IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'A', NEW DELHI

Before Sh. Satbeer Singh Godara, Judicial Member
&
Sh. S. Rifaur Rahman, Accountant Member

ITA No. 4248/Del/2025 : Asstt. Year: 2009-10

ACIT, Room No. 331, 3rd Floor, ARA Centre, Jhandewaln Extension, New Delhi-110055	Vs	Sri Prem Properties Pvt. Ltd. D-6/6032, Vasant Kunj, New Delhi-110070
(APPELLANT)		(RESPONDENT)
PAN No. AAACS2554E		

Assessee by : Sh. Somil Agarwal, Adv.
Revenue by : Sh. Jitender Singh, CIT-DR

Date of Hearing: 17.11.2025		**Date of Pronouncement: 17.11.2025**

ORDER

Per Satbeer Singh Godara, Judicial Member:

This Revenue's appeal for Assessment Year 2009-10, arises against the CIT(A)-23, Delhi's DIN & order No. ITBA/APL/S/250/2024-25/1074397437(1) dated 12.03.2025, in proceedings u/s 153C r.w.s. 144 of the Income Tax Act, 1961 (in short "the Act").

2. Heard both the parties at length. Case file perused.

3. This Revenue's appeal raises the following substantive grounds:

> *"1. That the Ld. CIT(A) has erred in law and on facts in holding that the Assessing Officer did not have valid jurisdiction to initiate proceedings under Section 153C of the Income-tax Act, 1961 for the A.Y. 2009-10, without appreciating that the satisfaction note and incriminating*

documents seized pertain to the assessee and were properly recorded and transferred in accordance with law.

2. That the Ld. CIT(A) has erred in law in concluding that the impugned assessment is time- barred by relying on the computation of the block period of ten assessment years under Section 153C r.w.s. 153A, calculated from the date of receipt of seized material i.e., 10.06.2021, thereby excluding A.Y. 2009-10 from the permissible, block, which is contrary to the proper interpretation of law and facts.

3. That the Ld. CIT(A) has erred in law in relying on judicial precedents, including PCIT v. Ojjus Medicare Pvt. Ltd., CIT v. Jasjit Singh, and Saurabh Gupta v. JCIT, without appreciating that the facts in those cases are distinguishable and that in the present case the documents seized were directly related to the appellant and involved income that escaped assessment.

4. That the Ld. CIT(A) has failed to consider that the seized documents comprising loan agreements were incriminating in nature and clearly pertained to the A.Y. 2009-10 and had a direct nexus with the undisclosed income detected as unexplained credit under Section 68 and unexplained expenditure under Section 69C.

5. That the Ld. CIT(A) has erred in allowing the appeal of the assessee without granting the Assessing Officer an effective opportunity to present a rebuttal on the legal issues raised, thereby violating the principles of natural justice.

6. That the Ld. CIT(A) has failed to adjudicate on the merits of the additions made by the Assessing Officer aggregating to ?4,16,00,000 under Section 68 and Section 69C of the Act, despite specific grounds being raised and documentary evidence being placed on record."

4. We next note that this tribunal in Revenue's appeal ITA No. 4169/Del/2025 decided on 28.10.2025 has already upheld the CIT(A)'s action quashing the impugned section 153C assessment itself reading as under:

"3. We now advert to the first and foremost legal issue between the parties wherein the Revenue is aggrieved against the CIT(A)'s lower appellate discussion quashing the impugned section 153C assessment dated 23rd March, 2023 as not sustainable in law as follows:-

"Brief facts of the case:

3. The appellant had filed its original return of income u/s 139 of the Income-tax Act, 1961 (hereinafter referred to as the Act') on 30.09.2010 at an income of Rs. 53,32,040/- A search and seizure action u/s 132 of the Act was carried out in the case of M/s CIFSL, M/s BIDPL, Shri Harish Gahlot, shri Kailash Gahlot. Shri Viresh Gahlot and Shri Hitesh Gahlot (M/s CIFSL group of cases) (DOS 10.10.2018) during the assessment proceedings and on perusal of seized digital data/documents of M/s CIFSL group of cases certain incriminating documents have been found which pertain to the appellant.

