

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

**BEFORE SHRI SUDHIR KUMAR, JUDICIAL MEMBER,
AND
SHRI NAVEEN CHANDRA, ACCOUNTANT MEMBER**

ITA Nos. 1355 & 1356/DEL/2026
[Assessment Years : 2010-11 & 2011-12]

**The D.C.I.T
Central Circle - 32
New Delhi**

(Appellant)

**Vs. Excel Insurance Outsourcing
Pvt. Ltd.
1509, RG Trade Tower,
Netaji Subhash Place,
Pitampura,
New Delhi - 110 034**

**PAN : AACCE 0336 Q
(Respondent)**

Assessee By : Shri Satyajeet Goel, Adv.
Department By : Ms. Sita Shrivastava - CIT(DR)

**Date of Hearing : 03.06.2026
Date of Pronouncement : 10.06.2026**

PER NAVEEN CHANDRA, AM :-

These two appeals by the Revenue are directed against the order of the learned Pr. Commissioner of Income Tax (Appeals) - 25, New Delhi under section 250 of the Income Tax, 1961 (hereinafter referred as 'the Act') dated 10.10.2025 arising from the Assessment order dated

28.03.2024 under section 153C r.w.s 144 of the Act by the Assessing Officer, DCIT, Circle - 32, New Delhi pertaining to Assessment Years 2010-11 and 2011-12 respectively.

2. Since the above captioned appeals were heard together and facts in issues are identical, both the appeals are being disposed of by this common order for the sake of convenience and brevity.

3. The challenge in the grounds raised by the Revenue is in respect of the Id. CIT(A)'s action in holding that block periods for assessment u/s 153C r.w. 153A of the Act have to be calculated from the date of receipt of the books of account, documents or assets seized by the Assessing Officer of the non-searched person and not from the date of initiation of search by relying upon the first proviso to section 153C of the Income-tax Act, 1961.

4. Representatives of both the sides were heard at length. Case records carefully perused. Relevant documentary evidence brought on record duly considered in light of Rule 18(6) of the ITAT Rules.

5. Brief facts of the case are that the Assessing Officer initiated proceedings u/s 153C r.w.s 144 of the Income-tax Act, 1961 [the Act, for short] on the assessee due to search conducted at third party i.e., Alankit Group on 18.10.2019. For this purpose, satisfaction note u/s

153C was recorded by the Assessing Officer of the searched party on 24.06.2022 and handed over the seized materials to the AO of the assessee on the same date. Thereafter, the Assessing Officer of the assessee recorded his satisfaction u/s 153C on 31.11.2022 and issued notice u/s 153C of the Act to the assessee on 05.07.2023.

6. Aggrieved, the assessee went in appeal before the ld. CIT(A) who allowed the appeal of the assessee. Now the Revenue is aggrieved against the order of the ld. CIT(A) and has come in appeal before us.

7. Before us, the ld. counsel for the assessee vehemently stated that as the satisfaction of the AO of the non-searched person i.e., the assessee was recorded on 31.11.2022, the assessment year relevant to the previous year in which search is conducted or requisition is made, as per the first proviso of section 153C, becomes A.Y. 2023-24. The ten assessment years immediately preceding the assessment year relevant to the previous year in which search is conducted or requisition is made, begins from A.Ys. 2014-15 to 2023-24. The ld AR vehemently argued that the impugned AYs 2010-11 and 2011-12, is therefore, out of the block of ten assessment years for which assessment could be made and therefore the Assessing Officer cannot assume jurisdiction for making assessment u/s 153C of the Act. The ld. counsel for the

assessee also strongly relied upon the latest decision of the Hon'ble Delhi High Court in the case of *Ojjus Medicare Pvt Ltd & Others* [2024] 161 taxmann.com 160 (Delhi) order dated 03.04.2024.

