

**IN THE INCOME TAX APPELLATE TRIBUNAL**

**DELHI BENCH “F”, NEW DELHI**

**BEFORE SHRI VIMAL KUMAR, JUDICIAL MEMBER  
AND  
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

**ITA No. 3823 to 3830/Del/2026,  
A.Y. 2013-14 to 2020-21**

|                                                            |     |                                                                                                                            |
|------------------------------------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------|
| SUDHIR AGRAWAL<br>241 Tagore Park,<br>Model Town,<br>Delhi | Vs. | Dy. Commissioner of<br>Income Tax,<br>Central Circle-28,<br>Room No. 327,<br>ARA Centre<br>Jhandewalan Extn.,<br>New Delhi |
| स्थायीलेखासं./जीआइआरसं./PAN/GIR No: <b>ABZPA4608A</b>      |     |                                                                                                                            |
| Appellant                                                  | ..  | Respondent                                                                                                                 |

|                       |                                                                                                                                |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Appellant by :        | Shri Sumit Lal Chandani, Advocate<br>Shri Salil Kapoor, Advocate<br>Ms. Ananya Kapoor, Advocate<br>Shri Shivam Yadav, Advocate |
| Respondent by :       | Shri K. Hauthang, CIT-DR                                                                                                       |
| Date of Hearing       | 21.07.2026                                                                                                                     |
| Date of Pronouncement | 27.07.2026                                                                                                                     |

**ORDER**

**PER BENCH:**

The above captioned eight appeals filed by appellant/assessee are against orders dated 10.02.2026 of the Ld. Commissioner of Income Tax (Appeals), Delhi-25 (hereinafter referred to as ‘the CIT(A)’) u/s 250 of the Income Tax

Act, 1961 (hereinafter referred to as 'the Act') arising out of assessment orders dated 30.03.2026 passed by Ld. Assessing Officer / DCIT, Central Circle-28, New Delhi (hereinafter referred to as 'the AO') u/s 153C of the Act for Assessment Years 2013-14 to 2020-21.

2. All the Appeals involve similar issues and grounds of appeal.

**The ITA No. 3823. Del.2026 for A.Y. 2013-14 is taken as the lead case.**

3. Brief facts of the case are that a search and seizure procedure u/s 132 of the Act was carried out on the Alankit Group, Sh. Alok K Agarwal, his son Ankit Agarwal and some associates and key employees of Sh. Alok K Agarwal on 18.10.2019. Incriminating seized evidences recovered were found in the name of the assessee; hence, the case was centralized to Central Circle-28, New Delhi. Notice u/s 153C of the Act dated 28.12.2021 was issued. Further, notices u/s 143(2) of the Act dated 14.12.2022 and notice u/s 142(1) of the Act dated 15.12.2022 were issued. The assessee filed submissions and documents. On completion of proceedings, ld. AO passed order dated 30.03.2023 for A.Y. 2013-14. Likewise, Ld. AO passed separate orders for other seven assessment years.

4. Against separate eight assessment orders dated 30.03.2023 u/s 153C of the Act, the assessee preferred appeals before Ld. CIT(A) which were dismissed vide common order dated 10.02.2026.
5. Being aggrieved appellant/assessee preferred above captioned eight appeals.
6. Ld. Authorized Representative for appellant/assessee submitted that impugned assessment order u/s 153C of the Act dated 30.03.2023 passed by Ld. AO is barred by limitation. He submitted the sequence of facts as under:

| SEQUENCE OF EVENTS ALONG WITH RELEVANT DATES |                                                                                                                                                    |            |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| S. No.                                       | Particulars                                                                                                                                        | Date       |
| 1.                                           | Search under Section 132 of the Income Tax Act, 1961 ("the Act")<br>[Alankit Group]                                                                | 18.10.2019 |
| 2.                                           | Order passed under Section 127 of the Act in the case of Assessee<br>(refer page nos. 314-316 of PB of AY 2013-14)                                 | 20.10.2020 |
| 3.                                           | Notice issued under Section 148 of the Act based on Alankit Group on the basis of information received on 15.03.2021 from DDIT, Investigation Wing | 30.03.2021 |
| 4.                                           | Date of Satisfaction note drawn in the case of Assessee by AO of other than searched person (refer page nos. 184-207 of PB of AY 2013-14)          | 24.12.2021 |
| 5.                                           | Notice issued under Section 153C of the Act in the case of Assessee<br>(refer page no. 317 of PB of AY 2013-14)                                    | 28.12.2021 |
| 6.                                           | Assessment order passed under Section 153C of the Act in the case of Assessee (refer page nos. 100-157 of PB of AY 2013-14)                        | 30.03.2023 |

7. Reliance was placed on order dated 16.02.206 in ITA No. 5149/Del/2025 titled as Ajay Gupta vs. DCIT.

8. Ld. Departmental Representative submitted written submissions as under:

*“The nature of proceedings under Section 153C require the assessing officer to examine the seized material, draws satisfaction that the incriminating material relates to the 'other person/third person' and comes to the conclusion that the contents of the incriminating material will have a bearing in computing the income of the assessee. Hence, the plea of the assessee's counsel is hyper legal and not in right contention with the facts of the case.*

*The reliance placed by the assessee's counsel in the judgement of the Hon'ble Bombay High Court titled as Vijay Bihari Kandhari vs. Assistant Commissioner of Income-tax [2025] 181 taxmann.com 21 (Bombay) [17-11-2025) is also misplaced on twin parameters:*

*i) Firstly, even if the Assessing Officer of the searched person and the non-searched person are the same, the proceedings under Section 153C warrant recording of a separate satisfaction and satisfaction note being a pivotal legal constraint cannot be overlooked merely on this coincidence that both the AO's are the same.*

*ii) Secondly, recording of satisfaction under Section 153C is to be done on thorough examination of seized material and reasoned decision, allowing reasonable timeframe without being bound by rigid or narrow interpretation of timing linked to completion of assessment proceedings provided in Section 153B(1).*

*Proceedings Under Section 153C Warrant Recording Of Separate Satisfaction*

*The revenue submits that the recording of satisfaction note is not just a procedural but a statutory requirement under the law prescribed, which cannot be avoided.*

*With regards to the date of completion of assessment proceedings, reliance is to be placed on the judgement of LKS Gold House (P) Ltd. vs. Deputy Commissioner of Income-tax [2024] 161 taxmann.com 604 (Madras) [18-01-2024] passed by the Hon'ble High Court of Madras. The relevant excerpt has been reproduced as under:*

*"87. There is no time limit prescribed for the issuance of satisfaction note(s) under Section 153C of the Income Tax Act, 1961. In terms of decision of the Hon'ble Supreme Court in Calcutta Knitweaves (supra) satisfaction notes under Section 158BC of the Income Tax Act, 1961 can be prepared by the "Assessing Officer" of the "searched person":*

*(a) At the time of or along with the initiation of proceedings under Section 158BC of the Income Tax Act, 1961 against the "searched person": or*

*(b) In the course of assessment of the "searched person" under Section 158BC of the Income Tax Act, 1961; or*

*(c) Immediately after the completion of the assessment proceedings under Section 158BC of the Income Tax Act, 1961 against the "searched person":*

88. This was also accepted by the Central Board of Direct Taxes in its Circular No 24/15 in F.No. 279/Misc/140/2015/ITJ dated 31.12.2015 in the context of Section 153C of the Income Tax Act, 1961. The Board concluded that Section 153C of the Income Tax Act 1961 was similar to and *pari materia* to Section 158BD of the Income Tax Act, 1961.

89. Therefore, the time limit for completing Assessment proceedings and passing the Assessment order will be one year from the date on which the documents were handed over or deemed to have been handed over to the "Assessing Officer" of the "other person" such as these petitioners, i.e. 31.03.2024. Therefore, the Writ Petition challenging the Assessment Orders passed under Section 153C read with Section 143(3) of the IT Act, 1961 are liable to be dismissed.