3.1 Thereafter notice u/s 153C r.w.s 153A was issued to assessee on 13.07.2021. In response to the notice u/s 153C r.w.s. 153A of the Act, the assessee filed the return of income on 27.05.2022. declaring total income of Rs. 53,32,040/- The notice u/s 143(2) of the Act was issued on 27.06.2022. Further notices u/s 142(1) of the Act on various dates were Issued seeking the requisite details. However, the assessee did not file any reply in response of the notices. Further assessee, vide show cause dated 13.03.2023 was specifically asked to submit the documentary evidence in support of transaction amounting to Rs. 3,00,00,000/- with M/s Rakam Infrastructure paid as earnest money and later due to non-payment of remaining amount, this earnest money was claimed forfeited and claimed as expense in P&L account, but the appellant has not filed any reply. As the time barring date of completion of assessment proceedings is getting closer as well as no compliance made by assessee, the assessment is completed on the material available on record

3.2 Subsequently, assessment order u/s 153C r.w.s 144 of the Act has been passed on 23.03.2023 assessing total income at Rs.3,77,06,150/- wherein following addition has been made: -

Addition of Rs.3,00,00,000 on account of unexplained expenses.

4. Since, appellant has raised legal grounds that the Assessing Officer has made addition in the absence of incriminating material at all found in the premises where the impugned search action was undertaken and wherefrom the alleged information material was gathered by the revenue to initiate the impugned reassessment proceedings for an already completed assessment.

5. Aggrieved by the assessment order of the Assessing Officer, the appellant filed this appeal. Notices u/s 250 of the Income Tax Act, 1961 have been issued to the appellant on various dates. In response to the notices issued, the appellant has filed written submission in respect of ground of appeal raised.

6. During the course of appellant proceeding the appellant submitted written submissions, relevant portion of the same is as under:

> *"4. Ground Nos. 2.3 and 4 are to the effect that the Ld. AO erred in passing the assessment order u/s 1530/144 without assuming jurisdiction as per law and without recording the mandatory satisfaction as laid down in Section 153C. It is stated that the assumption of jurisdiction u/s 153C is illegal and bad in law it is further stated that the action of the Ld. AC in passing the impugned order u/s 153C/144 is illegal and bad in law and the same is not sustainable on various legal and factual grounds.*
>
> *4.1. in this connection, the appellant had requested the Ld. AO to furnish two satisfaction note recorded by the AO of the searched person and the AO of the appellant company, as mentioned in Section 153G of the Act. However, he furnished only the note dated 10.06.2021 (PB 46-47) recorded by the assessing officer of the appellant for ten years. Briefly speaking. it is mentioned in this note that a search and seizure operation was conducted in the group cases of CIFSI. On analysis of the seized material, it was found that the documents appended below were found to be related to the appellant company. The assessing officer of the searched person, the ACIT, Central Circle-4, recorded the satisfaction note in the case of searched person and thereafter transferred the information to the assessing officer of the appellant company. The details of the documents in so far as this year is concerned are stared to be the documents*

in the form of details of earnest money forfeited, evidences in form of communication with various buyers, agreement to sell, arbitration documents etc. It is further mentioned that after going through the contents of these documents, he was satisfied that the above incriminating material pertained to the appellant company and that these documents have bearing on determination of the total income of the appellant. A further note was recorded in hand on 10.06.2021 that separate satisfaction recorded for beyond six years was also placed on the file in relation with income escapement aggregating to Rs. 8.22 crore evident from seized documents as mentioned above.

