

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'B': NEW DELHI
BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER
AND
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No.4474/Del/2025
(ASSESSMENT YEAR 2012-13)**

ACIT, Circle 19(1), Room No.221, 2 nd Floor, CR Building, New Delhi-110002	Vs.	Shipra Bansal, W-82, Ground Floor, Greater Kailash-I, New-Delhi-110048 PAN:AAAPS4862N
(Appellant)		(Respondent)
Department by	Ms. Pooja Swaroop, CIT DR	
Assessee by	Dr. Rakesh Gupta & Shri Somil Aggarwal, Advs.	
Date of hearing	21.01.2026	
Date of pronouncement	27.01.2026	

ORDER

PER MANISH AGARWAL, AM:

This appeal is filed by the revenue against the order of the Ld. Commissioner of Income Tax (Appeals), Delhi-31 [CIT(A), in short] dated 27.05.2025 arising out of the order passed u/s 153C r.w.s. 143(3) of the Income Tax Act, 1961 (hereinafter referred as 'the Act') dated 20.12.2019 for Assessment Year 2012-13.

2. Brief facts of the case are that assessee is an individual and filed her return of income on 30.06.2012 declaring total income of Rs. 15,60,541/-. Thereafter based on the information received from the DCIT, Central Circle-1, Kanpur that a search u/s 132 of the Act was conducted in M/s Raghunath/Paliwal/Purushottam Das Gupta Group of Cases on 13.07.2016. During the search action at the residence of Sh.

Vishal Saxena at Goa, several incriminating materials were found and seized pertaining to assessee. Accordingly, proceedings u/s 153C of the act were initiated in the case of assessee after issue of notice u/s 153C on 29.03.2019 after recording the satisfaction note by the AO of the assessee on 18.02.2019. In compliance return of income was e-filed on 18.04.2019 declaring total income of Rs. 15,60,541/-. Thereafter, notice u/s 143(2) followed by notices u/s 142(1) of the Act were issued from time to time and after considering the submissions of the assessee, order was passed on 20.12.2019 u/s 153C/143(3) of the Act determining the total income of assessee at Rs. 2,20,60,541/- by making an addition of Rs. 2,05,00,000/- towards unexplained investments in property.

3. Against the said order, assessee filed an appeal before Id. CIT(A) wherein the assessee raised various legal issues including the issue of initiating the proceedings u/s 153C of the Act for the impugned assessment year. Ld. CIT(A) by placing reliance on the judgement of jurisdictional high court in the case of ***PCIT Vs Ojjus Medicare Pvt. Ltd. reported in (2024) 161 Taxmann.com 160 (Delhi)*** has allowed the appeal of the assessee and annulled the order passed u/s 153C of the Act.

4. Aggrieved by the order of Id. CIT(A), revenue preferred present appeal before the Tribunal on the strength of following grounds of appeals:

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 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 was recorded on 27.03.2019 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, 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 6AYs and 10AYs 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, 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 appellant craves to be allowed to add any fresh ground(s) of appeal and or deleted or amend any of the ground(s) of appeal."*

5. Heard the parties at length and considered the facts of the case. From the perusal of the order of Ld. CIT(A), it is observed that ld. CIT(A) has annulled the assessment order by following the judgement of hon'ble Jurisdictional high court in the case of Ojjus Medicare (supra) wherein it is held that for the purpose of section 153C, date of search should be reckoned the date when the seized material / documents were handed over by the AO of person searched to the AO of assessee. In the instant case, though the date of handing over the material is not available however, the AO of the assessee has recorded the satisfaction on 18.2.2019 thus it is presumed that the material was handed over to AO of the assessee on the said date. Accordingly, the ld. CIT(A) has counted the block period of Six assessment years by taking 18.02.2019 as the date of search and since the impugned assessment year

i.e. AY 2012-13 is falling out of the block period, the assessment order passed was declared annulled by Id. CIT(A). The relevant findings of Id. CIT(A) as contained in para 9 to 18 are reproduced as under:

9. *"I have carefully considered the facts and circumstances of the case, assessment order, submissions of appellant and the material available on record in the light of the applicable law. Through the additional ground, it has been argued by the appellant that the satisfaction note for issue of notice u/s 153C was recorded by the AO on 27.03.2019 (in F.Y. 2018-19 relevant to A.Y. 2019-20) in the case of appellant and on 18.02.2019 in the case of searched person and therefore, the deemed date of search is to be taken as 27.03.2019 for the appellant as per decision of Hon'ble Supreme Court in the case of CIT vs. Jasjit Singh [2023] 155 taxmann.com 155 (SC) and the decision of Jurisdictional Hon'ble Delhi High Court in the case of Pr. CIT vs. Ojjus Medicare Pvt. Ltd 2024 SCC Online Del 2439 and therefore the assessment year in question being A.Y. 2012-13 falls beyond the period of six assessment years immediately preceding the assessment year relevant to previous year of search which is AY 2019-20, in the instant case.*

10. *The information was passed by the AO of the searched person to the AO of the appellant on 18.02.2019, in respect of the search carried out at the premises of Shri Vishal Saxena on 13.07.2016. It is trite that pursuant to search carried out u/s 132 of the Act, assessments are undertaken for six assessment years preceding the year of search and for additional assessment years (hereinafter referred to as "relevant assessment years") beyond six assessment years but not beyond 10 assessment years from end of assessment year relevant to search year. In case of a searched person or the other person, such assessment is made u/s 153A and in case of a non-searched person, whose books of account/ documents are found during search assessment is made u/s 153C of the Act, relevant for searches conducted upto 31.03.2021 which covers the search in the instant case. The issue came up before Hon'ble Delhi High Court regarding the manner of determination of six assessment years and relevant assessment years in case of other person u/s 153C of the Act in the case of Ojjus Medicare Pvt. Ltd (supra).*

11. *In the case in hand, pursuant to the aforementioned search incriminating material was found and the AO issued notices u/s 153C to the appellant, on the basis of satisfaction note drawn by the AO of searched person on 18/02/2019 for six assessment years being AYs 2011-12 to 2016-17 after duly recording is own satisfaction on 21/03/2019 for AYS 2011-12 to 2016-17. For that purpose, the AO determined assessment years to be reopened by taking previous year 2016-17, i.e., the year of search, as the base year and accordingly, reopened assessment for the assessment year 2012-13. Similar issue involving notices issued u/s 153C came to be challenged in writ petition before the Delhi High Court as being invalid/ barred by limitation, in the case of Ojjus Medicare (supra) on the following four broad grounds:*

- a. *In case of other person covered u/s 153C, the date/ year of handover of seized material to the jurisdictional AO of such non-searched/ other person (and not the date/ year of search) must be taken as the base year for determination of Six assessment years / relevant assessment years;*
- b. *Revenue is permitted to reopen upto a maximum of 10 assessment years, including the year of search/ year of handing over of seized material, reckoned from the end of the assessment year in which search was conducted or the material is handed over, and not 11 assessment years;*
- c. *Period of limitation for initiating reassessment proceedings for assessment years 2010-11 and 2011-12 stood expired prior to the insertion of 4th proviso to section 153A by the Finance Act, 2017 w.e.f. from 1st April 2017 and consequently, reopening for the said years is not permissible;*
- d. *Mandatory conditions provided in 4th proviso to section 153A are required to be satisfied prior to invocation of jurisdiction to reopen relevant assessment years u/s 153G.*

13. *Hon'ble Delhi High Court in the case of Ojjus Medicare (supra) adjudicated the aforesaid issues by holding as under:*