90. The above periods are relevant only for preparation and issuance of the "satisfaction note" under Section 153C of the Income Tax Act, 1961. They are not relevant for the purposes of computation of limitation for completing the assessment under Section 153C read with Section 143(3), Income Tax Act, 1961."

Further, reliance is placed on the judgement of *Super Malls (P.) Ltd. vs. Principal Commissioner of Income Tax, 8 New Delhi* [2020] 115 taxmann.com 105 (SC) [05-03-2020]. The relevant excerpt has been reproduced as under:

"6.1... However, in the case where the Assessing Officer of the searched person and the other person is the same, it is sufficient by the Assessing Officer to note in the satisfaction note that the documents seized from the searched person belonged to the other person. Once the note says so, then the requirement of section 153C of the Act is fulfilled. In case, where the Assessing Officer of the searched person and the other person is the same, there can be one satisfaction note prepared by the Assessing Officer, as he himself is the Assessing Officer of the searched person and also the Assessing Officer of the other person. However, as observed hereinabove, he must be conscious and satisfied that the documents seized/recovered from the searched person belonged to the other person. In such a situation, the satisfaction note would be *qua* the other person. The second requirement of transmitting the documents so seized from the searched person would not be there as he himself will be the Assessing Officer of the searched person and the other person and therefore there is no question of transmitting such seized documents to himself."

Section 153C: Reasoned Satisfaction Not Constrained by Rigid Timelines

*The revenue submits that recording of satisfaction under Section 153C is to be done on thorough examination of seized material and reasoned decision, allowing reasonable timeframe without being bound by rigid or narrow interpretation of timing linked to completion of assessment proceedings provided in Section 153B(1).*

*Reliance in this regard is placed to the judgement of the Hon'ble Supreme Court in the case of Bhupinder Singh Kapur vs. Income-tax Officer [2025] 175 taxmann.com 690 (SC) [24-01-2025], which has reaffirmed the decision of the Hon'ble High Court of Delhi in the same case of Bhupinder Singh Kapur vs. Income-tax Officer [2025] 175 taxmann.com 689 (Punjab & Haryana) [06-11-2024]. The relevant excerpt has been reproduced as under:*

*"8. We find that after the search was conducted on 28.01.2021, the assessment proceedings were completed in September, 2022 under section 158BC (now section 153A) of the Act against the searched person. The concerned Assessing Officer (AO) of the said searched person drew a satisfaction note of initiating proceedings on the basis of the documents seized as against the petitioner on 07.06.2023 and transmitted the documents to the concerned AO who also drew his satisfaction note on 31.10.2023. whereafter the notice was issued to the petitioner under section 153C of the Act on 30.03.2024. Thus, we find that immediately after the assessment proceedings were completed against the searched person under section 153 A of the Act, within nine months, the satisfaction notice was prepared by the concerned AO. The words 'immediately after the assessment proceedings' as mentioned in the observations of the Hon'ble Supreme Court and noted in the circular No.24/2015 issued on 31.12.2015 cannot be read to mean that the same has to be done within a day or two or within a particular period. What is important is that before AO issues a satisfaction note, he must look into all the documents and pass a reasoned order. For that purpose, considering various aspects, certain time should be allowed to be granted to the authorities too, and it cannot be a mechanical process.*

*9. In view thereto, we do not agree that there is any delay in preparing the satisfaction note and proceeding further against the petitioner.*

*12. We further observe that the proceedings under section 153C of the Act are comprehensive in nature, and the person against whom notice is issued, ought to take all the objections and wait for a final decision in the matter. It cannot be said that they are in any manner of such a nature which can affect the day to day functioning of the petitioner and prejudice him."*

*Lastly, the Revenue would like to pertinently point out that the aforementioned judgement of Vijay Bihari Kandhari vs. Assistant Commissioner of Income-tax [2025] 181 taxmann.com 21 (Bombay) [17-11-2025] taken by the assessee's counsel during the course of the proceedings has already been set aside by the latest ruling of the Hon'ble Income Tax Appellate Tribunal at the Ahmedabad Bench 'C' titled as Dilip Prasad Assistant Commissioner of Income Tax vs. Alap Somabhai Patel [2026]*