8. We have heard the rival submissions and have perused the relevant material on record. We find that this issue of the date of search for persons covered under section 153C, is no longer *res-integra* and is now been well settled by the Hon'ble Supreme Court in the case of *CIT Vs. Jasjit Singh* 458 ITR 437(SC). The relevant law laid down by the Hon'ble Supreme Court in the case of *CIT Vs. Jasjit Singh* 458 ITR 437(SC) are read as under:

"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 153C was enacted. The revenue argued that the proviso [to Section 153(c)(1)] is confined in its application to the question of abatement. It is quite plausible that the AO seized of the materials...would take his own time to forward the papers and materials belonging to the third party, to the concerned AO. In that event if the date would virtually 'relate back' as is sought to be contended by the revenue, (to the date of 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 disproportionate."

9. The Hon'ble Delhi High Court has further elaborated the legal dictum in the case of *Ojjus Medicare Pvt Ltd* [2024] [supra] wherein it has held as under:

"First Proviso to Section 153C introduces a legal fiction on the basis of which the commencement date for computation of the six year or the ten-year block is deemed to be the date of receipt of books of accounts by the jurisdictional AO. The identification of the starting block for the purposes of computation of the six and the ten year period is governed by the First Proviso to Section 153C, which significantly shifts the reference point spoken of in Section 153A(1), while defining the point from which the period of the "relevant assessment year" is to be calculated, to the date of receipt of the books of accounts, documents or assets seized by the jurisdictional AO of the non-searched person. The shift of the relevant date in the case of a non-searched person being regulated by the First Proviso of Section 153C(1) is an issue which is no longer res integra and stands authoritatively settled by virtue of the decisions of this Court in SSP Aviation Ltd v. Dy.CIT (2012) 346 ITR 177 (Delhi)(HC) and CIT v. RRJ Securities Ltd 2015 SCC Online Del 13085 as well as the decision of the Supreme Court in CIT v Jasjit Singh 2023 SCC Online SC1265. The aforesaid legal position also stood reiterated by the Supreme Court in ITO v. Vikram Sujitkumar Bhatia 2023 SCC Online SC 370. The submission of the revenue, therefore, that the block periods would have to be reckoned with reference to the date of search can neither be countenanced nor accepted. The reckoning of the six AYs' would require one to firstly identify the FY in which the search was undertaken and which would lead to the ascertainment of the AY relevant to the previous year of search. The block of six AYs' would consequently be those which immediately precede the AY relevant to the year of search. In the case of a search assessment undertaken in

terms of Section 153C, the solitary distinction would be that the previous year of search would stand substituted by the date or the year in which the books of accounts or documents and assets seized are handed over to the jurisdictional AO as opposed to the year of search which constitutes the basis for an assessment under Section 153A."

10. The law as interpreted by the Hon'ble Supreme Court and the Delhi High Court as above, declares that as per first proviso of section 153C of the Act, the commencement date for computation of the six assessment years is deemed to be the date of receipt of books of account/materials/asset, belonging/pertaining to non-searched person, by the jurisdictional Assessing Officer of the non-searched person. In other words, date of recording of the satisfaction u/s 153C in the case of the searched person *qua* the non-searched person becomes date of search in the case of non-searched person [the assessee in the present case].

11. In the instant case of the assessee (non-searched person), the deemed date of search would become the date of recording of satisfaction i.e., 31.11.2022. The assessment year relevant to the previous year in which the search is deemed to have been executed in the case of the assessee would be A.Y. 2023-24. In light of the decision of the Hon'ble Supreme Court and Delhi High Court [supra], the

impugned A.Y 2010-11 and AY 2011-12 would, therefore, fall beyond the period of ten assessment years as reckoned with reference to the date of recording of satisfaction by the assessing officer of the searched person. We therefore, have no hesitation in upholding the decision of the CIT(A) and quashing the impugned assessment order having been made without legal and valid assumption of jurisdiction. The ground is dismissed.

12. In the result, both the appeals of Revenue in ITA Nos. 1355 & 1356/DEL/2026 is dismissed.

Order pronounced in open court on 10.06.2026

Sd/-

**[SUDHIR KUMAR]
JUDICIAL MEMBER**

Sd/-

**[NAVEEN CHANDRA]
ACCOUNTANT MEMBER**

Dated: 10th June, 2026.

Priti Yadav, Sr. PS*

Copy forwarded to:

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

Asst. Registrar,
ITAT, New Delhi