ble High Court has held that the six-year period as referred in section 153C(I) shall be computed with reference to the date of recording of the satisfaction as date of search. Hon'ble High Court of Delhi in the case of Sarwar Agency (supra) has held as under:

7. The case of the Assessee, on the other hand, is that since in the case of the other person' the AO issues notice only subsequent to the notices issued under Section 153 A 10 the searched person. the starting point for computation of the block period would be the date on which, based on the seized documents, notice is issued to the "other person' under Section 153 C of the Act. Thus in the present case, the six year period prior to AY 2012-13 i.e. AY 2007-08 10 AY 2012-13. Thus no notice could be issued under Section 153 C of the Act to reopen the Assessee's assessment for AY 2006-07. Reliance is placed on the decision of this Court in Commissioner of Income-tax-7 v. RRJ Securities Lid. (2016) 380 ITR 612 (Del) where this very question was examined and answered in favour of the Assessee and against the Revenue.

8. In RRJ Securities (supra), the Court after noticing the decision in SSP Aviation Lid. v. Deputy CIT (2012) 346 ITR 177 (Del), held as follows.

"21. As discussed hereinbefore, once the AO of the searched person is satisfied that the seized assets/documents belong to another person and the said assets/documents have been transferred to the AO of such other person. the proceedings for assessment/reassessment of income of the other person has to proceed in accordance with provisions of Section 153A of the Act. Section 153A requires that where a search has been initiated under Section 132 of the Act, the AO is required to issue notice requiring the notice to furnish returns of income in respect of six assessment years relevant to the six previous years preceding the previous year in which the search is conducted As discussed hereinbefore, by virtue of second proviso to Section 153A, the assessment/reassessment pending on the date of

initiation of search abate. In the context of proceedings under Section 153C of the Act, the reference to the date of initiation of the search in the second proviso to Section 1534 has to be construed as the date on which the AO receives the documents or assets from the AD of the searched person. Thus, by virtue of second proviso to Section 1534 of the Act as it applies to proceedings under Section 153C of the Act, the assessment/reassessment pending on the date on which the assets/documents are received by the Assessing Officer would abate. In respect of such assessments which have abated, the AO would have the jurisdiction to proceed and make an assessment. However, in respect of concluded assessment, the AO would assume jurisdiction to reassess provided that the assets/documents received by the AO represents as indicate any undisclosed income of possibility of any income that may have remained undisclosed in the relevant assessment years...

24. As discussed hereinbefore, in terms of proviso to Section 153C of the Act, a reference to the date of the search under the second proviso to Section 1534 of the Act has to be construed as the date of handing over of assets/documents belonging to the Assessee (being the person other than the one searched) to the AO having jurisdiction to assess the said Assessee. Further proceedings, by virtue of Section 153C(1) of the Act would have to be in accordance with Section 153A of the Act and the reference to the date of search would have to be construed as the reference to the date of recording of satisfaction. I would follow that the six assessment years for which assessments/reassessments could be made under Section 153C of the Act would also have to be construed with reference to the date of handing over of assets/documents to the AO of the Assessee."

The said decision in RRJ Securities (supra) has been followed by this Court subsequently in ARN Infrastructure India Lid. v. Assistant Commissioner of Income-tax, Central Circle-28, New Delhi (2017) 394 ITR 569 (Del.).

10. Mr. Salil Aggarwal, learned counsel for the Assessee, has drawn the attention of the Court to the recent amendment made in Section 153 C of the Act by the Finance Act 2017 with effect from 1st April 2017. This amendment in effect states that the block period for the searched person as well as the 'other person' would be the same six AYs immediately preceding the year of search. This amendment is prospective

11. Mr. Ashok Manchanda, learned Senior Standing counsel for the Appellant, sought to pursue this Court to reconsider its view in RRJ Securities (supra). The Court declines to do so for more than one reason. First, for reasons best known to it, the Revenue has not challenged the decision of this Court in RRJ Securities (supra) in the Supreme Court. The said decision has been consistently followed by the authorities under this Court as well as by this court. Thirdly, the recent amendment to Section 153C(1) of the Act states for the first time that for both the searched person and the other person the period of reassessment would be six AYs preceding the year of search. The said amendment is prospective.”

4.1.5. In this case the search was carried out on 22.10.2016 which is prior to the amendment of section 153C(1) which is w.e.f. 01.04.2017. Relying on the judgment of Hon’ble Delhi High Court in the Sarwar Agency (supra), I hold that A. Y. 2014-15 is not covered within six block AYs in section 153C of the Act and the Ground No.1 of appeal is allowed. Accordingly, the addition made by the AO is deleted.”

4. Aggrieved with the said order, the Revenue is in appeal before us by raising the following grounds of appeal:

“1. Whether on the facts and circumstances of the case and in law, Ld. CIT(A) was justified in holding that block periods for assessment u/s 153C of the Income-tax Act, 1961, have to be calculated from the date of receipt of the books of accounts, documents or assets seized, by the jurisdictional AO of the non-searched person and not from the date of initiation of search by relying on First Proviso to Section 153C, even when this Proviso specifically deals only with the abatement of proceedings (as referred to second proviso of Section 153A) and does not deal with the calculation of block periods?