4.2. At the outset, it is submitted that the satisfaction note recorded in the case of the searched person has not been furnished to the appellant. Therefore, it may be presumed that no such note exists. Without prejudice to the above, the appellant company will like to make submissions in respect of such satisfaction note as and when it is made available to it. Thus, it is requested that the decision may be kept pending till such note is handed over to the appellant. Further, the Ld. AO has jumped to the conclusion that the documents regarding forfeiture of the earnest money found in the course of search are in the nature of incriminating material. This conclusion is not based on any reasoning and the Ld. AO has jumped to this conclusion without comparing these documents with the return of income, in which the loss in the form of forfeiture of money has been duly disclosed. This point has been discussed in detail subsequently while dealing with the genuineness of this loss. Therefore, the note has been recorded without application of mind and hence it is bad in law. Further, the alleged documents pertain to a number of years and the Ld. AO has not segregated the documents year-wise. Therefore, from the general statement made in the note, it is not clear as to which document pertains to this year.

4.3. Considering this, it is submitted that satisfaction note has been prepared in an omnibus manner for the all the years without co-relating the documents and years. Hon'ble Supreme Court, in the case of CIT vs. Sinhgad Technical Educational Society (SC), S.L. Appeal (C) No(s). 25257/2015, dated 29.08.2017 has held that for assuming jurisdiction u/s 1530, satisfaction with reference to year-wise, document -

wise satisfaction needs to be recorded u/s 153C, before jurisdiction u/s 153C can be said to be validly assumed. Since this has not been done in the instant case, hence jurisdiction assumed under section 153C is bad in law.

4.4. Further, the Ld. CIT(A) may kindly appreciate that this note was recorded on 10.06.2021. Therefore, the Ld. AO would have received the satisfaction note recorded by the AD of the searched person and the seized material on or about 10.06.2021 In terms of the provisions of Section 1530, the date of search in the case of the appellant would be deemed to be 10.06.2021 or thereabout, pertaining to AY 2022-23. The year under consideration falls beyond 10 years from the end of AY 2022-23. In this connection, the attention of the Ld. CIT(A) is invited towards the first proviso of Section 153C(1). It is provided that the reference to the date of initiation of search u/s 132 or making of requisition u/s 132A in the second proviso of Section 153A(1) shall be construed as reference to the date of receiving the books of account or documents or assets seized or requisitioned by the assessing officer having jurisdiction over such other person. Thus, the number of years for which the assessment can be reopened u/s 153C is to be reckoned with reference to the date of receipt of the documents etc. Therefore, the date of deemed search would be AY 2022-23 and the instant AY falls beyond the stipulated period of 10 years.

4.5. In order to support this contention, reliance is placed on the decision of the Hon'ble Supreme Court in the case of CIT-14 vs. Jasjit Singh (2023) 155 laxmann.com 155. In this case, it has been held that the parliamentary intent to enact proviso to Section 153C(1) was to cater not merely to the question of abatement but also with regard to date from which 6-year period was to be reckoned, in respect of which returns were to be filed by third party whose premises were not searched and in respect of whom specific provisions u/s 1530 were enacted. In this connection, a reference may be made to paragraph no. 10 of the judgement, which reads as under:

> *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 AO. 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."

4.6. In this connection, reliance is placed on the decision of Hon'ble Madras High Court in the case of A.R. Safiullah vs. ACIT, W.P(MD) No. 4337 of 2021 and WMIYMD) Nos. 3313, 3313 and 3516 of 2021, dated 24.03.2021. The facts in this cane are that the search was made on 10.04.2018, relevant to AV 2019-20. The end of the AY 2019-20 is 31.03.2020. The Hon'ble Court pointed out that computation of 10 years had to run backwards from the said date, ie 31.03.2020. The first year will of course be the search assessment year itself. In that event, the ten assessment years will be from AY 2010-11 to 2019-20. The case on hand pertains to AV 2009-10. It is obviously beyond the 10-year outer ceiling limit prescribed by the statute.

4.7. Coming to the facts of our case, the date of search will be deemed to be 10.06.200 or thereabout, pertaining to AY 2022-23. Following the ratio of the decision of A.R Safiullah (Supra), the 10 years would include AV 2022-23 also. Therefore, proceedings upto AY 2013-14 only could have been subject matter consideration for making assessment u/s 153C. The instant case pertains AY 2010-11 and therefore, it falls beyond the stipulated limit of 10 years.