186 taxmann.com 922 (Ahmedabad - Trib.) [14-05-2026]. The judgement clearly holds that where Assessing Officer of searched person and 'other person' was same, proceedings under section 153C still required recording of statutory satisfaction regarding seized material pertaining to other person and, therefore, assessments were not barred by limitation merely because Assessing Officer was common. The relevant excerpt has been reproduced as under:

"80. However, after thoughtful consideration of the statutory framework contained under sections 153C and 153B of the Act, we are unable to persuade ourselves to accept the aforesaid contention advanced on behalf of the assessee. In our considered opinion, the entire argument of the assessee proceeds only on the aspect relating to "handing over" of documents while completely overlooking the foundational statutory requirement embedded in section 153C of the Act, namely, the mandatory "recording of satisfaction" by the Assessing Officer before assumption of jurisdiction over the other person....

82. In our considered view, the requirement of "recording satisfaction" is a substantive jurisdictional condition precedent and not a mere procedural formality. Unless and until such satisfaction is recorded, proceedings against the other person cannot legally be initiated. Therefore, even in a situation where the Assessing Officer of the searched person and the other person is common, the Assessing Officer is still statutorily required to examine the seized material, identify documents which pertain to or relate to the third party, analyse whether such material has bearing on determination of income of such person and thereafter consciously record satisfaction before invoking jurisdiction under section 153C of the Act.

83. The contention of the assessee that limitation must necessarily commence from the date of search itself merely because the Assessing Officer is common overlooks the scheme of section 153C altogether. Proceedings under section 153C are not automatic upon conduct of search. They arise only after the Assessing Officer records satisfaction regarding the incriminating nature and relevance of material qua the third party. In large group search matters involving multiple entities, voluminous records and interlinked financial transactions, such examination and satisfaction is a detailed and time-consuming statutory exercise which can reasonably be undertaken only after substantial appraisal and examination of seized material relating to the searched group...

...87. It is a settled principle of interpretation that where the language of the Statute is plain and unambiguous, effect must be given to the words employed by the Legislature. Section 153C clearly predicates initiation of proceedings upon recording of satisfaction that seized material pertains to or relates to a third party and has bearing on determination of income of such person. Therefore, the Statute itself recognizes a separate jurisdictional stage before proceedings under section 153C can commence. Once the language employed by Parliament is clear and unambiguous, there is no necessity to adopt an interpretation which would render the mandatory requirement of recording satisfaction otiose.

88. *In view of the aforesaid detailed discussion, we are unable to accept the contention advanced by the assessee that the impugned proceedings under section 153C are barred by limitation merely because the Assessing Officer of the searched person and the other person happened to be the same officer."*

*Further, reliance is placed on the judgment of Indian National Congress vs. Deputy Commissioner of Income-tax [2024] 160 taxmann.com 606 (Delhi) [22-03-2024]. The relevant excerpt has been reproduced as under:*

*"23. For the purposes of invoking Section 153C of the Act it is incumbent upon the AO to be satisfied that the material gathered in the course of the search and pertaining to the non-searched person would have a bearing on the determination of the total income of such other person either for six AYs' or for the relevant AY or AYs'. Since the provision itself requires and enables the AO to undertake an assessment for a block period of ten years, it would clearly not be incumbent upon it to draw separate or independent satisfaction notes for each AY. A composite Satisfaction Note would suffice the requirements of Section 153C of the Act provided it embody details of the material gathered in the course of the search and pertaining to the AYs forming part of the block as a whole. As long as the common Satisfaction Note includes sufficient particulars of the incriminating material relevant to the block of AYs', the same would, in our considered opinion, satisfy the statutory requirement as imposed by the Act. Singhad Technical Education Society as also the decision of the Supreme Court in Pr. CIT v. Abhisar Buildwell (P.) Ltd. [2023] 149 taxmann.com 399/293 Taxman 141/454 ITR 212 (SC)/(2024) 2 SCC 433 speak of incriminating material being found and which may impact the estimation of income likely to have escaped assessment for a particular AY. As we read and go through the Satisfaction Note as well as the orders disposing of objections, it is manifest that the respondent has rested its decision on incriminating material found for AYs 2014-15, 2015-16, 2016-17 and stretching up to AY 2020-21.*

*24. The provision only requires the AO to be satisfied that the material collated and handed over is likely to have an impact on the total income for the relevant AY or AYs'. While an assessment would necessarily have to be made in respect of each of the relevant AY or AYs', we find ourselves unable to read Section 153A or 153C as mandating separate Satisfaction Notes being drawn for each assessment year. Our conclusion in this respect stands fortified from the language of Section 1534(1)(a) which contemplates a notice being issued calling upon the person to furnish a return of income for each of the six AYs' or the relevant AY or AYs'. This too appears to suggest that while the notice could be composite and based on a common satisfaction note which encapsulates the incriminating material pertaining to the AYs' in question, it is only returns which must and mandatorily be filed separately.*

*25. Regard must be had to the indubitable fact that the Satisfaction Note merely forms the foundation for initiation of action and which would enable us to evaluate whether an opinion has been validly formed. As long as it rests on incriminating material which pertains to the AYs' in question, the same would qualify the requirement of Section 153C. We deem it apposite to observe that while it would be imperative for the Satisfaction Note to refer to the material pertaining to the Als' which are sought to be*

*reopened, a consolidated Satisfaction Note clearly does not appear to be an anathema provided it rests on material which pertains to the AYs' which are sought to be reopened.*

*... 34. As is manifest from the above, while the Section 153C notice was issued on 07 March 2023, the Satisfaction Note appears to have been provided to the petitioner on 28 and 30 June 2023. These writ petitions came to be preferred long thereafter on 19 March 2024. We take note of the statutory timeframes stipulated under Section 153B of the Act for completion of assessment proceedings and more particularly the Second and Third Proviso's which mandate assessment itself being completed within twelve months from the time when the books of account or material is handed over to the AO of the non-searched person. This would mean that in the present case and taking the date of handing over or recordal of satisfaction as constituting the date from which that period is liable to be reckoned, the assessment is liable to be completed by 31 March 2024.*

*35. The writ petitioner has thus chosen to approach this Court only a few days before the time for completion of assessment would expire and at the proverbial fag end of the proceedings. We consequently find no justification to interdict the assessment proceedings at this belated stage by invoking our jurisdiction under Article 226 of the Constitution. However and whether the asserted delay in commencement of proceedings would be fatal to the assessment itself is a question that we leave open to be urged at an appropriate juncture."*

*In view of the foregoing submissions, it is most respectfully submitted that in the instant case, though the Assessing officer of searched person and other non-searched person are the same by virtue of centralisation order u/s 127 dated 20/10/2020, the relevant statutory provisions and recent judicial pronouncements discussed above have held that even in such scenario, recording of satisfaction note is mandatory. Consequently, the time barring date for assessment u/s 153B is to be reckoned from the date of recording of satisfaction note in the case of the other non-searched person i.e. 24/12/2021. In such scenario, the Time Barring date for assessment u/s 153B will be 31/03/2023. Since, the AO has completed the assessment on 30/03/2023, it is well within the limitation period."*

9. From examination of record in light of aforesaid rival contentions, it is crystal clear that Ld. CIT(A) vide order dated 10.02.2026 upheld validity of assessment order u/s 153C of the Act dated 30.03.2023 of Id. AO.

9.1 From sequence of events, it is evident that search u/s 132 of the Act on Alankit Group was carried out on 18.10.2019, order u/s 127 of the Act in the

case of assessee was passed on 20.10.2020, date of Satisfaction Note in the case of assessee by AO of other than searched person was recorded on 24.12.2021 page No. 184-207 of paper book. Notice issued u/s 153C of the Act in the case of assessee is dated 28.12.2021, page No. 317 of paper book and assessment order u/s 153C of the Act in the case of assessee dated 30.03.2023 is on page No. 100-157 of paper book.