2. Whether on the facts and circumstances of the case and in law, the Ld. CIT(A) was justified in quashing the assessment order u/s 153C on the grounds that the amended provision w.e.f. 01.04.2017 are not relevant in this case when the satisfaction note was recorded on 24.03.2021 and by the time the amendment to the section 153C was already into effect (01.04.2017), which clarified that the relevant assessment years have to be calculated according to the date of search.

3. Whether on the facts and circumstances of the case and in law, the Ld. CIT(A) was justified in holding that block periods for

assessment u/s 153C of the Income-tax Act, 1961, have to be calculated from the date of receipt of the books of accounts, documents or assets seized, by the jurisdictional AO of the non-searched person, even when the position of law is clarified after the amendment introduced by Finance Act, 2017, that the block period of 6A Ys and 10 AYs as mentioned in Section 153C and Section, 153A have same meaning and have to be calculated from the "assessment year relevant to the previous year in which search is conducted?

4. Whether on the facts and circumstances of the case and in law, the Ld. CIT(A) was justified in ignoring that the implementation provisions have to be interpreted in consonance with the charging provision and there cannot be any anomalous situation created by the interpretation of the implementation provision. The provisions u/s 153A and 153C of the Act have to be construed in such a harmonious way that there will not be any different sets of 6 years for reopening of the assessments in case of the person searched and the other person?

5. The ld. DR relied upon the grounds of appeal and submitted the order of the Ld. CIT(A) be reversed as the assessment order was a valid assessment order.

6. The ld. Counsel for the assessee submitted that the ld. CIT(A) has rightly deleted the additions made by the assessee. The ld. AR also relied upon the order dated 20.02.2025 of the Co-ordinate Bench in ITA No.4519/Del/2024 in the case of DCIT vs Pioneer Deal Trade Pvt. Ltd. (Assessment Year 2012-13) and submitted that the Tribunal on similar facts had dismissed the appeal of the Revenue. The Assessee has also furnished a synopsis regarding the date of search in case of Asish Begwani & Ors and date of recording of satisfaction u/s 153C dated 24.03.2021, which is reproduced as under:

- *The date of search in case of Asish Begwani & Others is 22/102016.*
- *The date of recording of satisfaction u/s 153C is 24/03/2021.*

- *The 6 years covered in 153C would be as under:-*

A.Y.	Year
2020-21	1
2019-20	2
2018-19	3
2017-18	4
2016-17	5
2015-16	6

- *Accordingly, the six years for making assessment u/s 153C are from A.Y. 2015-16 to A.Y. 2020-21.*
- *Thus, the year under consideration i.e. A.Y. 2014-15 was not covered in the block period of six years u/s 153C of the Act.*
- *The issue stands covered by Apex Court decision in the case of Commissioner of Income Tax 14 v. Jasjit Singh 2023 (10) TMI 572-Supreme Court*

In view of the above, the A.Y. 2014-15 is without jurisdiction.”

7. We have heard both the parties and perused the material available on record. We note that the Co-ordinate Bench of the Tribunal in the case of DCIT vs Pioneer Deal Trade Pvt. Ltd.(supra) on similar facts has decided this issue against the Revenue. The relevant extract of the said order is reproduced hereunder:-

“3. The issue in dispute here is purely legal in nature challenging the impugned appellate order quashing the assessment order reads as under:

“4. I have considered the material con record including written submission of the AR of the appellant filed in course of appellate proceedings. I have also perused the assessment order u/s 153C r.w.s. 143(3) of the Act passed by the Assessing Officer in the present appeal the appellant has raised following grounds of appeal and additional ground of appeal.

4.1.1 In Additional Ground of appeal, the appellant has contended that the Assessing Officer has erred in law in issuing notice u's 153C of the Act for the year under consideration as it

is beyond the block of six years, hence, making such issuance beyond jurisdiction.

4.1.2 The brief facts of the case are that search and seizure operation u/s 132 of the IT Act, was carried out on Ashish Begwani Group on 22.10.2016. During the course of search various documents related to 'accommodation entry' were seized. From the assessment order, it was observed that the satisfaction in terms of section 153C was recorded on 20.09.2018 by the Assessing Officer of searched party and on 20.09.2018 by the Assessing Officer of appellant and notice w/s 153C was issued on 24.09.2018. However, the Assessing Officer observed "Further, consequent to search action u/s 132 in Ashish Begwani Group on 22.10.2016, as per provisions of section 133C of the Act. satisfaction by the AO of the searched person (Ashish Begwani) was recorded on 20.09.2018 and seized material was handed over to the AO of M/s Pioneer Deal trade Private Limited, the assessee After perusing the information available on record and documents/ Information received from the AO of searched person, satisfaction was recorded on 20. 09. 2018 on part of the AO of M's Pioneer Deal Trade Private Limited (the assessee). Thereafter, notice under section 153C of the Act, was issued on 24.09.2018 and was duly served."