- a. *As per legal fiction contained in first proviso to section 153C, date of receipt of seized books/ material by the jurisdictional AO of the other person is the commencement date for determination of Six assessment years /relevant assessment years. In holding so, the High Court followed the decision of the Supreme Court in CIT vs. Jasjit Singh: 2023 SCC Online SC 1265 and ITO vs. Vikram Sujit Kumar Bhatia: 2023 SCC Online SC 370.*
- b. *Taking note of the language employed in Explanation 1 to section 153A, the Court held that 10 years period have to be reckoned "from the end of the assessment year" i.e. in case of searched person from end of the assessment year of search and in case of other person from end of the assessment year of handover of seized books/ material. The High Court observed that decision in A.R. Safiullah: WP (MD) No. 4327/2021 expounds the correct legal position.*
- c. *AO is required to record reasons/ satisfaction regarding satisfaction of jurisdictional preconditions stated in 4th proviso to section 153A, viz. the escaped income is represented in the form of an identified asset which is likely to exceed Rs. 50 Lakhs; the satisfaction should be based on the assessment of material gathered during search and should be reflective of fair assessment of the quantum of income likely to have escaped assessment. Importantly, the satisfaction cannot be based on mere ipse-dixit/ speculation/ conjecture, and the reasons in support of the satisfaction should ex-facie borne out from the satisfaction note itself. The qualifying criteria for satisfaction of precondition of Rs. 50 Lakhs as provided in 4th proviso has to be met cumulatively or in aggregate for all the relevant 4 assessment years.*
- d. *Amendment brought in by the Finance Act, 2017 w.e.f. 1st April 2017 has retroactive application since: (a) 4th proviso is applicable to all searches conducted between 1st April 2017 to 31st March 2021; and (b) sections 153A/ 153C supersedes the provisions for reassessment otherwise appearing in the Act.*

14. *In nutshell, Hon'ble Delhi High Court held that:*
 (a) *for other (non-searched) person, date of handover of seized material is the trigger point for computing period of Six assessment years and/ or block of 10 years; and*
 (b) *law only permits AO to reopen maximum of 10 years, including the year of search/ handing over documents, and not 11 years as contended by the Revenue.*
15. *The table drawn hereunder clarifies the position illustratively in respect of the assessment years for which notices u/s 153C could be issued:*

FY in which the material is handed over to the AO	Corresponding AY	Preceding six AYs
2018-19	2019-20	2013-14 to 2018-19
2019-20	2020-21	2014-15 to 2019-20
2020-21	2021-22	2015-16 to 2020-21
2021-22	2022-23	2016-17 to 2021-22
2022-23	2023-24	2017-18 to 2022-23
2023-24	2024-25	2018-19 to 2023-24

16. *Although it does not emanate not from record as to when the seized material was handed over to the AO, it is seen that satisfaction note for issue of notice u/s 153C was recorded by the AO on 27/03/2019. Therefore, the date 27/03/2019 may be taken as the date on which the material was handed over to the AO. That is to say that the material was handed over to the AO in FY 2018-19.*

17. *As illustrated in the above table, on the facts of this case where FY 2018-19 is the year in which the material was handed over to the AO, the AO could have reopened the cases for AYs 2013-14 to 2018-19 u/s 153C of the Act.*

18. *In view of the foregoing, I am of the considered view that the AO was not justified in reopening the case for AY 2012-13 in the case of the appellant. Hence, respectfully following Hon'ble Delhi High Court in the case of Ojjus Medicare (supra), I find that the assessment made by the AO in this appeal is not sustainable on facts as well as in law. Therefore, the assessment order passed by the AO is liable to be annulled. I hold accordingly. Thus, the assessment order for AY 2012-13 passed by the AO is hereby annulled."*

6. Before us, revenue has failed to controvert the findings given by Id. CIT(A) by bringing on record any material to establish that the Id. CIT(A) has taken the view contrary to the facts of the case. Accordingly, we find no error in the order of Id. CIT(A) which is hereby upheld. All the grounds of appeal raised by the revenue are dismissed.

7. In the result, appeal of the revenue is dismissed.

Order pronounced in the open Court on 27.01.2026.

Sd/-

(ANUBHAV SHARMA)
JUDICIAL MAMBER

Sd/-

(MANISH AGARWAL)
ACCOUNTANT MEMBER

Dated: 27.01.2026

Amit Kumar/Sr. PS

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELH