

**IN THE INCOME TAX APPELLATE TRIBUNAL  
SURAT BENCH, SURAT**

**BEFORE DR. B.R.R. KUMAR, VICE-PRESIDENT  
MS. SUCHITRA KAMBLE, JUDICIAL MEMBER**

I.T.A. No. 790/SRT/2025  
(Assessment Year: 2014-15)

Nareshbhai Babubhai Savani, A-19, Aksardeep Society, Singanpore Char Rasta, Ved Road, Katargam S.O., Dabholi BO, Surat-395004 [PAN : AXRPS 8765 N]	Vs.	Principal Commissioner of Income-tax, Central, Surat
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I.T.A. No. 791/SRT/2025  
(Assessment Year: 2014-15)

Nitinbhai Popatbhai Savani, Plot No. 35/36, Narayanmuni Nagar Society, Ved Gam, Near Gurukul, Ved Road, Katargam, Surat-395004 [PAN : AWRPS 9715 R]	Vs.	Principal Commissioner of Income-tax, Central, Surat
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<b>(Appellant)</b>	..	<b>(Respondent)</b>
<b>Appellant represented by :</b>		Shri Rasesh Shah, CA
<b>Respondent represented by:</b>		Shri Mukesh Jain, CIT (DR)
<b>Date of Hearing</b>		22.01.2026
<b>Date of Pronouncement</b>		17.02.2026

**ORDER**

**PER DR. B.R.R. KUMAR, VICE-PRESIDENT:-**

**Delay condoned.**

These two appeals have been filed by the different assesseees against separate orders passed by the learned Principal Commissioner of Income-Tax (Central), Surat [herein-after referred to as "PCIT"], both dated 30.03.2025, in exercise of revisionary powers under Section 263 of the Income-tax Act, 1961 [hereinafter referred to as "the Act"], for the Assessment Year (AY) 2014-15.

2. Since the issues involved in both the appeals are identical and the grounds of appeal are verbatim the same, these appeals were heard together and are being disposed of by this consolidated order for the sake of convenience.

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3. The assessee has raised identical grounds, which read as under:-

*"1. On the facts and in circumstances of the case as well as law on the subject, the learned Pr. CIT has erred in passing the order u/s. 263, although the assessment order passed u/s. 143(3) r.w.s 153C of the I.T. Act, 1961 was neither erroneous nor prejudicial to the interest of the revenue.*

*2. On the facts and circumstances of the case as well as law on the subject, the learned Pr. CIT has erred in setting aside the order passed u/s. 143(3) with a direction to the assessing officer as per para no.8 of the revision order to pass fresh assessment order after taking into consideration, the issues as may be considered together with the issues discussed in order. Accordingly, PCIT has erred in setting aside the assessment order making it wide open Instead of restricting the issues raised in show cause notice.*

*3. On the facts and circumstances of the case as well as law on the subject, the learned Pr. CIT has erred in directing the assessing officer to make fresh inquiry and verification in respect of Rs.21,60,000/- on account of undisclosed income and thereby erred in setting aside the assessment with the direction to pass fresh assessment order in consequence to order passed u/s. 263."*

3. The undisputed facts in the present case are that a search under section 132 of the Act was conducted in the case of the Janani Group on 28.06.2018. During the course of the said search, certain documents/material allegedly belonging to the present assessee were found and seized. Subsequently, proceedings under section 153C of the Act were initiated against the assessee upon recording of satisfaction and forwarding of the seized material to the jurisdictional Assessing Officer on 31.03.2022.

4. In terms of the proviso to section 153C(1) of the Act, in the case of a person other than the searched person, the reference to the date of search is to be construed as the date on which the seized material is handed over to the Assessing Officer having jurisdiction over such other person. Accordingly, for the purpose of computing the block period of six assessment years under section 153C, the relevant date in the present case is 31.03.2022.

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5. Consequently, Assessment Year 2014-15 falls beyond the permissible period prescribed under section 153C of the Act and, therefore, the assessment framed for AY 2014-15 is barred by limitation in view of the law laid down by the Hon'ble Supreme Court in CIT vs. Jasjit Singh (155 taxmann.com 155), wherein it was held that in case of a search assessment undertaken under Section 153C of the Act, the previous year of search would stand substituted by the date or the year in which the books of accounts / documents and assets seized are handed over to the jurisdictional Assessing Officer of the other person, as opposed to the year of search which constitutes the basis for an assessment under Section 153A of the Act. Thus, the block period for the proceedings under Section 153C of the Act has to be computed from the date of receipt of books of accounts or documents by the Assessing Officer of the non-searched person. The Hon'ble Supreme Court in the case of CIT vs. Jasjit Singh (supra), held 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 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."*

6. The Apex Court had held in that case that in case of "other person", the period for which returns were required to be filed commenced only from the date when the materials were forwarded to their jurisdictional Assessing Officer. The Hon'ble Apex Court categorically held that the proviso to section 153C(1) caters not merely to the question of abatement but also with regard to date from which

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six-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 the specific provision of section 153C was enacted. Accordingly, in the facts of the present case, the assessment year under consideration being beyond the period prescribed under section 153C of the Act, the assessment order passed is null and void.

7. Once the assessment itself is held to be *void ab initio*, the revisionary orders passed by the Ld. PCIT u/s 263 of the Act cannot be sustained in the eyes of law and are liable to be quashed.

8. In the result, both the appeals of the assessee are allowed.

**The order is pronounced in the open Court on 17.02.2026**

**Sd/-**

**(SUCHITRA KAMBLE)  
JUDICIAL MEMBER**

Surat; Dated 17/02/2026

*btk*

**Sd/-**

**(DR. B.R.R. KUMAR)  
VICE-PRESIDENT**

आदेश की प्रतिलिपि □ ग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त (अपील)/ The CIT(A)-
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण ,/DR,ITAT, Surat,
6. गार्ड फाईल /Guard file.

आदेशानुसार/ **BY ORDER,**

**TRUE COPY**

सहायक पंजीकार (**Asstt. Registrar**)  
आयकर अपीलीय अधिकरण  
**ITAT, Surat**