4.1.3 The Appellant submitted that the period of six assessment years as per the decision of Jurisdictional High Court of Delhi mean six years prior to the AY in which the satisfaction note u/s 153C was recorded by the concerned Assessing Officer. The satisfaction note in the instant case was recorded by the Assessing Officer on 20.09.2018 i.e. in the F.Y. 2018-19 relevant to AY 2019-20 therefore six years period as referred in See 153C(1) should have been from AY 2013-14 to 2018-19. The appellant has relied on the judgment of Hon'ble High Court of Delhi in the case of CIT vs. M/s RRJ Securities Pvt. Ltd and judgment of Hon'ble Supreme Court in the case of GIT VS Jasjit Singh. 4.1.4 The submission of the appellant and the judicial position on the facts of the case have been carefully perused. The appellant submitted that the position of law has been very clearly laid down by Hon'ble High Court of Delhi in the case of CIT vs. RRJ Securities and Hon'ble Supreme Court in the case of CIT vs Jasjit Singh. In these cases, Hon'ble Courts has held that the six-year period as referred in section 153C(1) shall be computed with reference to the date of recording of the

satisfaction as date of search which is 20.09.2018 i.e., AY 2019-20. The relevant extract of the decision of the Hon'ble Supreme Court and the Jurisdictional High Court are reproduced below for ready reference:

.....

4.1.5 In this case the search was carried out on 22.10.2016 which is prior to the amendment of section 153C(1) which is w.e.f. 01.04.2017. Relying on the judgment of Hon'ble Delhi High Court in the case of RRJ Securities (Supra) and Hon'ble Supreme Court in the case of CIT vs. Jasjit Singh, I hold that A.Y. 2012-13 is not covered within six block AYs in section 153C of the Act and the Additional Ground of appeal is allowed. Accordingly, the addition made by the AO is deleted.”

4. The relevant facts giving rise to this appeal are that the search and seizure operations under section 132 of the Income Tax Act, 1961 (hereinafter ‘The Act’) were carried out in the Ashish Begwani Group of cases on 22.10.2016. The Assessing Officer (hereinafter, the ‘AO’) having jurisdiction over the searched person passed on the said information to the AO of the respondent assessee in September, 2018. Thereafter, the AO of the respondent assessee initiated proceedings under section 153C of the Act on 20.09.2018. The consequential assessment was completed at income of Rs.2,47,60,320/- as against the returned income of Rs.60,320/-. The AO made addition of Rs.2,47,00,000/- under section 68 of the Act. Aggrieved, the assessee filed appeal before the CIT(A), who allowed the appeal as above. Now, the Revenue is before us in this appeal.

5. The Ld. Counsel for the assessee has submitted that the issue involved herein is squarely covered by the decisions of the Hon'ble Supreme Court in the case of Jagjit Singh, 155 taxmann.com 155 and the Hon'ble Delhi High Court in the case of Ojjus Medicate Pvt. Ltd. 161 taxmann.com 160 (Delhi) as the present case does not fall within 06 assessment years as the period of 06 years has to be reckoned from 31 day of March of the AY relevant to the year of search. In the instant case, year of search is Financial Year 2018-19 relevant to the AY 2019-20. Therefore, 06 years have to be reckoned from 31 March 2020. Going backwards 06 years would end with assessment year 2013-14. Therefore, the assessment made under section 153C

of the Act in the case of assessee for the impugned AY is barred by limitation.

6. The Ld. Sr. DR argued the case vehemently and defended the assessment order.

7. We have heard both parties at length and have perused the material available on the record. We are of the considered view that this case is squarely covered by the decision of the Co-ordinate Bench of the Tribunal in ITA No. 36/Del/2024, Plaza Fincap (P) Ltd. vs. DCIT order dated 07.05.2025. We therefore, following the reasoning given by the Coordinate bench of the Tribunal in the decision of the case of Plaza Fincap (P) Ltd. (supra), hold that there is no infirmity in the finding of the Ld. CIT(A). Thus, this appeal is decided against the Revenue.

8. In the result, the appeal of the Revenue is dismissed.”

8. Facts being identical in this case, and therefore, respectfully following the aforesaid order of the Co-ordinate Bench, we hold that there is no infirmity in the finding of the Ld. CIT(A). Thus, this appeal is decided against the Revenue.

9. In the result, the appeal of the Revenue is dismissed.

Order pronounced in the open court on 08th August, 2025.

Sd/-

**[SUNIL KUMAR SINGH]
JUDICIAL MEMBER**

Dated 08.08.2025.

Shekhar

Copy forwarded to:

1. Appellant
2. Respondent
3. PCIT
4. CIT(A)
5. DR

Sd/-

**[BRAJESH KUMAR SINGH]
ACCOUNTANT MEMBER**

Asst. Registrar,
ITAT, New Delhi,