4.8. In view of these decisions, it is argued that the Ld. AO had no jurisdiction to reopen this case under the provisions of Section 153C of the Act and thus notice w's 153C is bad in law. Accordingly, it is

requested that Ground Nos. 2, 3 and 4 may be allowed and the assessment may be struck down.

4.9. Further, reliance is placed on the decision of Hon'ble Delhi High Court in the case of Brahm Datl vs. ACIT (2018) 100 taxmann.com 324 dated 06.12.2018. In this case, it was inter-alia held that the assessment could not have been reopened beyond 31.03.2005 in terms of provisions of Section 149 as applicable at the relevant time. It was further held that subsequent amendment to Section 149 by the Finance Act, 2012, which extended limitation for initiation of reassessment proceeding, could not be resorted to for reopening the concluding proceedings in respect of which limitation had expired before the amendment became effective. The facts of the case of the appellant company are that the search was conducted on 10.10.2018, relevant to AY 2019-20 Therefore, in terms of the provisions of Section 153A(1)(b), the proceedings of AY 2013-14 to AY 2018-19 could be reopened. Subsequently, fourth proviso was inserted in Section 153A(1) which permitted the reopening of 10 Assessment years, as clarified in Explanation of the sald Proviso. This proviso was inserted by the Finance Act, 2017, w.e.f. 01.04.2017. Thus, this proviso becomes applicable to the proceedings of AY 2017-18 and onwards. However, this proviso is not applicable to the proceedings of AY 2009-10 as is the case here. Therefore, this proviso could not have been invoked in view of the decision of Branm Datt. As stated earlier, the proceedings of AY 2013-14 to 2018-19 only could have been reopened as per the law as applicable to AY 2009-10 Thus, the issuance of notice u/s 153C/153A is bad in law and accordingly, the assessment made on such a notice is also bad in law.

4.10. In result, it is prayed that the assessment order may be struck down as illegal."

Findings and Decision

7. An identical issue arose before the Hon'ble Jurisdictional High Court also. The Hon'ble Delhi High Court in decision dated 03.04.2024 in the case of PCIT. Central-1 Vs Ojjus Medicare Pvt. Ltd. ITA No. 52/2024 has held as under:-

"A. Prior to the insertion of Sections 153A, 1538 and 153C, an assessment in respect of search cases was

regulated by Chapter XIVB of the Act, comprising of Sections 1588 to 15881 and which embodied the concept of a block assessment. A block assessment in search cases undertaken in terms of the provisions placed in Chapter XIVB was ordained to be undertaken simultaneously and parallelly to a regular assessment. Contrary to the scheme underlying Chapter XIVB, Sections 153A, 153Band 153C contemplate a merger of regular assessments with those that a search may trigger. On a search being undertaken in terms of Section 153A, the jurisdictional AO is enabled to initiate an assessment or reassessment, as the case may be, in respect of the six AYs' immediately preceding the AY relevant to the year of search as also in respect of the "relevant assessment year", an expression which stands defined by Explanation 1 to Section 153A. Of equal significance is the introduction of the concept of abatement of all pending assessments as a consequence of which curtains come down on regular assessments.

B. Both Sections 153A and 1530 embody non-obstante clauses and are in express terms ordained to override Sections 139, 147 to 149, 151 and 153 of the Act. By virtue of the 2017 Amending Act, significant amendments came to be introduced in Section 153A. These included, inter alia, the search assessment block being enlarged to ten AYs consequent to the addition of the stipulation of "relevant assessment year", which B was defined to mean those years which would fall beyond the six-year block period but not later than ten AYs'. The block period for search assessment thus came to be enlarged to stretch up to ten AYs' The 2017 Amending Act also put in place certain prerequisite conditions which would have to inevitably be shown to be satisfied before the search assessment could stretch to the "relevant assessment year. The preconditions include the prescription of income having escaped assessment and represented in the form of an asset amounting to or "likely to amount to INR 50 lakhs or more in the "relevant assessment year" or in aggregate in the "relevant assessment years

