

**INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "C": NEW DELHI
BEFORE SHRI CHALLA NAGENDRA PRASAD, JUDICIAL MEMBER
AND
SHRI M. BALAGANESH, ACCOUNTANT MEMBER**

ITA No. 4938/Del/2025
(Assessment Year: 2015-16)

Padma Logistics Pvt. Ltd, GF-, P-14, Kalakaar Street, Burra Bazar, Kolkata, WB	Vs.	DCIT, Central Circle-5, Jhandewalan, Delhi
(Appellant)		(Respondent)
PAN: AAHCP1175H		

Assessee by :	Shri Raj Kumar Gupta, CA Shri J. P. Sharma, CA
Revenue by:	Shri Dayainder Singh Sidhu, CIT DR
Date of Hearing	08/01/2026
Date of pronouncement	11/03/2026

O R D E R

PER M. BALAGANESH, A. M.:

1. The appeal in ITA No.4938/Del/2025 for AY 2015-16, arises out of the order of the Id Commissioner of Income Tax (Appeals)-24, New Delhi [hereinafter referred to as 'Id. CIT(A)', in short] dated 04-08-2025 against the order of assessment passed u/s 153C of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 27-03-2023 by the Assessing Officer, DCIT, Central Circle-5, New Delhi (hereinafter referred to as 'Id. AO').

2. One of the ground raised by the Assessee is challenging the assumption of jurisdiction under section 153C of the Act for the year under consideration to be flawed as the same would be barred by limitation. This goes to the root of the matter and hence we deem it fit to take up the same first for adjudication.

3. We have heard the rival submissions and perused the materials available on record. Shri Kshitij Lal was searched under Section 132 of the Act on 12-3-2019, which falls in assessment year 2019-20. During the course of his search, some documents relating / pertaining to Assessee was found. Hence, a satisfaction note under Section 153C of the Act was recorded by the learned AO of the Assessee on 25-6-2021, which falls in assessment year 2022-23. Admittedly, the satisfaction note was prepared by the learned AO of the Assessee for six preceding assessment years by assuming the search year as assessment year 2019-20 based on the year of search conducted on Shri Kshitij Lal. Accordingly, the revenue sought to initiate proceedings from assessment years 2013-14 to 2019-20 under Section 153C of the Act. But as per the decision of Hon'ble Supreme Court in the case of Jasjit Singh reported in 155 taxmann.com 155 (SC), the date of search qua the Assessee would be 25-6-2021, being the date of recording of satisfaction note under Section 153C of the Act. Reckoning from that date of 25-6-2021, the six preceding assessment years would commence only from assessment year 2016-17 onwards. In other words, the learned AO pursuant to the recording of satisfaction note under Section 153C of the Act on 25-6-2021, could initiate proceedings on the Assessee under Section 153C of the Act for assessment years 2016-17 to 2021-22 and initiate proceedings for assessment year 2022-23 under Section 143(3) of the Act being the year of search qua the Assessee. Thus, the assessment year 2015-16 would be beyond the block period of

preceding six assessment years when search is reckoned from 25-6-2021 for the purpose of Section 153C assessment in the case of the Assessee. In order to extend the initiation of proceedings under Section 153C of the Act beyond the block period of six years, the legislature had indeed provided fourth proviso to Section 153A(1) of the Act which covers relevant assessment years and which reads as under:-

