

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI “B” BENCH: NEW DELHI**

**BEFORE SHRI ANUBHAV SHARMA, JUDICIAL MEMBER &
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No.2227, 2228 & 2252/Del/2025
[Assessment Year: 2018-19, 2019-20 & 2020-21]**

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| Smt. Geetanjali Bhayana, 603, Aradhana Apartments, Sector 13, R.K. Puram, New Delhi-110062 PAN-AHFPB1788A | vs | DCIT, Central Circle-32, New Delhi |
| APPELLANT | | RESPONDENT |
| Appellant by | Ms. Meenal Goyal, Adv. and Sh. Saksham Garg, CA | |
| Respondent by | Ms. Pooja Swaroop, CIT DR | |
| Date of Hearing | 19.01.2026 | |
| Date of Pronouncement | 27.01.2026 | |

ORDER

PER MANISH AGARWAL, AM:

The captioned appeals are filed by assessee against the separate orders, all are dated 10.03.2025 passed by Ld. Commissioner of Income Tax (A)-30, New Delhi [“Ld. CIT(A)”] u/s 250 of the Income Tax Act, 1961 [“the Act”] arising out of assessment orders, all are dated 30.03.2023 passed u/s 153C r.w.s. 143(3) of the Act pertaining to Assessment Years 2018-19, 2019-20 & 2020-21 respectively. The details of the orders of ld. CIT(A) are tabulated as under:

| S. No. | ITA No. | A.Y. | CIT(A) Appeal No. |
|---------------|----------------|-------------|--------------------------|
| 1. | 2227/Del/2025 | 2018-19 | 30/10356/2017-18 |
| 2. | 2228/Del/2025 | 2019-20 | 30/10595/2018-19 |
| 3. | 2252/Del/2025 | 2020-21 | 30/10760/2019-20 |

2. As all the three captioned appeals filed by the assessee have similar issues which are inter-linked, inter-connected and this fact has been admitted by both the parties during the course of hearing before us, therefore, all the appeals filed by the assessee are decided by a common order.

3. First, we take the assessee's appeal in ITA No.2227/Del/2025 for AY 2018-19.

ITA No. 2227/Del/2025 [Assessment Year: 2018-19]

4. Brief facts of the case are that the assessee e-filed her return of income on 31.08.2018, declaring total income of INR 9,87,793/-. A search and seizure operation was carried out at various premises of Shri Kuldeep Bishnoi Group and its associates on 23.07.2019. Various documents/books of accounts etc. were found and seized and statements of various persons were recorded. It was found that some incriminating material found and seized contained some entries related to the assessee. Subsequently, satisfactions were recorded by AO of the searched person and the documents alongwith the satisfaction note was handed over to the AO of the assessee. Thereafter the AO of the assessee recorded his satisfaction note on 03.12.2021 and initiated the proceedings u/s 153 of the Act for the assessment years 2014-15 to AY 2020-21 and, notice u/s 153C was issued on 06.12.2021. In compliance to the notice issued u/s 153C, the assessee filed return on 21.12.2021, declaring total income of INR 9,87,793/-. Thereafter, notice u/s 143(2) followed by statutory notices u/s 142(1) were issued alongwith detailed questionnaire from

time to time to the assessee. After considering the submissions made and material furnished by the assessee, the AO assessed the income of the assessee at INR 58,29,693/- vide assessment order dated 30.03.2023 passed u/s 153C r.w.s. 143(3) of the Act wherein an addition of Rs. 48,41,900/- was made being GP @ 35% on the cash transactions of Rs. 1,38,34,000/- alleged as undisclosed sales.

5. Against the said order, assessee filed an appeal before Ld. CIT(A) who vide order dated 10.03.2025, dismissed the appeal of the assessee.

6. Aggrieved by the order of Ld. CIT(A), assessee is in appeal before the Tribunal by taking following grounds of appeal:-

1. *That on facts and in law, the impugned assessment order dated 30.03.2023 passed u/s. 153C r.w.s. 143(3) of the Income-tax Act, 1961 ("Act") for subject Assessment year 2018-19, making impugned addition therein of Rs.48,41,900/- ("First impugned order") and consequent impugned order dated 10.03.2025 passed by the Ld. Commissioner of Income-tax (Appeals) ("CIT(A)") u/s. 250(6) of the Act ("Second impugned order") erroneously affirming the impugned assessment order, are ex-facie illegal, untenable, and bad in law.*
2. *That on the facts and circumstances of the present case, the impugned addition made vide impugned assessment order is legally unsustainable sans incriminating material found qua the Appellant/Assessee during the course of search on the "searched party" vide PCIT v. Abhisar Buildwell (P.) Ltd., [2023] 454 ITR 212 (SC).*
3. *That on the facts and circumstances of the case, the impugned addition is unlawful as it has been made (admittedly) merely on notings of diary (dumb document), sans any corroborative material, which was admittedly found in possession/handwritten by 3rd person.*

