

IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH "G" NEW DELHI

BEFORE SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER  
AND  
SHRI SUDHIR KUMAR, JUDICIAL MEMBER

I.T.A No. 5843/Del/2025  
Assessment Year: 2014-15

M/S UTC SOFTECH (P) LTD., F-1098, CHITRANJAN PARK, NEW DELHI – 110 019 [PAN: AALCS3608J]	Vs.	DCIT Central Circle-1, Gurgaon, Haryana
<b>Appellant</b>		<b>Respondent</b>

<b>Assessee by</b>	Sh. Rakesh Gupta, Adv. & Sh. Kapil Dahiya, Adv & Sh. Saksham Aggarwal, CA
<b>Revenue by</b>	Sh. Mahesh Kumar, CIT(DR)

सुनवाईकीतारीख/ Date of hearing:	16.03.2026
उद्घोषणाकीतारीख/Pronouncement on	08.04.2026

**ORDER**

**PER SUDHIR KUMAR, J.M.**

This appeal is filed by the Assessee against the order of the Ld. CIT(Appeals)-3, Gurgaon dated 22.07.2025 relevant to assessment year AY 2014-15 arising out of the assessment order passed u/s 143(3) and in sustaining the addition made towards long term capital gain u/s 45 of the I.T. Act. The assessee has raised as many as 11 grounds of appeal. However, Ld. Counsel for the assessee further submits that assessee has filed additional legal grounds of appeal with a prayer to admit the following additional grounds:-

1. That having regard to the facts and circumstances of the case, action of the AO in assuming the jurisdiction and passing the impugned assessment order u/s. 143(3) is incorrect, illegal and void ab initio and in violation of principles of natural justice as the impugned assessment order ought to have been passed u/s. 153C of the Act.
2. That in any case and in any view of the matter, action of the AO in assuming jurisdiction and passing the impugned assessment order is bad in law and against the facts and circumstances of the case, more so when assessment order was not passed u/s. 153C, more so in view of the judgement of Hon'ble Supreme Court of India in the case of CIT vs. Jasjit Singh (2023) 458 ITR 437.
3. That having regard to the facts and circumstances of the case, action of AO in assuming the jurisdiction and passing the impugned assessment order u/s. 143(3) is illegal and void ab initio as no notice u/s. 153C has been issued / served upon the assessee nor any satisfaction has been recorded u/s. 153C.

Ld. Counsel for the assessee further submits that since the above grounds of appeal are purely legal, do not require fresh facts to be investigated and go to the root of the matter, hence, it was prayed that the aforesaid additional grounds may be admitted, in view of the decision of the Hon'ble Supreme Court in the case of National Thermal Power Ltd. Vs. CIT (229 ITR 383).

2. Heard rival contentions. The additional grounds raised by the assessee are purely legal grounds and going to the very validity of the assessment made u/s 143(3) of the Act and thus, respectfully following the decision of the Hon'ble Supreme Court in the case of NTPC Vs. CIT (supra) the additional grounds filed by the assessee are admitted.

3. The brief facts of the case are that assessee company is dealing in real estate activities and is engaged in the development of properties having its registered office in New Delhi. Survey u/s. 133A of the Act was conducted in this case on 10.10.2013. By virtue of the authorization of the Director of Income Tax (Investigation), Chandigarh, under section 132(1)(A) of the Act in the case of the assessee, the residential as well as business / office premises of M/s Urbtech Group of cases were subjected to search and seizure operations on 10.10.2013. During the relevant assessment year 2014-15, the assessee has declared business loss amounting to Rs. 13,349. In accordance with the provisions of section 153A(1)(a) of the Act, a notice

dated 16.10.2014, u/s. 142(1) of the Act was issued and properly served upon the assessee, requiring it to file its return of income in respect of assessment year 2014-15, an assessment year pertaining to the year in which search was conducted. In response to the said notice, the assessee submitted copy of its return of income filed on 30.9.2014, duly verified and signed declaring loss of Rs. 13,349/-. Notices u/s. 143(2) and 142(1) of the Act alongwith questionnaire were issued to the assessee company on 12.01.2016, which was duly served upon the assessee. In response to the said notices, the Ld. AR for the assessee attended the assessment proceedings from time to time. Thereafter, AO made various additions vide his order dated 29.2.2016 passed u/s. 143(3) of the Act by assessing the income at Rs. 5,07,55,812/-. Against the aforesaid action of the AO, assessee appealed before the Ld. CIT(A) who vide his order dated 22.7.2025 dismissed the appeal of the assessee. Aggrieved, assessee is in appeal before us.

4. Ld. AR for the assessee submitted that AO passed the assessment order u/s. 143(3) of the Act which is bad in law for the reason that the assessment order ought to have been passed u/s. 153C of the Act. He further submitted that AO has recorded the satisfaction u/s. 153C of the Act on 08.01.2026 and therefore, in view of the Hon'ble Apex Court decision in the case of CIT vs. Jasjit Singh 458 ITR 437, 08.01.2016 becomes the deemed date of search in the case of the assessee and AY 2016-17 becomes search year for the assessee. Accordingly, the year the under consideration i.e., AY

2014-15, fall within the block of six assessment years immediately preceding the year of search i.e., AY 2016-17 in the assessee's case and therefore, the assessment order in the present case ought to have been passed u/s. 153C whereas the impugned assessment order has been passed u/s. 143(3) which is not as per law, hence, the same may be quashed.

5. On the other hand, Ld. DR strongly supported the orders of the authorities below.

6. Heard rival submissions, perused the orders of the authorities below and the decision relied on. In this case undoubtedly the addition made in the assessment order passed u/s 143(3) of the Act for the AY 2014-15 was based on the search and seizure operations conducted on M/s Urbech Group of Cases on 10.10.2013. In the case on hand undoubtedly the AO has recorded the satisfaction u/s. 153C of the Act on 08.01.2026 and therefore, in view of the Hon'ble Apex Court decision in the case of CIT vs. Jasjit Singh 458 ITR 437, 08.01.2016 becomes the deemed date of search in the case of the assessee and AY 2016-17 becomes search year for the assessee. Accordingly, the year the under consideration i.e., AY 2014-15, fall within the block of six assessment years immediately preceding the year of search i.e., AY 2016-17 in the assessee's case and therefore, the assessment order in the present case ought to have been passed u/s. 153C whereas the impugned assessment order has been passed u/s. 143(3) which is not permissible under the law, thus the

assessment order deserve to be quashed on this count. Thus, we hold that the assessment framed u/s 143(3) of the Act for AY 2014-15 is *void ab initio* and the same is hereby quashed. The additional grounds raised by the assessee are allowed.

7. Since we have quashed the assessment made u/s 143(3) for the AY 2014-15 on additional legal grounds, the other regular grounds have become only academic in nature at this stage.

8. In the result, appeal of the Assessee is allowed in the very terms.

Order pronounced in the open court on 08/04/2026

Sd/-

**(S. RIFAUR RAHMAN)**  
**ACCOUNTANT MEMBER**

Sd/-

**(SUDHIR KUMAR)**  
**JUDICIAL MEMBER**

Dated: 08/04/2026

**SR BHATNAGGAR**

Copy forwarded to:

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

ASSISTANT REGISTRAR, ITAT DELHI