C. Section 1530, on the other hand, pertains to the non-searched entity and to whom any material, books of accounts, or documents may have been seized and found to belong to or pertain to a person other than the searched person. As in the case of Section 153A,

Section 153C was also to apply to all searches that may have been undertaken between the period 01 June 2003 to 31 March 2021. In terms of that provision, the AO stands similarly empowered to undertake and initiate an assessment in respect of a non-searched entity for the six AYs' as well as for "the relevant assessment year". The AYs', which would consequently be thrown open for assessment or reassessment under Section 1530 follows lines pari-materia with Section 153A.

D. The First Proviso to Section 153C introduces a legal fiction based on which the commencement date for computation of the six year or the ten year block is deemed to be the date of receipt of books of accounts by the jurisdictional AO. The identification of the starting block for the purposes of computation of the six and the ten year period is governed by the First Proviso to Section 1530, which significantly shifts the reference point spoken of in Section 153A(1), while defining the point from which the period of the "relevant assessment year" is to be calculated, to the date of receipt of the books of accounts, documents or assets seized by the jurisdictional AO of the non-searched person. The shift of the relevant date in the case of a non-searched person being regulated by the First Proviso of Section 153C(1) is an issue which is no longer res integra and stands authoritatively settled by virtue of the decisions of this Court in SSP Aviation and RRJ Securities as well as the decision of the Supreme Court in Jasjit Singh. The aforesaid legal position also stood reiterated by the Supreme Court in Vikram Sujitkumar Bhatia. The submission of the respondents, therefore, that the block periods would have to be reckoned with reference to the date of search can neither be countenanced nor accepted.

E. The reckoning of the six AYs' would require one to firstly identify the FY in which the search was undertaken and which would lead to the ascertainment of the AY relevant to the previous year of search. The block of six AYs' would consequently be those which immediately precede the AY relevant to the year of search. In the case of a E. search assessment undertaken in terms of Section 153C, the solitary distinction would be that the previous year of search would stand substituted by the date or the year in which the books of accounts or documents and assets seized are handed over to the jurisdictional AO as

opposed to the year of search which constitutes the basis for an assessment under Section 153A.

F. While the identification and computation of the six AYs' hinges upon the phrase "Immediately preceding the assessment year relevant to the previous year of search, the ten year period would have to be reckoned from the 31st day of March of the AY relevant to the year of search. This, since undisputedly, Explanation 1 of Section 153A F. requires us to reckon it "from the end of the assessment year". This distinction would have to necessarily be acknowledged in light of the statute having consciously adopted the phraseology "immediately preceding" when it be in relation to the six year period and employing the expression "from the end of the assessment year" while speaking of the ten year block.

G. Insofar as the thresholds put in place by virtue of the Fourth Proviso to Section 153A are concemed and the argument of the writ petitioners of the condition of INR 50 lakhs being an unwavering precondition, we find ourselves unable to sustain that submission bearing in mind the indubitable fact that proceedings for search assessment commence upon the issuance of a notice and the AO at that stage having really not had the occasion to undertake a detailed or in depth examination of the evidence collected or come to a definitive opinion with respect to the total income which may have escaped assessment. Since the computation and assessment of income that is likely to have escaped assessment would at this stage be provisional, it would be incorrect to strike down initiation of action on a mere ex facie examination of the Satisfaction Note. We also in this regard bear in mind the Fourth Proviso using the expression "amounts to or is likely to amount". The usage of the phrase "likely to" is indicative of the Legislature being conscious of the provisional character of the opinion that the AO may have formed at that stage.

H. However, and at the same time, even if the identified asset at that stage be quantified as less than INR 50 lakhs, the AO must for reasons to be duly recorded, be of the opinion that the ultimate computation of escaped income is likely to exceed INR 50 lakhs. The aforesaid satisfaction would have to be based on an assessment of the material gathered and the potentiality of the same being indicative of the

escaped assessment exceeding INR 50 lakhs. The formation of opinion in this respect would have to be based not on mere ipse dixit but reflective of a fair assessment of the quantum of Income likely to have escaped assessment as distinct from mere speculation and conjecture.

I. We further hold that since the precondition of INR 50 lekhs or more constitutes a sine qua non for initiating action for the extended ten year block, the aforesaid satisfaction and the reasons in support thereof would have to borne out from the Satisfaction Note 1. itself. We are also of the opinion that the precondition of INR 50 lakhs is not liable to be viewed as being the qualifying criteria for each "relevant assessment year" that may be thrown open and that the said condition would stand satisfied if the escaped income cumulatively or in the aggregate meets the minimum benchmark of INR 50 The contention of finality and closure addressed with respect to AYs' 2010-11 and 2011-12 on the basis of the statutory timeframes prescribed for assessment or reassessment and as those provisions stood prior to 01 April 2017 is misconceived, since it proceeds on the assumption that once the period of assessment or massessment were to come to an end, it would inevitably led to the creation of a vested right in favour of the assessee. The aforesaid argument proceeds on the Incorrect premise of the reassessment provisions controlling or cabining the power conferred by Sections 1534 and 1530. Acceptance of the aforesaid contention would amount to ignoring the plain and evident intent of the Legislature for Sections 1534 and 1530 operating above and beyond the reassessment powers.

K. The submission of closure and finality also fails to bear in consideration the indubitable fact that a search is an eventuality which is inherently unpredictable, a circumstance which would defy prophecy and it consequently being wholly irrational to read the time frames pertaining to reassessment as regulating or controlling the K. period within which an assessment predicated on that event may be initiated. It would be wholly itlogical to conceive of a connection between the statutory time frames which are otherwise embodied in the Act and search assessments. In fact the acceptance of this submission would amount to virtually erasing the non obstante clause contained in Sections 153A and 153C.

L. The legislative intent of those provisions having retroactive application is clearly evidenced from the statue declaring that they would apply to all searches conducted between 31 May 2003 to 31 March 2021, and the Fourth Proviso in unambiguous terms extending the applicability of those provisions to all searches conducted post 01 April 2017 and Sections 153A and 153C superseding the provisions for reassessment, otherwise appearing in the Act."

8. The decision of Ojjus Medicare Pvt. Ltd. was further relied by the Hon'ble High Court of Delhi in the case of Sourabh Gupta vs. JCIT 167 Taxmann.com 362(2024) dated 17.09.2024.). The relevant finding of the Hon'ble court are reproduced as under:

"We note that while dealing with a similar question of computation of the time limit for the "relevant assessment year as provided under Explanation 1 to Section 153A of the Act, we had in the case of Principal Commissioner of Income Tax-Central-1 v. Ojjus Medicare Pvt. Ltd. (2024 SCC Online Del 2439] held as follows: -

"The First Proviso to Section 153C introduces a legal fiction on the basis of which the commencement date for computation of the six year or the ten year block is deemed to be the date of receipt of books of accounts by the jurisdictional AO. The identification of the starting block for the purposes of computation of the six and the ten year period is governed by the First Proviso to Section 1530, which significantly shifts the reference point spoken of in Section 153A(1), while defining the point from which the period of the "relevant assessment year" is to be calculated, to the date of receipt of the books of accounts, documents or assets seized by the jurisdictional AO of the non-searched person. The shift of the relevant date in the case of a non-searched person being regulated by the First Proviso of Section 153C(1) is an issue which is no longer res integra and stands authoritatively settled by virtue of the decisions of this Court in SSP Aviation and RRJ Securities as well as the decision of the Supreme Court in Jasjit Singh. The aforesaid legal position also stood reiterated by the Supreme Court in Vikram Sujitkumar Bhatia. The submission of the respondents, therefore, that the block periods would

have to be reckoned with reference to the date of search can neither be countenanced nor accepted.