4. *That on the facts and circumstances of the present case, the impugned assessment order is legally untenable as addition u/s. 153C of the Act cannot be based on mere 3rd party statement u/s. 132(4) of the Act without any corroborative/incriminating material vide CIT v. Harjeev Aggarwal, 2016 SCC OnLine Del 1512.*
5. *That on the facts and circumstances of the present case, the Ld. CIT(A) vide Second impugned order has failed to appreciate that the impugned assessment order has arbitrarily rejected the cross examination of Kuldeep Bishnoi and the subsequent cogent material placed by the Appellant establishing non-implication in the entire modus.*
6. *That on the facts and circumstances of the present case, the impugned assessment proceedings u/s. 153C of the Act is void ab initio as separate satisfaction notes u/s.153C of the Act have not been prepared for each of the assessment years 2014-2015 to 2020-2021 which itself would render the impugned proceedings void-ab-initio vide DCIT vs. Sunil Kumar Sharma., [2024] 159 taxmann.com 179 (Karnataka High Court).*
7. *That on the facts and circumstances of the present case, the Ld. CIT(A) has erred in upholding the impugned assessment order ignoring that the Ld. AO, instead of discharging his statutory onus, that alleged (cash) transactions took place, rather put the negative burden on the Appellant to prove the same, which is untenable vide this Hon'ble Tribunal in ITO v. Gammon Construction Pvt. Ltd., ITA No.1264/Del./2020 and DCIT v. Jethmal Mehta, ITA No.8985/Del/2019*
8. *That on the facts and circumstances of the present case, the Ld. CIT(A) and Ld. AO have based their entire findings on Appellant's failure to prove the negative i.e. explain the alleged (non-existent) transactions recorded in third-party (handwritten) diary/dumb document vide K.P. Varghese v. ITO., [1981] 7 Taxman 13 (SC).*
9. *That on the facts and circumstances of the present case, the Ld. CIT(A) erred in law/facts by confirming the impugned addition based solely on seized 3rd party dumb document without any live link/nexus to the Appellant therein.*
10. *That on the facts and circumstances of the present case, without prejudice to the above, even the presumption cannot be raised against the Appellant u/s. 132(4A) and u/s. 292C of the Act as the same operates only against the searched person in whose possession the seized material was found subject to any corroborative evidence vide Lalman Yadav v. ACIT., ITA No.5869/Del/2018 and Jethmal Mehta (supra).*

11. *That on the facts and circumstances of the case, the Ld. CIT(A) has failed to appreciate that the Ld. AO has estimated an arbitrary 35 percent gross profit on (non-existent) alleged transactions without rejecting the books of the Assessee, and without considering that Section 28 can only be applicable to the amount of GP declared in the books of accounts.*
12. *That on the facts and circumstances of the present case, the Ld. CIT(A) has passed a non-speaking, legally unsustainable order, affirming the impugned assessment order thereby perversely holding that the Appellant failed to discharge the (non-existing) burden of proof regarding source of alleged cash u/s. 68 of the Act (instead of appreciating Appellant's objections for invoking Section 28).*
13. *That on the facts and circumstances of the present case, the Leaned authorities below have made/confirmed the impugned addition while completely ignoring and without rebutting cogent evidence establishing that the alleged recipient i.e. Appellant and payee both have denied receipt and payment of alleged cash.*
14. *That on the facts and circumstances of the present case, the Ld. CIT(A) failed to appreciate that tax liability cannot be based on hypothetical income and must be tied to actual realizations/income vide the binding ratio of Hon'ble Supreme Court in CIT v. Shoorji Vallabhdas & Co. [1962] 46 ITR 144.*
15. *The Appellant craves leave to add, delete, modify or vary any of the grounds of appeal at any time during the pendency of the appeal or at the time of hearing.*

7. During the course of hearing, Ld.AR raised certain additional grounds of appeal alongwith prayer under Rule 11 of the Income Tax Appellate Tribunal Rules, 1963. The additional ground of appeal taken reads as under:

*I. "That the notice dated 06.12.2021 issued by Ld. Assessing Officer ("Ld. AO") under Section 153C(1) of the Income-tax Act, 1961 ("the Act") is void ab initio for the want of jurisdiction as the date of initiation of search as per 1st proviso thereto is 03.12.2021 viz., the date of issuance of satisfaction note vide **PCIT vs. Ojjus Medicare (P.) Ltd. [2024] 465 ITR 101 (Delhi).**"*

II. That the issuance of impugned notice dated 06.12.2021 grossly contravenes Section 153C(3) of the Act, which renders the said provision inapplicable in relation to search initiated on or after 01.04.2021 read with 1st proviso to Section 153C(1) of the Act *vide* **Harigovind v. ACIT [2025] 180 taxmann.com 197 (Madras)** and **Shanmugasundaram Manoharan v. DCIT [2025] 181 taxmann.com 786 (Chennai - Trib.)**.

III. That Section 153C of the Act being a machinery provision is to effectuate the object and purpose of the statute and amendment brought therein with a cutoff date shall be applicable to a search prior to the date of amendment as per the law decided by Hon'ble Supreme Court in **ITO v. Vikram Sujitkumar Bhatia (2023) 453 ITR 417**.

IV. Without prejudice, the issuance of notice dated 06.12.2021 and subsequent assumption of jurisdiction under Section 153C(1) of the Act is invalid for failure to record mandatory satisfaction *qua* seized material pertains to and has "bearing on determination of total income" of the Appellant *vide* **Saksham Commodities Ltd. v. ITO [2024] 464 ITR 1 (Del)** and **Shabnam Bharatinder v. DCIT ITA Nos.3141 & 3142/Del/2025 (Delhi Trib.)**."

8. Ld. AR submits that additional ground of appeal now taken are purely legal in nature and goes to the root of the matter and requires no investigation or verification thus, the same may please be admitted for adjudication. Reliance is placed on the judgement of the hon'ble Supreme Court in the case of **NTPC Ltd. vs. CIT** reported in **(1998) 229 ITR 0383 (SC)**.

9. On the other hand, Ld. CIT DR for the Revenue submits that additional grounds of appeal require verification on the part of the AO therefore, the same should not be admitted at this stage.

