



**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH, 'B': NEW DELHI**

**BEFORE SHRI C.N. PRASAD, JUDICIAL MEMBER
AND**

SHRI SANJAY AWASTHI, ACCOUNTANT MEMBER

ITA No.4627 to 4629/Del/2025

[Assessment Year: 2016-17, 2017-18 & 2018-19]

Shaminder Singh H. No.550, Lane No. W-23, Sainik Farms, New Delhi-110062 PAN No.DHNPS8488H	Vs.	ACIT Central Circle – 8 Delhi
Appellant		Respondent

Appellant by	Sh. Yudhister Mehtani, CA
Respondent by	Ms. Pooja Swaroop, CIT (DR)

Date of Hearing	14.05.2026
Date of Pronouncement	20.05.2026

ORDER

PER C.N. PRASAD, J.M.

All these three appeals are filed by the different orders of the Ld. CIT(A), Delhi-24 dated 04.06.2025 for the A.Y. 2016-17 to 2018-19.

2. The assessee has challenged the order of the Ld. CIT(A) on various legal grounds and also grounds on merits of additions made by the AO.

3. The assessee has raised the following common grounds of appeal in all three assessment years except for the figures :-

“1. That having regard to the facts and circumstances of the case, Ld. CIT(A) has erred in law and on facts in confirming the action of Ld. AO in passing the impugned assessment order u/s 153C and that too without assuming jurisdiction as per law and without complying the other mandatory conditions laid down u/s 153C and without recording mandatory satisfaction in accordance with law.

2. That having regard to the facts and circumstances of the case, Ld. CIT(A) ought to have deleted the addition made by Ld. AO which was based on dump/loose sheets found from the search of third person and the same is not the part of books of accounts.

3. That having regard to the facts and circumstances of the case Ld. CIT(A) ought to have delete the additions made by the Ld. AO, as there is no valid satisfaction note recorded as per the provision of the law.

4. That having regard to facts and circumstances of the case, Ld. CIT(A) ought to have set aside the impugned order, as assumption of jurisdiction in passing of the impugned order by the Ld. AO u/s 153C of the Act dated 31.03.2023 is illegal, bad in law as the mandatory statutory notice u/s 143(2) has not been issued.

5. hat having regard to the facts and circumstances of the case, Ld. CIT(A) has erred in law and on the facts in confirming the action of Ld. AO in making an additions of Rs.22,000/- by treating it as alleged unaccounted money u/s 69A and that too by recording incorrect facts and finding and in violation of principal of natural justice and without providing the opportunity of cross examination of the alleged deponent.

6. That in any case and in any view of the matter, order of Ld. CIT(A) in confirming the action of Ld. AO in making an addition of Rs.22,000/- u/s 69A is bad in law and against the facts and circumstances of the case and in any case section 69A is not applicable in the present case.

7. That having regard to the facts and circumstances of the case, Ld. CIT(A) ought to have quashed the impugned assessment order passed by the Ld. AO as the same was passed without obtaining valid approval u/s 153D in accordance with law.

8. That having regard to the facts and circumstances of the case, Ld. CIT(A) has erred in law and on facts in not reversing the action of Ld. AO in charging interest u/s 234A, 234B and 234C of Income Tax Act, 1961.”

4. Ld. Counsel for the assessee at the outset submitted that in so far as ground No.7 is concerned which is in respect of challenging the validity of approval u/s.153D of the Act the said ground of appeal is not pressed. In view of the submissions of the Ld. Counsel for the assessee this ground of appeal is dismissed as not pressed.

5. Ld. Counsel for the assessee referring to ground No.1 of grounds of appeal submitted that assumption of jurisdiction by the AO and framing assessment u/s.153C of the Act is bad in law. Ld. Counsel for the assessee submitted that in the case of the assessee a satisfaction note dated 15.12.2021 was recorded by the AO and pursuant to such satisfaction note notice u/s.153C of the Act was issued and completed the assessment accordingly. Ld. Counsel for the assessee submits that since the satisfaction note was

recorded on 15.12.2021 the deemed search in the case of the assessee being a person other than the searched person shall be 15.12.2021 and in which case proceeding u/s.153C of the Act could not have been initiated on or after 01.04.2021 in view of sub section (3) of section 153C of the Act. Ld. Counsel submits that since this ground was not raised before the Ld. CIT(A) the assessee has raised this legal ground by way of additional grounds of appeal No.2 which is placed on record : -

“That having regard to the facts and circumstances of the case, Ld. CIT(A) has erred in law and on facts in confirming the action of the Ld. AO in passing the impugned assessment order u/s. 153C and that too without assuming jurisdiction as per law and without recording mandatory satisfaction in accordance with law.”

6. Ld. Counsel for the assessee placing reliance on the decision of the Hon’ble Supreme Court in the case of NTPC Ltd. Vs. CIT (229 ITR 383) submits that since the additional ground raised is purely legal ground going to the very jurisdiction of assessment framed by the AO and no new facts are required to be investigated by the AO, the same may be admitted.

7. On hearing both the sides and perusing the additional ground No.2 which is identical to ground No.1 of the grounds of appeal which was already extracted above, the same is admitted for adjudication since it is purely a legal ground.

8. In so far as ground No.1 of additional ground which is in respect of challenging the validity of approval u/s.153D of the Act is concerned Ld. Counsel submitted that this ground of appeal is not pressed. In view of the submissions of the Ld. Counsel for the assessee ground No.1 of additional grounds raised by the assessee is dismissed as not pressed.

9. Coming to the merits of additional ground No.2 and also ground No.1 of grounds of appeal which is in respect of assuming jurisdiction by the AO and framing assessment u/s.153C of the Act is concerned, Ld. Counsel submitted that identical issue came up for consideration before the Hon'ble Madras High Court in the case of Harigovind Vs. ACIT (485 ITR 509) wherein the Hon'ble Madras High Court held that the initiation proceedings u/s.153C of the Act after 01.04.2021 is bad in law.

10. Ld. Counsel for the assessee further submitted that following decision of the Hon'ble Madras High Court the coordinate Benches of Delhi in the case of Smt. Geetanjali Bhayana Vs. DCIT (183 taxmann.com 95) and Sh. Lekhraj Vs. DCIT in ITA No.3181 to 3186/Del/2025 dated 30.03.2026 and in various other cases the Tribunal consistently held that, in the case of a person other than the searched person the deemed date of search would be the date of the satisfaction note recorded and if such satisfaction note recorded on or after 01.04.2021, pursuant

to the decisions of the Hon'ble Delhi High Court in the case of Ojjus Medicare Pvt. Ltd. , the assessment framed u/s.153C is bad in law as the proceedings for initiation of assessment can only be done u/s.148 of the Act and not u/s.153C of the Act.

11. Heard rival contentions. Coming to the merits of the additional ground it is observed that the satisfaction note u/s.153C of the Act in the case of the assessee was recorded on 15.12.2021 and notice u/s.153C of the Act was issued on 11.03.2022. By virtue of the sub-section(3) of Section 153C of the Act which was effective from 01.04.2021 where a search initiated after 01.04.2021 the proceedings u/s.153C of the Act are not valid and applicable, but the provisions of section 148 of the Act are applicable. In the case of the assessee since the satisfaction note was recorded on 15.12.2021 i.e. after 01.04.2021 the deemed date of search in the case of the assessee being person other than the searched person shall be the date of recorded of satisfaction note in view of the decision of the Hon'ble Apex court in the case of Jasjit Singh reported in 458 ITR 437 and the assessment framed u/s.153C of the Act pursuant to the satisfaction note recorded on or after 01.04.2021 is bad in law.

12. The Hon'ble Madras High Court in the case of Harigovind Vs. ACIT (supra) held that interms of sub-section (1) of section 153C of the Act for the purpose of calculation

of six years period the date of handing over the materials to the AO has to be construed as the date of initiation of search for other person other than the searched person. The Hon'ble Madras High Court further held that interms of first proviso to sub section (1) of section 153C of the Act for the purpose of abatement also the date of handing over of the materials to the AO has to be construed as the date of initiation of search for the other person (other than searched person). The Hon'ble Madras High Court did not agree with the submissions made by the revenue that another date is available for the purpose of initiation of search in respect of other person (other than searched person). The Hon'ble Madras High Court further held as under :-

“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 CO

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 1324 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 BCOpauthority 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 Odate 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 CIT Vs. Jasjit Singh reported in [2023] 458 ITR 437 (SC), 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 CIT Vs. Jasjit Singh, 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 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 CIT Vs. Jasjit Singh 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 o 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" us 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

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.

51. Since this Court has arrived at the above decision based on the jurisdiction of 2nd respondent in issuance of impugned notices, it is not necessary to deal with the other factual issues, which have been raised”

13. Following the decision of the Hon’ble Madras High Court the coordinate Bench of Delhi in the case of Geetanjali Bhayana vs. DCIT (183 taxmann.com 95) held as under :-

“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 Page | 10 ITA No.2227, 2228 & 2252/Del/2025 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 u/s [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 Page | 14 ITA No.2227, 2228 & 2252/Del/2025 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 Page | 15 ITA No.2227, 2228 & 2252/Del/2025 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 Page | 16 ITA No.2227, 2228 & 2252/Del/2025 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 Madras 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 sub- section (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.

14. Similarly, the coordinate Bench of Delhi Tribunal in the case of Sh. Lekh Raj Vs. DCIT in ITA No. 3181 to 3186/Del/2025 dated 30.03.2026 considering the decision of the jurisdictional High Court in the case of PCIT Vs. Ojjus Medicare Pvt Ltd. (465 ITR 101) and the provisions of sub section(1) of section 153C of the Act as amended by the Finance Act, 2021 w.e.f. 01.04.2021 held that no assessment u/s.153C of the Act shall be framed if the date of search fall beyond 01.04.2021, observing as under :-

“7. We have heard submissions made by rival sides and have examined the orders of authorities below. We have also considered the decision on which ld. Counsel for the assessee has vehemently placed reliance to buttress her arguments. The assessee in appeal has assailed validity of the assessment order passed u/s 153C r.w.s. 143(3) of the Act. It is an undisputed fact that addition has been made in the hands of the assessee on protective basis consequent to search in the case of Navin Mahipal Group on 16.09.2019. The satisfaction note in case of the assessee was drawn by the AO on 28.09.2021. As per the first proviso to section 153C(1), the date of search in the case of person other than the searched person shall be the date on which books of account or documents or assets seized or requisitioned by the Assessing Officer having jurisdiction over such other person are received by the AO of other person. Thus,

in the case of a person other than the searched person, the relevant date would be the date on which relevant documents or seized material is received by the AO of the person other than the searched person. The CIT(A) in Para 14 of the impugned order has recorded that: “it does not emanate from record as to when the seized material was handed over to AO, it is seen that the case of the appellant was centralised u/s 127 of the Act from Faridabad to New Delhi on 21.01.2021. Therefore, the date 21.01.2021 may be taken as the date on which the material was handed over to the AO, that is to say, that the material was handed over to the AO in F.Y. 2020-21.”

*We are of the considered view that in absence of specific date of handing over the seized material to AO of the assessee, the date of issue of order u/s 127 of the Act has been wrongly assumed by the CIT(A) as the date on which seized material was received by the AO of assessee. The Hon’ble Jurisdictional High Court in the case of **PCIT vs. Ojjus Medicare(P.) Ltd** (supra) has held that where the date of handing over of documents is not available, date of issuance of satisfaction note by the Assessing Officer u/s 153C of the Act would be pertinent for the purpose of first proviso to section 153C of the Act. In the present case, the AO had recorded satisfaction on 28.09.2021. Since, the date of handing over of seized material is not emanating from the records, the date of recording of satisfaction i.e., 28.09.2021 shall be considered as the date of receiving seized material by the AO of the assessee.*

8. Section 153C was amended by the Finance Act, 2021 with effect from 01.04.2021 whereby sub-section(3) was inserted. The relevant sub-section is reproduced hereinbelow:

“(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.”

By virtue of above amendment to section 153C, no assessment u/s 153C can be made in the case of other person under section 153C of the Act if the date of search falls beyond 01.04.2021. As a corollary, any

notice issued for making assessment u/s 153C of the Act in the case of a non-searched person after 01.04.2021 would be no-nest.

9. Thus, applying the amended provisions of section 153C of the Act and the law explained by the Hon'ble Jurisdictional High Court in the case of Ojjus Medicare(P.) Ltd. (supra), to facts of the instant case, we find that the notice u/s 153C of the Act issued by the AO to assessee and thereafter, assessment order passed u/s 153C is unsustainable and is liable to be quashed on the ground of jurisdiction. We hold accordingly”.

15. Ratio of the above decisions squarely applies to the facts of the assessee's case. Thus, respectfully following the decision we hold that the assessments framed u/s.143(3) r.w.s. 153C of the for the A.Y. 2016-17 to 2018-19 based on the satisfaction note recorded on 15.12.2021 which is beyond 01.04.2021, which is after 01.04.2021, are bad in law, void-ab-initio and the same are hereby quashed. Additional ground No.3 is allowed for the A.Y. 2016-17 to 2018-19.

16. Since we have allowed additional ground No.2 quashing the assessments framed u/s.143(3) r.w.s. 153C of the Act for the A.Ys 2016-17 to 2018-19 all other grounds need not be adjudicated at this stage as they become academic in nature and they are left open.

17. In the result, all the appeals for A.Y. 2016-17 to 2018-19 are partly allowed as indicated above.

Order pronounced in the open court on 20.05.2026.

Sd/-

**[SANJAY AWASTHI]
ACCOUNTANT MEMBER**

Sd/-

**[C.N. PRASAD]
JUDICIAL MEMBER**

Dated: 20.05.2026

*NOTED, S.P.O.**

Copy forwarded to:

1. Appellant
2. Respondent
3. PCIT
4. CIT(A)
5. DR

Asst. Registrar,
ITAT, New Delhi