The reckoning of the six AYs' would require one to firstly identify the FY in which the search was undertaken and which would lead to the ascertainment of the AY relevant to the previous year of search. The block of six AYs' would consequently be those which immediately precede the AY relevant to the year of search. In the case of a search assessment undertaken in terms of Section 1530, the solitary distinction would be that the previous year of search would stand substituted by the date or the year in which the books of accounts or documents and assets seized are handed over to the jurisdictional AO as opposed to the year of search which constitutes the basis for an assessment under Section 153A.

While the identification and computation of the six AYs' hinges upon the phrase "Immediately preceding the assessment year relevant to the, previous year" of search, the ten year period would have to be reckoned from the 31st day of March of the AY relevant to the year of search. This, since undisputedly, Explanation 1 of Section 153A requires us to reckon it "from the end of the assessment year". This distinction would have to necessarily be acknowledged in light of the statute having consciously adopted the phraseology "Immediately preceding' when it be in relation to the six year period and employing the expression "from the end of the assessment year" while speaking of the ten year block."

5. In view of the aforesaid, we find ourselves unable to sustain the impugned notice dated 13 March 2023 issued under Section 148 of the Act.

6. The writ petition is accordingly allowed and the impugned order dated 18 May 2023 disposing off the objections of the petitioner is hereby quashed. We in consequence also quash the notice dated 13 March 2023 purporting to commence proceedings under Section 148 of the Act."

7. Bearing in mind the aforesaid, the computation of the "relevant assessment year from the date of the impugned Section 148 notice dated 30 March 2023 would be as follows-

Computation of the ten-year block Period	*No. of years*
AY 2023-24	*1*
AY 2022-23	*2*
AY 2021-22	*3*
AY 2020-21	*4*
AY 2019-20	*5*
AY 2018-19	*6*
AY 2017-18	*7*
AY 2016-17	*8*
AY 2015-16	*9*
AY 2014-15	*10*

8. It is therefore ex facie evident that AYs 2012-13 and 2013-14 falls beyond the ten-year block period as set out under Section 153C read with Section 153A of the Act. Consequently, the impugned notices are rendered unsustainable."

9. Thus, it is settled proposition that the date of handling over of the seized material by the AO of the searched person/recording of satisfaction note shall be the reference date for the issuance of notice u/s 153C and to assess or reassess the total income of the other person for the 6 previous years preceding the previous year or 10 A.Ys from the end of the AY relevant to the F.Y. in which the such seized material is handed over to the AO of the such other person ("appellant" in the present case).

10. Now coming back to the present case of the appellant, the following dates are relevant for the reference:

S.No.	*Particulars*	*Date*
1.	*Date search and seizure operation conducted in the case of M/s M/s CIFSL group of cases) (Searched person)*	*10.10.2018*
2.	*Date of handling over the seized material by the AO of Searched person (As per satisfaction note of searched person's AO)*	*10.08.2021*

11. Considering the above stated factual matrix, the reference date of search and seizure operation in case of appellant being other person as per 1st proviso to the sub section 1 to the Section 153C of the I.T. Act 1961 shall be 10.06.2021 and hence previous year of search and seizure operation shall be 2021-22(AY 2022-23). Considering the Assessment Year 2022-23 as a search year the block period of 10 AYs' would be as follows: -

Computation of ten-years block period as provided Years u/s. 153Cr.w.s. 153A of the Act.	*Number of years*
A.Y. 2022-23	*1*
A.Y. 2021-22	*2*
A.Y. 2020-21	*3*
A.Y. 2019-20	*4*
A.Y. 2018-19	*5*
A.Y. 2017-18	*6*
A.Y. 2016-17	*7*
A.Y. 2015-16	*8*
A.Y. 2014-15	*9*
A.Y. 2013-14	*10*

12. Thus, it is held that the AO had jurisdiction to serve upon the appellant notice ufs 153C of the Act only up to the AY 2013-14 and not prior to that AY. Therefore, the assessment proceeding-initiated u/s 153C of the I.T. Act 1961 by the AO for the AY 2010-11, based on the search and seizure operation conducted on M/s CIFSL group of cases is against the clear mandate of legislature and against the ratio laid down by the Hon'ble Apex Court In the case of CIT V Jasjit Singh (Supra) and of Hon'ble Delhi High Court in the case of Ojjus Medicare Pvt. Ltd (supra) and Saurabh Gupta (supra). Hence, the proceeding u/s 153C of the I. T. Act for the AY 2010-11 initiated and completed under the instant case of the appellant is found without jurisdiction and time barred.

13. Therefore, the assessment order passed u/s 153C r.w.s 144 of the I. T. Act 1961 dated 23.03.2023 by the AO in the case of appellant for the AY. 2010-11 is bad in law, without jurisdiction, time barred and void ab initio. Thus, grounds of appeal no. 2, 3 & 4 are allowed."

This is what leaves the Revenue aggrieved who has filed its instant appeal before the tribunal.

4. Both the learned representatives vehemently reiterate their respective stands against and in support of the learned CIT(A)'s above extracted detailed discussion quashing the impugned assessment. We make it clear that there is no dispute on facts, inter alia, indicating the learned departmental authorities to have carried out the search in question on 10.10.2018 followed by centralization of all these cases leading to initiation of section 153C notices issued to the assessee on 13th July, 2021. That being the case and in light of the fact that the impugned assessment year before us is AY 2010-11, it transpires that the legislature has not only stipulated u/s 153C(1) 1st proviso that the date of search in an instance involving a third party is that of handing over of the relevant seized material to the jurisdictional Assessing Officer but also section 153A(1) Explanation 1 provides that ten assessment years in issue ought to be computed "from end of the assessment year relevant to the previous year in which search is conducted or requisition is made". We thus find that the learned CIT(A) has rightly computed ten assessment years from AY: 2022-23 backwards not reaching upto assessment year 2010-11 in issue going by their lordships' detailed discussion in PCIT Vs. Ojjus Medicare (P) Ltd., (2024) 465 ITR 101 (Del) and CIT Vs. Jasjit Singh (2024) 465 ITR 101 (SC). We thus express our complete agreement with the learned CIT(A)'s foregoing detailed discussion. The Revenue fails in its first and foremost legal ground therefore."

5. We adopt the above extracted detailed discussion *mutatis mutandis* to affirm the learned CIT(A)'s findings under challenge herein quashing the impugned section 153C assessment. We further make it clear for the sake of completeness that not only the impugned assessment year 2009-10 would be out of the purview of section 153C but also both these appeals emanate from department's very search action. Rejected accordingly.

6. This Revenue's appeal is dismissed.

Order Pronounced in the Open Court on 17/11/2025.

Sd/-
(S. Rifaur Rahman)
Accountant Member

Sd/-
(Satbeer Singh Godara)
Judicial Member

Dated: 17/11/2025

Subodh Kumar, Sr. PS
Copy forwarded to:
1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR

		Date
1.	Date of dictation of Tribunal Order	17.11.2025
2.	Date on which the typed draft Tribunal Order is placed before the Dictating Member	19.11.2025
3.	Date of which the typed draft Tribunal Order is placed before the other Member	
4.	Date on which the approved draft Tribunal Order comes to the Sr.PS/PS	
5.	Date on which the fair Tribunal Order is placed before the Dictating Member for pronouncement	
6.	Date on which the signed order comes back to the Sr. PS/PS	
7.	Date on which the final Tribunal Order is uploaded by the Sr. PS/PS on Official Website	
8.	Date on which the file goes to the Bench Clerk alongwith Tribunal Order	
9.	Date of killing of the disposed off files on the judiSIS portal of ITAT by the Bench Clerks	
10.	Date on which the file goes to the Supervisor (Judicial)	
11.	The date on which the file goes to the Assistant Registrar for endorsement of the order	
12.	Date of dispatch of the order	
13.	Date on which the file goes to the superintendent for checking	
14.	The date on which the file goes to the Assistant Registrar for signature on the tribunal order	
15.	Date on which the file goes to dispatch section	
16.	Date of dispatch of the order	