10. After considering the submissions and perused the additional ground of appeal taken, we find that the assessee has challenged the validity of the assessment order passed 153C of the Act without jurisdiction. All the facts related to the additional grounds of appeal are available before us thus requires no verification from the AO. Therefore, by respectfully following the judgement of Hon'ble Supreme Court in the case of NTPC Ltd. (supra), the additional grounds of appeal taken by the assessee are admitted for adjudication.

11. First, we take **additional Grounds of appeal Nos. I to IV** raised by the assessee wherein the assessee has challenged the jurisdiction of the AO in completing the assessment u/s 153C of the Act ignoring the fact that when the satisfaction was recorded by the AO of the assessee on 03.12.2021, the law stood amended and provisions of section 153C become inapplicable and alternatively claimed that the satisfaction note is not in accordance with law.

12. Before us, Ld.AR for the assessee submits that proceedings u/s 153C of the Act were initiated in the case of the assessee on the basis of the documents found and seized during the course of search on third person. Ld.AR further submits that based on the entries found noted in one diary seized during the search on third person, a satisfaction note was recorded on 03.12.2021 by the AO of person searched that some entries in the said diary pertained to the assessee. Accordingly, proceedings u/s 153C were initiated in the

case of the assessee and additions were made. Ld.AR submits that from 01.04.2021, law has been amended and as per the order of Hon'ble Jurisdictional High Court in the case of **PCIT Vs. Ojjus Medicare Pvt. Ltd.** reported in **(2024) 465 ITR 101(Delhi)**, the date of search should be the date when the AO of the assessee has recorded his satisfaction which in the present case is 03.12.2021 relevant to AY 2022-23. However, since the law has been amended w.e.f. 01.04.2021, according to which no proceedings could be initiated u/s 153C of the Act for the searches conducted on or after 01.04.2021 and thus provisions of section 153C of the Act could not be applied and the Ao should have initiated the proceedings u/s 148 of the Act. For this reliance is placed on the judgement of hon'ble Madras High court in the case of **Harigovind v. ACIT** reported in **[2025] 180 taxmann.com 197 (Madras)**. Ld. AR further submits that search in the case of Kuldeep Bishnoi from where the documents pertaining the assessee were seized, was carried out on 23.07.2019 however, when the satisfaction is recorded in the case of assessee, the law stood amended thus the provisions as existed as on the date when the satisfaction in the case of assessee was recorded should be applied and not the old law. For this reliance is placed on the judgement of hon'ble Supreme court in the case of **ITO Vs. Vikram Sujit Kumar Bhatia** reported in **[2023] 149 taxmann.com 123 (SC)**.

13. Alternatively, ld. AR submits that in the satisfaction note recorded, it is not mentioned by the AO that these documents contained the phrase "have bearing on the total income of the assessee". In the satisfaction note record, AO has observed that

entries found noted in the diary pertained to the assessee however, has failed to record his satisfaction as provided u/s 153C of the Act that paper should “have bearing on the income determined of the assessee”. In this regard, reliance is placed on the judgement of Hon’ble Jurisdictional High Court in the case of **Saksham Commodities Ltd** reported in **(2024) 161 Taxmann.com 485 (Delhi)**. Ld. AR prayed accordingly.

14. On the other hand, ld. CIT DR submits that the assessment was carried out based on the entries found noted in the documents seized from the possession of the third person and accordingly the AO has recorded his satisfaction and initiated the proceedings u/s 153C of the Act which are valid proceedings. Ld. CIT DR further submits that the hon’ble supreme court in the case of Vikram Sujit Kumar Bhatia (supra) relied upon by the assessee has held that if the date of search is prior to the amendment, the law stood at the time of search would be applied. As per ld. CIT DR, search was conducted on 23.07.2019 in the case of Shri Kuldeep Bishnoi from whose possession, the documents containing the transaction carried out by the assessee in cash were found thus for the purpose of initiating the proceedings us/ 153C of the Act, the date of search in the case of Kuldeep Bishnoi is to be considered. Ld. CIT DR thus submits that the AO has rightly initiated the proceedings u/s 153C of the Act which deserves to be held as valid proceedings. Regarding the common satisfaction and invalid satisfaction ld. CIT DR submits that the AO has recorded the clear satisfaction based on the admission of the person who has written the diary and the assessee has failed to controvert the same

thus she prayed for the confirmation of the initiation of proceedings u/s 153C of the Act in the present case.

15. Heard the parties at length and perused the material available on record. Claim of the assessee is that the AO has recorded his satisfaction on 03.12.2021 thus the date of search should be reckoned from that date only. Assessee further claimed that the law was amended w.e.f. 1.4.2021 by Finance Act, 2021, and as per the amended law, no action u/s 153C of the Act could be taken on the search carried out on or after 01.04.2021 and the assessment should have been completed u/s 148 of the Act as per the amended provisions. Before going further, we examine the provisions of section 153C of the Act, which reads as under:

153C.Assessment of income of any other person.—

- (1) *“Notwithstanding anything contained in section 139, section 147, section 148, section 149, section 151 and section 153, where the Assessing Officer is satisfied that,—*
 - (a) *any money, bullion, jewellery or other valuable article or thing, seized or requisitioned, belongs to; or*
 - (b) *any books of account or documents, seized or requisitioned, pertains or pertain to, or any information contained therein, relates to, a person other than the person referred to in section 153A, then, the books of account or documents or assets, seized or requisitioned shall be handed over to the Assessing Officer having jurisdiction over such other person and that Assessing Officer shall proceed against each such other person and issue notice and assess or reassess the income of the other person in accordance with the provisions of section 153A, if, that Assessing Officer is satisfied that the books of account or documents or assets seized or requisitioned have a bearing on the determination of the total income of such other person for six assessment years immediately preceding the assessment year relevant to the previous year in which search is conducted or*

requisition is made and] for the relevant assessment year or years referred to in subsection (1) of section 153A

Provided that in case of such other person, the reference to the date of initiation of the search under section 132 or making of requisition under section 132A in the second proviso to sub-section (1) of section 153A 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:

Provided further that the Central Government may by rules made by it and published in the Official Gazette, specify the class or classes of cases in respect of such other person, in which the Assessing Officer shall not be required to issue notice for assessing or reassessing the total income for six assessment years immediately preceding the assessment year relevant to the previous year in which search is conducted or requisition is made and for the relevant assessment year or years as referred to in sub-section (1) of section 153A except in cases where any assessment or reassessment has abated. (

- 2) *Where books of account or documents or assets seized or requisitioned as referred to in subsection (1) has or have been received by the Assessing Officer having jurisdiction over such other person after the due date for furnishing the return of income for the assessment year relevant to the previous year in which search is conducted under section 132 or requisition is made under section 132A and in respect of such assessment year—*
 - (a) no return of income has been furnished by such other person and no notice under sub-section (1) of section 142 has been issued to him, or*
 - (b) a return of income has been furnished by such other person but no notice under sub-section (2) of section 143 has been served and limitation of serving the notice under sub-section (2) of section 143 has expired, or*
 - (c) assessment or reassessment, if any, has been made, before 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, such Assessing Officer shall issue the notice and assess or reassess total income of such other person of such assessment year in the manner provided in section 153A.*
- (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 requisitioned under Section 132A on or after the 1st day of April, 2021.”*

16. As per first proviso to Section 153C(1), the date of initiation of search u/s 132 or making requisition u/s 132A in terms of second proviso to Sub Section (1) of Section 153A 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. As observed above, in the present case, the AO of the assessee has recorded the satisfaction on 03.12.2021 after taking the seized material thus the date of search in the case of assessee should be 03.12.2021. This view is supported by the judgement of Hon'ble Jurisdictional High Court in the case of Ojju Medicare (supra), the headnote reads as under:

*“Section 153C of the Income-tax Act, 1961 - Search and seizure - Assessment of any or person (Block assessment) - Assessment years 2010-11 to 2013-14 - **Whether first proviso to section 153C, and which has been consistently recognized to also embody commencement point for reckoning six or ten assessment years**, shifts relevant date from date of initiation of search or a requisition made to date of receipt of books of account or documents and assets seized by jurisdictional Assessing Officer of non-searched person - Held, yes Whether furthermore where date of handing over of documents was not available, date of issuance of satisfaction Note by Assessing Officer under section 153C would be pertinent for purpose of First Proviso to section 153C - Held, yes - Whether significant difference between computation of relevant assessment year for identification of six assessment years and to construct a block of ten assessment years is that while six assessment years' hinge upon phrase “immediately preceding” assessment year pertaining to search year, ten assessment years' are liable to be computed or reckoned from end of assessment year relevant to year of search - Held, yes - Whether thus, in instant case where satisfaction note were issued between 1-4-2021 and 31-3-2022, relevant assessment year would be 2022-23 and assessment years' 2010-11, 2011-12 and 2012-13 would clearly fall outside block period of ten assessment years as provided under section 153C read with section 153A - Held, yes [Paras 85, 86, 96 and 97] [In favour of assessee].”*

17. Now coming to the sub-section (3) of section 153C of the Act which provides that provisions of section 153C are not applicable to the search initiated on or after 1st day of April,2021. Since in the present case, date of search is to be taken as 03.12.2021 i.e. the date when the satisfaction note was recorded by the AO of the assessee and, such date (03.12.2021) is fallen after 01.04.2021, therefore, as per sub-section (3) of section 153C, provisions of section 153C would not be applicable and the initiation of proceedings u/s 153C and subsequent assessment order passed us/ 153C of the Act is invalid and without jurisdiction. The hon'ble Madras High court after considering these facts under identical circumstances, in the case of **Harigovind v ACIT** (supra) has held as under:

35. *“A reading of the second proviso to Section 153A(1) would show that the assessment or reassessment, if any, relating to any assessment year falling within the period of six assessment years and for the relevant assessment year or years referred to in this sub-section, 153C(1) pending on the date of initiation of the search under Section 132 or making of requisition under Section 132A, as the case may be, shall abate. Therefore, any pending proceedings shall be abated as per the above proviso.*
36. *On the strength of the above second proviso to Section 153A(1), the respondents had strongly contended that the first proviso to Section 153C is only with regard to the abatement of proceedings and not for anything else.*
37. *On the other hand, the petitioners had contended that it is not only for abatement but for all the other purposes. According to the petitioner, if a particular date is determined for the purpose of abatement of proceedings, then the same would be applicable for all the purposes, including the date of initiation of proceedings under Section 153C against the other person.*
38. *Even a reading of Section 153C makes it clear that determination of total income of such other person for 6 assessment years immediately preceding the assessment year relevant to the previous year, in which the search was conducted or requisition was made and for the relevant assessment year or years, referred in sub Section (1) of Section 153C of the Act.*

39. *As far as the other person is concerned, the six years period would be calculated, the date on which the requisition was made and that would be the date, for the purpose of determination of assessment of income. On the other hand, as far as the searched person is concerned, this 6 years period would vary and the same would be calculated from the date of search made in the premises of searched person. Therefore, for the purpose of initiation and determination of income for 6 assessment years, two different dates have been fixed by the Statute, i.e., for the searched person, it was taken the date of search, whereas, for the other person, it was taken the date, on which the requisition is made to the JAO of the other person.*
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.”*

18. The facts of the aforesaid case of hon'ble Madras High court are squarely applicable to the facts of the present case. It is also a matter of fact that the AO himself has initiated the proceedings u/s 153C of the Act for AY 2018-19 to AY 2020-21 though the date of search in the case of Shri Kuldeep Bishnoi was 23.07.2019 and as per the same, the search year was AY 2020-21. Thus, by respectfully following the judgement of hon'ble Madra High court in the case of **Harigovind vs ACIT** (supra), we set aside the notice issued u/s 153C on the assessee as the date of handing over the material i.e. 03.12.2021 is the date of initiation of search. The issuance of notice us 153C dt. 06.12.2021 is without any authority and contrary to subsection (3) of section 153C of the Act and thus the consequent order passed u/s 153C of the Act is quashed. The additional grounds of appeal Nos. I to III are thus, allowed.