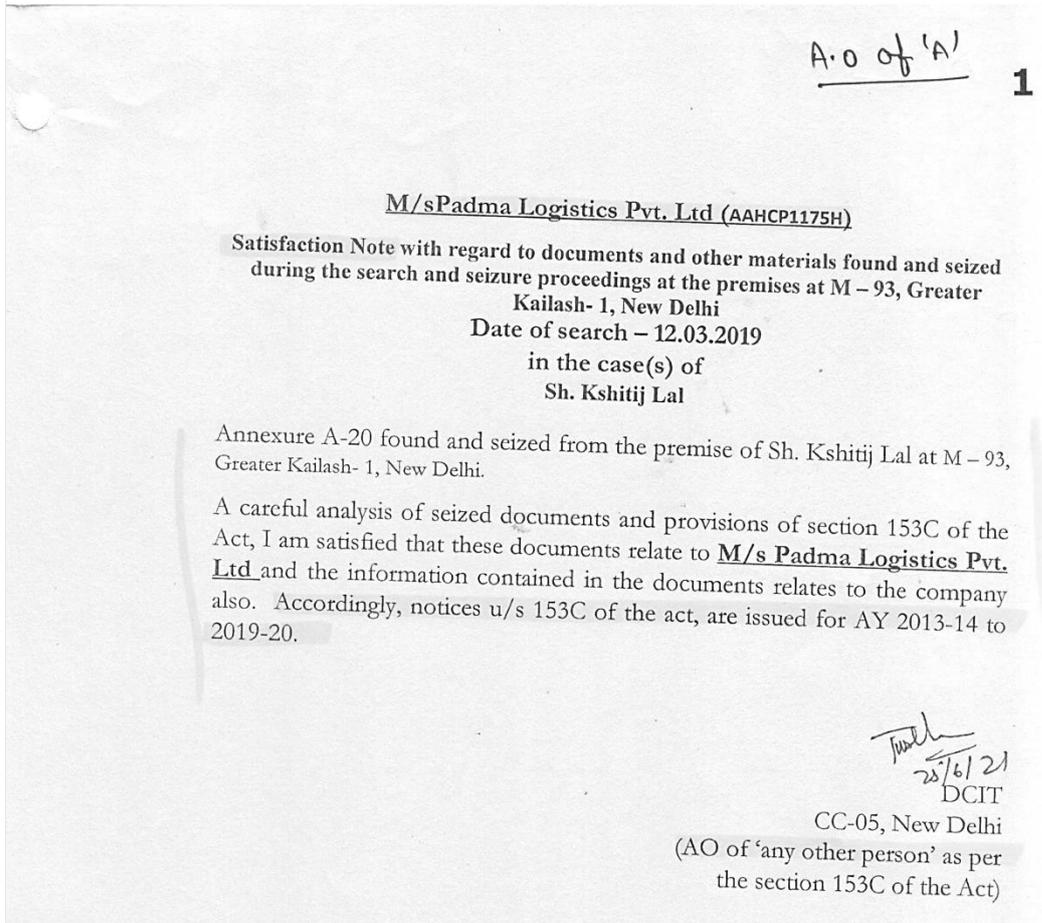
Provided also that no notice for assessment or reassessment shall be issued by the Assessing Officer for relevant assessment year or years unless-

(a) the Assessing Officer has in his possession books of account or other documents or evidence which reveal that the income, represented in the form of asset, which has escaped assessment amounts to or is likely to amount to fifty lakh rupees or more in the relevant assessment year or in aggregate in the relevant assessment years;

(b) the income referred to in clause (a) or part thereof has escaped assessment for such year or years; and

(c) the search under section 132 is initiated or requisition under section 132A is made on or after the 1st day of April 2017.

4. As per the above provision, for getting jurisdiction under Section 153C of the Act beyond six preceding assessment years, the statute prescribes that three specific conditions need to be satisfied. In the instant case, now let us examine whether the learned AO had resorted to initiate proceedings under Section 153C of the Act for the assessment year 2015-16 by applying the aforesaid fourth proviso to Section 153A(1) of the Act qua the assessee. For understanding this fact, it would be relevant to reproduce the satisfaction note recorded by the learned AO on 25-06-2021 qua the Assessee which is as under:-



5. From the above satisfaction note, it is crystal clear that the learned AO never resorted to initiate fourth proviso to Section 153A(1) of the Act in his satisfaction note dated 25-06-2021 for assessment year 2015-16. Further, there is absolutely no indication of satisfaction of three conditions prescribed in fourth proviso to Section 153A(1) of the Act in the aforesaid satisfaction note. Hence, no proceedings could be initiated on the assessee for assessment year 2015-16 based on the aforesaid satisfaction note and the same would be barred by limitation. Reliance in this regard had been rightly placed by the learned AR on the decision of Hon'ble Jurisdictional Delhi High Court in the case of Smart Chip Private Limited vs ACIT reported in 476 ITR 389 (Del) wherein it was held that where search was conducted in case of assessee in financial year 2022-23, relevant block of six assessment years would be six assessment

years preceding assessment year 2023-24 and thus assessment year 2016-17 would fall beyond block of six years and accordingly notice issued under Section 148 on 21-3-2024 was barred by limitation. The aforesaid principle was also laid down by the Hon'ble Jurisdictional Delhi High Court in the case of PCIT vs Ojjus Medicare Private Limited reported in 161 taxmann.com 160 (Del HC).

6. Hence, in view of the aforesaid observations, relevant provisions of the Act and judicial precedents relied upon herein above, we hold that initiation of proceedings for assessment year 2015-16 under Section 153C of the Act qua the Assessee would be barred by limitation as it is beyond the block period of preceding six assessment years. Hence, the entire assessment framed under Section 153C of the Act for assessment year 2015-16 on the Assessee is hereby quashed.

7. Since the entire assessment is quashed, the adjudication of other legal arguments advanced by the Learned AR and adjudication of other grounds raised by the Assessee would become academic in nature and they are left open.

8. In the result, the appeal of the Assessee is allowed.

Order pronounced in the open court on 11/03/2026.

-Sd/-

(CHALLA NAGENDRA PRASAD)
JUDICIAL MEMBER

-Sd/-

(M. BALAGANESH)
ACCOUNTANT MEMBER

Dated: 11/03/2026
A K Keot

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1. Applicant

2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi