

**IN THE INCOME TAX APPELLATE TRIBUNAL  
MUMBAI BENCH "H(SMC)" MUMBAI**

**BEFORE SHRI OM PRAKASH KANT (ACCOUNT MEMBER)  
AND  
SHRI SANDEEP SINGH KARHAIL (JUDICIAL MEMBER)**

**ITA No.3530/MUM/2025  
Assessment Year: 2014-15**

Mita Madhukar Sheth  
A 1903, Kanakia Aroha,  
Dattapada Road, Borivali East,  
Mumbai-400066

**vs.**

Deputy Commissioner IT, Central  
Circle 2(4), Mumbai  
CGO Complex, New Marine lines,  
Mumbai-400020

**PAN NO- ANXPS1978H  
Appellant**

**Respondent**

Assessee by : Shri Rakesh Joshi

Department by : Shri Pravin Salunkhe, Sr. DR

Date of Hearing : 22/01/2026  
Date of pronouncement : 27/02/2026

**ORDER**

**PER OM PRAKASH KANT, AM**

This appeal by the assessee is directed against order dated 15<sup>th</sup> February, 2025 passed by the Ld. Commissioner of Income Tax (Appeals) - 48, Mumbai [in short, "the Ld. CIT(A)] for assessment year 2014-15 raising various grounds challenging the validity of jurisdiction, recording of satisfaction under section 153C, reference to special audit under section 142(2A), additions beyond incriminating material, and the action of the Ld. CIT(A) in



remanding the matter instead of annulling the assessment. The said grounds are reproduced as under :

*“1. The assessment order is null and void ab initio because the LAO had no jurisdiction over the assessee. Order passed u/s 127 is illegal, without DIN and by non jurisdictional PCIT etc*

*2. The assessment is null and void ab initio as satisfaction recorded by LAO of searched person is belated and without DIN and therefore non est in view of Hon'ble SC decision in case of Calcutta Knitwear*

*3. The assessment is null and void ab initio as the satisfaction recorded by AO of assessee is not in accordance with binding decision of jurisdictional HC of Bombay in case of Sinhgad Technical Education society.*

*4. The reference to special audit u/s 142(2A) is also illegal as the case of the assessee did not satisfy the conditions specified in that section.*

*5. Additions on issues not covered by incriminating seized material are ultra vires and liable to be deleted.*

*6. The Id CIT(A) should have annulled the order instead of sending it back to LAO”*

2. At the outset, the Ld. Counsel for the assessee submitted that there was a delay of 20 days in filing the present appeal. It was explained that though the appeal fee was paid on 20th February, 2025 and Form No. 36 was uploaded on 21st February, 2025, the verification could not be completed as the husband of the assessee—who exclusively handled her tax matters—fell seriously ill and was hospitalized. He unfortunately expired on 9th April, 2025. Owing to these unforeseen and tragic circumstances, the appeal could not be effectively pursued within time.

2.1 Having considered the explanation and the material on record, we are satisfied that the delay was occasioned by sufficient and bona fide cause. The explanation is neither



perfunctory nor lacking in credibility. In the interest of substantial justice, the delay of 20 days is condoned. The appeal is accordingly admitted for adjudication.

3. Before us, the assessee has also raised an additional ground challenging the limitation in passing the order u/s 153C of the Act in the case of the assessee. The said additional ground is reproduced as under:

*“1) On the facts and circumstances of the case as well as in law, the Learned Assessing Officer has erred in passing the assessment order u/s 144 r.w.s 153C of the Income Tax Act, 1961, which is time barred as per the provision of the Act, therefore, the impugned assessment order is bad in law and required to be quash.”*

3.1 The additional ground being purely legal in nature, going to the root of jurisdiction, and not requiring investigation into fresh facts, is admitted in view of the law laid down by the Hon'ble Supreme Court in *National Thermal Power Co. Ltd. v. CIT* (229 ITR 383).

4. Before us the Ld. Counsel for the assessee addressing the additional ground submitted that a search was conducted in the case of OPG Group on 15.11.2017. During the course of search at the residence of Shri Madhukar C. Seth, certain digital material was seized. The Assessing Officer recorded satisfaction under section 153C on 14th October, 2020, stating that the seized digital data contained books of account and financial details pertaining to the assessee, Smt. Mita Madhukar Seth.



4.1 It was further submitted that the Assessing Officer of the searched person and that of the assessee being the same, there was no physical transfer of seized material. Therefore, the date of recording of satisfaction i.e. 14.10.2020 must be treated as the date of transfer for the purposes of computing limitation.

4.2 Relying upon the judgment of the Hon'ble Supreme Court in *Commissioner of Income-tax v. Jasjit Singh* (2023) 155 taxmann.com 90 (SC), it was contended that the block of six assessment years under section 153C has to be reckoned from the end of the financial year in which the seized material is handed over (or deemed to be handed over) to the Assessing Officer of the other person.

4.3 On this basis, it was argued that the six assessment years would run from A.Y. 2015–16 to A.Y. 2021–22. Since A.Y. 2014–15 falls outside this block, the impugned assessment is barred by limitation.

5. We have carefully considered the rival submissions and perused the material on record. There is no dispute that the satisfaction under section 153C was recorded on 14th October, 2020. The satisfaction note, as reproduced in the assessment records, clearly records that digital data seized during the search contained books of account of the assessee and accordingly proceedings under section 153C were initiated.



5.1 As far as six assessment years to be assessed u/s 153A of the Act is concerned, said six assessment years are taken up from the end of the financial year in which search is conducted. But as far as proceeding u/s 153C of the Act is concerned, the legal position governing computation of limitation under section 153C now stands authoritatively settled by the Hon'ble Supreme Court in *CIT v. Jasjit Singh* (supra). The Hon'ble Supreme Court has unequivocally held that for the purposes of section 153C, the relevant six assessment years are to be reckoned from the end of the financial year in which the seized material is handed over to the Assessing Officer of the other person. The Hon'ble Court rejected the contention that the period should relate back to the date of search, observing that such an interpretation would cause undue prejudice and lead to harsh and unintended consequences. The principle that emerges is that jurisdiction under section 153C crystallizes only upon recording of satisfaction and handing over of the material. The limitation must, therefore, be computed with reference to that event. The relevant finding of Hon'ble Supreme Court in the case of *Jasjit Singh* (supra.) is reproduced 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."*

5.2 Thus, the Hon'ble Supreme Court has held that six years or the ten years, wherever applicable, to be assessed for search assessment has to be reckoned from the date on which the material relevant to the assessee has been transferred to the Assessing Officer by the Assessing Officer of the searched person.

5.3 In the instant case, the Assessing Officer of the searched person and the assessee being same, there was no requirement of the transfer of the material and, therefore, it is deemed that said material was transferred on the date of recording satisfaction u/s 153C of the Act. Since the satisfaction u/s 153C recorded on 14<sup>th</sup> October, 2020, a copy of which is reproduced as under:

1	Name of the group if any, searched	OPG Group (Madhukar C Seth group)
2	Name of the assessee in whose case assets (money, bullion, jewellery or other valuable article or thing) or papers (books of accounts or documents) seized u/s 132/ requisitioned u/s 132A.	M/s OPG Securities Pvt Ltd and Sh. Sanjay Gupta Address: 4/10, OPG House, Asaf Ali Road, New Delhi-110002
3	PAN of searched assessee	AAACO1081C
4	Name and address of the person to whom seized assets/papers/documents/information as in(2) above belong.	Ms. Mita Madhukar Seth A/1901-04, Aroha Tower, Dattapada Road, Borivali (East) Mumbai
5	PAN of other person	ANXPS1978H



6	<p>Identification of the seized asset/papers which in the opinion of AO of the searched assessee (S.No.2), belong to the other person/information related to the other person. (S.No.4)</p>	<p>Annexure A-2 (Pages 1 to 9)</p> <p>Annexure A-1 (Backup of computer and emails),</p> <p>Annexure A-3 (Desktop Hard Disc Segate 500GB),</p> <p>Annexure A-4 (Samsung Note - 5),</p> <p>Annexure-5 (Samsung Note Edge)</p> <p>Annexure A-6 (Samsung Xperia Z5)</p>
	<p>(i) Details of Panchanama &amp; Annexure through which relevant asset/document was seized/ requisitioned</p>	<p>Panchanama dated 19/11/2017 and Annexure A [List of seized material – One page]</p>
	<p>(ii) Date of above Panchnama</p>	<p>19/11/2017</p>
	<p>(iii) Address of the place/ premises from where asset/paper/document was seized.</p>	<p>Residence of Sh. Madhukar C Seth, 1901-04, A-Wing Kanakia Aroha, Datapada Road, Near Ambamata Mandir, Borivali (East), Mumbai-400066</p>
	<p>(iv) Description of relevant asset/paper(s)/ document/information</p>	<p>As per Annexure A attached.</p>
	<p>(v) The brief reasons on the basis of which the AO reached to the conclusion that the relevant seized asset/ paper belongs to the other person/information relate to the other person (use Annexure if required)</p>	<p>The digital data contains books of accounts of Madhukar C Seth, Mita M Seth, Pratik M seth, and business concerns of these persons. Excel sheets contain sale and purchase of shares made by Sh. Madhukar C Seth and his business concerns. The Books of accounts are available from 01/04/2003 in tally.</p> <p>The above digital data contain</p>



		<i>the accounts of Ms. Mita Madhukar Seth also. Therefore, I am satisfied that these documents, information and data contained in digital media belong to Ms. Mita Madhukar Seth</i>
7	<i>Assessment years involved.</i>	<i>AY 2012-13 to 2018-19</i>

5.4 In the present case, since the Assessing Officer of the searched person and the assessee is the same, the date of recording of satisfaction—14.10.2020—has to be treated as the date of deemed handing over of the material. The financial year in which satisfaction was recorded ended on 31.03.2021. Consequently, the six assessment years permissible under section 153C would be A.Ys. 2015–16 to 2020–21 (and extended years, if applicable under law). The assessment year under consideration before us is A.Y. 2014–15, which falls beyond the permissible block. The assumption of jurisdiction under section 153C for A.Y. 2014–15 is therefore *ex facie* barred by limitation. Jurisdictional defect of this nature strikes at the very root of the assessment and renders it void *ab initio*. Accordingly, the assessment framed under section 144 read with section 153C for A.Y. 2014–15 is quashed.

5.5 In view of our finding that the assessment itself is void for want of jurisdiction on account of limitation, the other grounds raised by the assessee—challenging the legality of satisfaction, reference to special audit, and additions on merits—become



academic. It is settled law that once the foundation of jurisdiction fails, the superstructure cannot survive. We therefore refrain from adjudicating the remaining grounds.

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

**Order pronounced in the open Court on 27/02/2026.**

**Sd/-  
(SANDEEP SINGH KARHAIL)  
JUDICIAL MEMBER**

**Sd/-  
(OM PRAKASH KANT)  
ACCOUNTANT MEMBER**

Mumbai;  
Dated: 27/02/2026  
Ankit, Sr. P.S.

**Copy of the Order forwarded to :**

1. The Appellant
2. The Respondent.
3. CIT
4. DR, ITAT, Mumbai
5. Guard file.

//True Copy//

BY ORDER,  
(Assistant Registrar)  
**ITAT, Mumbai**