19. Regarding the alternative Additional Ground of appeal No. IV of the assessee, from the perusal of the satisfaction note available at pages 215-216 of the paper book, it is observed that the AO has not recorded the satisfaction that “have bearing on the total income of the assessee” as provided in section 153C of the Act. The same is reproduced as under for sake of convenience:

Assessment of income of any other person.

153C. (1) “Notwithstanding anything contained in section 139, section 147, section 148, section 149, section 151 and section 153, where the Assessing Officer is satisfied that,—

- (a) any money, bullion, jewellery or other valuable article or thing, seized or requisitioned, belongs to; or
- (b) any books of account or documents, seized or requisitioned, pertains or pertain to, or any information contained therein, relates to,

a person other than the person referred to in section 153A, then, the books of account or documents or assets, seized or requisitioned shall be handed over to the Assessing Officer having jurisdiction over such other person and that Assessing Officer shall proceed against each such other person and issue notice and assess or reassess the income of the other person in accordance with the provisions of section 153A, if, that Assessing Officer is satisfied that the books of account or documents or assets seized or requisitioned have a bearing on the determination of the total income of such other person for six assessment years immediately preceding the assessment year relevant to the previous year in which search is conducted or requisition is made and for the relevant assessment year or years referred to in sub-section (1) of section 153A :

Provided that in case of such other person, the reference to the date of initiation of the search under section 132 or making of requisition under section 132A in the second proviso to sub-section (1) of section 153A 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 :

Provided further that the Central Government may by rules made by it and published in the Official Gazette, specify the class or classes of cases in respect of such other person, in which the Assessing Officer shall not be required to issue notice for assessing or reassessing the total income for six assessment years immediately preceding the assessment year relevant to the previous year in which search is conducted or requisition is made and for the relevant assessment year or years as referred to in sub-section (1) of section 153A except in cases where any assessment or reassessment has abated.

(2) Where books of account or documents or assets seized or requisitioned as referred to in sub-section (1) has or have been received by the Assessing Officer having jurisdiction over such other person after the due date for furnishing the return of income for the assessment year relevant to the

previous year in which search is conducted under section 132 or requisition is made under section 132A and in respect of such assessment year—

- (a) no return of income has been furnished by such other person and no notice under sub-section (1) of section 142 has been issued to him, or*
- (b) a return of income has been furnished by such other person but no notice under sub-section (2) of section 143 has been served and limitation of serving the notice under sub-section (2) of section 143 has expired, or*
- (c) assessment or reassessment, if any, has been made,*

before 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, such Assessing Officer shall issue the notice and assess or reassess total income of such other person of such assessment year in the manner provided in section 153A.

(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 requisitioned under section 132A on or after the 1st day of April, 2021.”

20. The Hon’ble Jurisdictional High Court in the case of Saksham Commodities Ltd (supra) has held as under:-

48. *“In terms of the Second Proviso to Section 153A, all assessment or reassessment proceedings relating to the six AYs' or the "relevant assessment year" pending on the date of search are statutorily envisaged to abate. Abatement is envisioned to be an inevitable consequence of the initiation of action under Section 153A. Neither issuance of notice nor abatement are predicated upon a formation of opinion by the AO of the searched person that the material is likely to impact the total income of that assessee. However, the spectre of abatement insofar as the "other person" is concerned would arise only after the jurisdictional AO has formed the requisite satisfaction of the material having "a bearing on the determination of the total income of such other person" and having formed the opinion that proceedings under Section 153C are liable to be initiated. It would be pertinent to bear in mind that Kabul Chawla was a decision rendered in the context of Section 153A. It was in the aforesaid backdrop that the Court significantly observed that once a search takes place under Section 132 of the Act, notice under Section 153A(1) would mandatorily issue. The abatement of assessment and reassessment pending on that date would, in the case of a Section 153A assessment, be a preordained consequence. However, and in light of what has been observed hereinabove, it is apparent that Section*

153C constructs a subtle and yet significant distinction insofar as the question of commencement of proceedings or assumption of jurisdiction is concerned.

- 49.** That takes us to the principal question and which pertains to the nature of the incriminating material that may be obtained and the years forming part of the block which would merit being thrown open. Regard must be had to the fact that while Section 153C enables and empowers the jurisdictional AO to commence assessment or reassessment for a block of six AYs' or the "relevant assessment year", that action is founded on satisfaction being reached that the books of accounts, documents or assets seized "have a bearing on the determination of the total income of such other person". We in this regard bear in mind the well settled distinction which the law recognizes between the existence of power and the exercise thereof. Section 153C enables and empowers the jurisdictional AO to assess or reassess the six AYs' or the "relevant assessment year". The Act thus sanctions and confers an authority upon the AO to exercise the power placed in its hands for up to a maximum of ten AYs'. Despite the conferral of that power, the question which would remain is whether the facts and circumstances of a particular case warrant or justify the invocation of that power. It is the aforesaid aspect which bids us to reiterate the distinction between the existence and exercise of power.
- 50.** What we seek to emphasise is that merely because Section 153C confers jurisdiction upon the AO to commence an exercise of assessment or reassessment for the block of years which are mentioned in that provision, the same alone would not be sufficient to justify steps in that direction being taken, unless the incriminating material so found is likely to have an impact on the total income of a particular AY forming part of the six AYs' immediately preceding the AY pertaining to the search year or for the "relevant assessment year".
- 51.** Ultimately Section 153C is concerned with books, documents or articles seized in the course of a search and which are found to have the potential to impact or have a bearing on an assessment which may be undergoing or which may have been completed. The words "have a bearing on the determination of the total income of such other person" as appearing in Section 153C would necessarily have to be conferred pre-eminence. Therefore, and unless the AO is satisfied that the material gathered could potentially impact the determination of total income, it would be unjustified in mechanically reopening or assessing all over again all the ten AYs' that could possibly form part of the block of ten years.
- 52.** The decisions which hold that an assessment is liable to be revised only if incriminating material be found, even if rendered in the

context of Section 153A, would clearly govern the question that stands posited even in the context of Section 153C. It would be relevant to recall that the Division Bench in Kabul Chawla had observed that in the absence of any incriminating material, a completed assessment may be reiterated and the abated assessment or reassessment be concluded. The importance of incriminating material was further underlined in Kabul Chawla with the Court observing that completed assessments could be interfered with, only if some incriminating material were unearthed. This aspect came to be reiterated in RRJ Securities when the Court held that it would be impermissible to either reopen or reassess a completed assessment which may not be impacted by the material gathered in the course of the search and which may have no plausible nexus. The aforesaid position also comes to the fore when one reads para 17 of ARN Infrastructure and which annulled an action aimed at reopening assessments for years to which the incriminating document which was found did not relate.

- 53.** *Sinhgad Technical Education Society also constitutes a binding precedent in respect of the aforesaid proposition as would be evident from the Supreme Court noticing that the material disclosed pertained only to AY 2004-05 or thereafter and that consequently the Section 153C action initiated for AYs' 2000-01 to 2003-04 would not sustain. It was this position in law as enunciated in that decision which came to be reiterated by our Court in Index Securities.*
- 54.** *In any case, Abhisar Buildwell, in our considered opinion, is a decision which conclusively lays to rest any doubt that could have been possibly harboured. The Supreme Court in unequivocal terms held that absent incriminating material, the AO would not be justified in seeking to assess or reassess completed assessments. Though the aforesaid observations were rendered in the context of completed assessments, the same position would prevail when it comes to assessments which abate pursuant to the issuance of a notice under Section 153C. Here too, the AO would have to firstly identify the AYs' to which the material gathered in the course of the search may relate and consequently it would only be those assessments which would face the spectre of abatement. The additions here too would have to be based on material that may have been unearthed in the course of the search or on the basis of material requisitioned. The statute thus creates a persistent and enduring connect between the material discovered and the assessment that may be ultimately made. The provision while speaking of AYs' falling within the block of six AYs' or for that matter all years forming part of the block of ten AYs', appears to have been put in place to cover all possible contingencies. The aforesaid provisions clearly appear to have been incorporated and made applicable both with respect to Section 153A as well as Section 153C ex abundanti cautela. Which however takes us back to what had been observed earlier, namely, the existence of the power being*

merely enabling as opposed to a statutory compulsion or an inevitable consequence which was advocated by the respondents.

- 55.** *Take for instance a case where the material gathered in the search is contemplated to have an adverse impact on the declarations and disclosures made by an assessee pertaining only to AYs' 2016-17 and 2017-18. What we seek to emphasise is that pending assessments for those two years could validly form subject matter of action under Section 153C and pending assessments in that respect would surely abate. However, that by itself would not be sufficient to either reopen or issue notices in respect of AYs' prior to or those falling after those two AYs' and which may otherwise fall within the maximum block period of ten years merely because the statute empowers the AO to do so. Unless the material gathered and recovered is found to have relevancy to the AY which is sought to be subjected to action under Section 153C, it would be legally impermissible for the respondents to invoke those provisions. Consequently, the AO would be bound to ascertain and identify the year to which the material recovered relates. The years which could be then subjected to action under Section 153C would have to necessarily be those in respect of which the assessment is likely to be influenced or impacted by the material discovered. Section 153C neither mandates nor envisages a mechanical or an enblanc exercise of power, or to put it differently, one which is uninformed by a consideration of the factors indicated above.*
- 56.** *We also bear in mind the pertinent observations made in RRJ Securities when the Court held that merely because an article or thing may have been recovered in the course of a search would not mean that concluded assessments have to "necessarily" be reopened under Section 153C and that those assessments are not liable to be revised unless the material obtained have a bearing on the determination of the total income. This aspect was again emphasised in para 38 of RRJ Securities with the Court laying stress on the existence of material that may be reflective of undisclosed income being of vital importance. All the aforementioned judgments thus reinforce the requirement of incriminating material having an ineradicable link to the estimation of income for a particular AY.*
- 57.** *It becomes pertinent to note that both Sections 153A and 153C require the assessee upon being placed on notice to furnish ROIs' for the six AYs' or the "relevant assessment year". All that the two provisions mandate is that notwithstanding the submission of those ROIs', the AO would frame one assessment order in respect of each of the years which were made subject matter of the notice and which would deal with both disclosed and undisclosed income. This too reinforces our view that Section 153C would apply only to such AYs' where the jurisdictional AO is satisfied and has incriminating material*

for those AYs' and which may be concerned with disclosed and undisclosed income.

- 58.** *The aforesaid position stands further fortified from a reading of the First Proviso to Section 153A and which speaks of the power of the AO to assess or reassess the total income in respect of "each assessment year". The aforesaid phraseology stands replicated in Section 153B(1)(a) which again alludes to "each assessment year" falling within the six AYs or the "relevant assessment year". The aforesaid language is then reiterated in Section 153D and which prescribes that no order of assessment or reassessment shall be passed by an AO in respect of "each assessment year" referred to in Section 153A or 153B of the Act, except with the prior approval of the Joint Commissioner. We note that once the aforesaid principles are borne in mind, there would exist no discernible distinction between abated and completed assessments. This, since in both situations, the AO would be bound to base its decision to abate or reopen on material that is likely to impact the assessment of the total income for a particular AY. In case of assessment proceedings which are ongoing on the date when the AO proceeds to draw its satisfaction and in respect of which no incriminating material has been discovered, there would exist no justification to initiate proceedings under Section 153C.*
- 59.** *It would be pertinent to recall that Section 153C essentially seeks to merge ongoing assessments with a search assessment which may be triggered by the discovery of material obtained in a search and which was the statutory procedure which prevailed in terms of the provisions contained in Chapter XIV B. However, and in cases where on facts it is found that the material gathered is unlikely to have any impact on the computation of total income for a particular year, there would exist no justification to invoke the powers conferred by Section 153C.*
- 60.** *Before concluding, we also deem it imperative to briefly notice certain aspects which emerge from a reading of the Satisfaction Notes themselves. As is manifest from a reading of the Satisfaction Note drawn by the jurisdictional AO of the assessee in W.P. (C) 1459/2024, after noticing the material which was recovered during the search and related to FYs' 2009-10, 2010-11 and 2011-12 [corresponding AYs' thus being AYs'2010-11, 2011-12 and 2012-13], it has proceeded to observe that the assessments which were liable to abate or be reopened would be AYs' 2010-11 to 2020-21. A similar note appears in W.P. (C)1117/2024. Here again, after referring to the material pertaining to FY 2009-10 [and thus relating to AY 2010-11], the AO proceeded to seek approval for initiating action under Section 153C in respect of AYs' 2010-11 up to 2020-21.*

- 61.** *A reading of the aforesaid Satisfaction Notes would establish that jurisdictional AOs' appear to have proceeded on the premise that the moment incriminating material is unearthed in respect of a particular AY, they would have the jurisdiction and authority to invoke Section 153C in respect of all the assessment years which could otherwise form part of the "relevant assessment year" as defined in Section 153A. In our considered opinion, the aforesaid understanding of Section 153C is clearly erroneous and unsustainable. As explained hereinabove, the discovery of material likely to implicate the assessee and impact the assessment of total income for a particular AY is not intended to set off a chain reaction or have a waterfall effect on all AYs' which could form part of the "relevant assessment year". This, more so since none of the Satisfaction Notes record any reasons of how that material is likely to materially influence the computation of income for those AYs'.*
- 62.** *Hypothetically speaking, it may be possible for the material recovered in the course of a search having the potential or the probability of constituting incriminating material for more than one assessment year. However, even if such a situation were assumed to arise, it would be incumbent upon the AO to duly record reasons in support of such a conclusion. The Satisfaction Notes would thus have to evidence a formation of opinion that the material is likely to be incriminating for more than a singular assessment year and thus warranting the drawl of Section 153C proceedings for years in addition to those to which the material may be directly relatable.*

G. CONCLUSIONS

- 63.** *On an overall consideration of the structure of Sections 153A and 153C, we thus find that a reopening or abatement would be triggered only upon the discovery of material which is likely to "have a bearing on the determination of the total income" and would have to be examined bearing in mind the AYs' which are likely to be impacted. It would thus be incorrect to either interpret or construe Section 153C as envisaging incriminating material pertaining to a particular AY having a cascading effect and which would warrant a mechanical and inevitable assessment or reassessment for the entire block of the "relevant assessment year".*
- 64.** *In our considered view, abatement of the six AYs' or the "relevant assessment year" under Section 153C would follow the formation of opinion and satisfaction being reached that the material received is likely to impact the computation of income for a particular AY or AYs' that may form part of the block of ten AYs'. Abatement would be triggered by the formation of that opinion rather than the other way around. This, in light of the discernibly distinguishable statutory regime underlying Sections 153A and 153C as explained above. While*

in the case of the former, a notice would inevitably be issued the moment a search is undertaken or documents requisitioned, whereas in the case of the latter, the proceedings would be liable to be commenced only upon the AO having formed the opinion that the material gathered is likely to inculcate the assessee. While in the case of a Section 153A assessment, the issue of whether additions are liable to be made based upon the material recovered is an aspect which would merit consideration in the course of the assessment proceedings, under Section 153C, the AO would have to be prima facie satisfied that the documents, data or asset recovered is likely to "have a bearing on the determination of the total income". It is only once an opinion in that regard is formed that the AO would be legally justified in issuing a notice under that provision and which in turn would culminate in the abatement of pending assessments or reassessments as the case maybe.

- 65.** *We would thus recognize the flow of events contemplated under Section 153C being firstly the receipt of books, accounts, documents or assets by the jurisdictional AO, an evaluation and examination of their contents and an assessment of the potential impact that they may have on the total income for the six AYs' immediately preceding the AY pertaining to the year of search and the "relevant assessment year". It is only once the AO of the non-searched entity is satisfied that the material coming into its possession is likely to "have a bearing on the determination of the total income" that a notice under Section 153C would be issued. Abatement would thus be a necessary corollary of that notice. However, both the issuance of notice as well as abatement would have to necessarily be preceded by the satisfaction spoken of above being reached by the jurisdictional AO of the non-searched entity.*
- 66.** *Therefore, and in our opinion, abatement of the six AYs' or the "relevant assessment year" would follow the formation of that opinion and satisfaction in that respect being reached.*
- 67.** *On an overall consideration of the aforesaid, we come to the firm conclusion that the "incriminating material" which is spoken of would have to be identified with respect to the AY to which it relates or may belikely to impact before the initiation of proceedings under Section 153C of the Act. A material, document or asset recovered in the course of a search or on the basis of a requisition made would justify abatement of only those pending assessments or reopening of such concluded assessments to which alone it relates or is likely to have a bearing on the estimation of income. The mere existence of a power to assess or reassess the six AYs' immediately preceding the AY corresponding to the year of search or the "relevant assessment year" would not justify a sweeping or indiscriminate invocation of Section 153C.*

68. *The jurisdictional AO would have to firstly be satisfied that the material received is likely to have a bearing on or impact the total income of years or years which may form part of the block of six or ten AYs' and thereafter proceed to place the assessee on notice under Section 153C. The power to undertake such an assessment would stand confined to those years to which the material may relate or is likely to influence. Absent any material that may either cast a doubt on the estimation of total income for a particular year or years, the AO would not be justified in invoking its powers conferred by Section 153C. It would only be consequent to such satisfaction being reached that a notice would be liable to be issued and thus resulting in the abatement of pending proceedings and reopening of concluded assessments.*

H. OPERATIVE DIRECTIONS

69. *When tested in light of the aforesaid principles, we find that except for a few exceptions which were noticed in the introductory parts of this judgment, the writ petitions forming part of this batch, impugn the invocation of Section 153C in respect of AYs' for which no incriminating material had been gathered or obtained. The Satisfaction Notes also fail to record any reasons as to how the material discovered and pertaining to a particular AY is likely to "have a bearing on the determination of the total income" for the year which is sought to be abated or reopened in terms of the impugned notices. The respondents have erroneously proceeded on the assumption that the moment any material is recovered in the course of a search or on the basis of a requisition made, they become empowered in law to assess or reassess all the six AYs' years immediately preceding the assessment correlatable to the search year or the "relevant assessment year" as defined in terms of Explanation 1 of Section 153A. The said approach is clearly unsustainable and contrary to the consistent line struck by the precedents noticed above."*

21. The Hon'ble Jurisdictional Delhi High Court in the aforesaid judgement held that for initiation of proceedings u/s 153C of the Act, the AO should satisfy that books of accounts or documents or assets seized or requisition must be pertained to the assessee and the entries contained therein must "have bearing on the determination of the total income of such other person".

22. As could be observed from the satisfaction note as reproduced herein above, the AO nowhere has recorded the satisfaction that entries contained in the diary seized “pertained to the assessee” and further such entries “have the bearing on the determination of the income of the assessee”. Therefore, by respectfully following the judgement of Hon’ble Delhi High Court in the case of Saksham Commodities (supra), we hold that satisfaction note recorded before initiation of the proceeding’s u/s 153C of the Act is not a valid satisfaction. Accordingly, we allow additional Ground of appeal No. IV raised by the assessee and quashed the proceedings initiated u/s 153C of the Act based on such invalid satisfaction.

23. Since we have allowed the legal issues raised by the assessee through additional grounds of appeal, therefore, the remaining Grounds of appeal requires no adjudication.

24. In the result, appeal of the assessee is allowed.

25. Now we take the assessee’s appeal in ITA No. 2227/Del/2025 for AY 2019-20 and 2252/Del/2025 for AY 2020-21.

ITA No.2227/Del/2025 [Assessment Year : 2019-20] &
ITA No.2252/Del/2025 [Assessment Year : 2020-21]

26. In these assessment years also, assessee has raised additional grounds of appeal and since these are purely legal in nature, are admitted for adjudication.

27. As fairly admitted by both the parties before us, facts are similar where same diary has been used for initiating the proceedings u/s 153C of the Act as was relied upon for initiating the proceedings for AY 2018-19 in ITA No.2252/Del/2025, and also the satisfaction note dt.03.12.2021 was common for all the assessment years. While deciding the appeal of the assessee for AY 2018-19 in ITA No. 2227/Del/2025, we have already hold that the satisfaction recorded for initiation of proceedings u/s 153C is invalid and further quashed the order u/s 153C being passed without jurisdiction as no proceedings u/s 153C could be initiated on the searches carried out on or after 01.04.2021 and the search in the case of assessee was on 03.12.2021 when the material was handed over to the AO of the assessee and he recorded his satisfaction note.

28. As the facts and the allegations made are identical in all the three assessment years, thus the observations made herein above in ITA No. 2227/Del/2025 for AY 2018-19 are ***Mutatis Mutandis*** applies to the facts of these two assessment years also and accordingly, by following the same, we allow additional Grounds of appeal taken by the assessee and quashed the proceedings-initiated u/s 153C of the Act. Additional Grounds of appeal taken are thus, allowed.

29. The other Grounds of appeal requires no adjudication.

30. In the result, appeals of the assessee for AY 2019-20 and AY 2020-21 are allowed.

31. In the final result, appeals of the assessee in **ITA Nos. 2227, 2228 & 2252/Del/2025 for Assessment Years 2018-19, 2019-20 and 2020-21** are allowed.

Order pronounced in the open Court on 27.01.2026.

Sd/-

**(ANUBHAV SHARMA)
JUDICIAL MEMBER**

Sd/-

**(MANISH AGARWAL)
ACCOUNTANT MEMBER**

Date:- 27.01.2026

Amit Kumar, Sr.P.S

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