10. A co-ordinate Bench of ITAT in ITA No. 5149/Del/2025 titled as Ajay Gupta vs. DCIT in order dated 16.02.2026 in para No. 2 to 7 is reproduced as under:

*“2. At the outset, the ld counsel for the assessee drew our attention to the first ground that the order passed by the ld AO u/s 144 r.w.s. 153C of the Act is barred by limitation and hence, without jurisdiction. The relevant grounds reads as under:-*

*“1. That, the notice dated 29.06.2022 issued under Section 153C of the Income Tax Act, 1961 ('the Act') and the assessment order dated 16.03.2024 passed under Section 144 r.w.s. 153C of the Act by the Assessing Officer ('AO') are illegal, bad in law, barred by limitation and without jurisdiction.”*

*3. The ld counsel for the assessee explained that search u/s 132 of the Act was conducted on M/s. Hans Group on 06.01.2021. During the course of search incriminating documents were seized in relation to assessee herein also. The AO while completing the assessment in M/s. Hans Group of cases noted that certain seized documents pertained to an information contained thereon relevant to Ajay Gupta i.e. person other than searched person, hence, a satisfaction note was drawn on 28.06.2022 to initiate proceedings u/s 153C r.w.s. 153A of the Act in the case of the assessee for AYs. 2015-16 to 2020-21. The relevant assessment year before us is AY 2015-16. The ld counsel for the assessee stated that the assessee's case was transferred to the Central Circle<sup>31</sup>, New Delhi by the order passed by the ld PCIT u/s 127 of the Act on 14.02.2022. The ld counsel for the assessee further stated that notice u/s 153C of the Act was issued to the assessee by ACIT, Central Circle-31, Delhi dated 29.06.2022. The original return of income was filed by the assessee u/s*

*139(1) of the Act on 29.09.2015 and in response to the notice u/s 153C of the Act, the assessee stated that the return originally filed may be treated as a return in response to the notice u/s 153C of the Act. Accordingly, the assessment was completed by the ld DCIT, Central Circle-31, New Delhi vide order dated 16.03.2024. According to the ld counsel, the assessment order passed u/s 153C r.w.s. 144 of the Act is barred by limitation. Ld counsel for the assessee stated that in terms of provisions of Section 153B(1)(b)(ii) of the Act, there are two limbs provided in this Clause (ii). Ld counsel for the assessee explained that as per Clause (ii), there are two limbs that provides the time limit for completion of assessment u/s 153C of the Act and the first limb of Clause (ii) of the said provision provides the time limit for completion of assessment within 12 months from the end of the Financial Year in which last authorization of search u/s 132 of the Act is executed. According to the ld counsel, as per this, time limit of assessment u/s 153C of the Act in the assessee's case should have been completed by 31.03.2022 as date of search u/s 132 of the Act is dated 06.01.2021. The second limb of Clause (ii) of the said provision provides that time limit is 12 months from the end of the FY in which books of account or documents seized are handed over u/s 153C of the Act of that 3rd party. According to the ld counsel, the order passed u/s 127 of the Act dated 14.02.2022 with the same AO of the searched person as well as other than the searched person i.e. the assessee herein, is the same AO i.e. DCIT, Central Circle-31, Delhi. The ld counsel for the assessee stated that this issue now stands covered by the decision of the Hon'ble Bombay High Court in the case of Vijay Bihari Kandhari Vs. ACIT in Writ Petition No. 2764 of 2022 dated 17.11.2025 wherein, the Hon'ble Bombay High Court considered the decision of the Hon'ble Supreme Court in the case of Super Malls Pvt. Ltd Vs. PCIT 423 ITR 281 wherein, it is held that the requirement of transmitting the documents seized from the searched person would not arise if the AO of the searched person and the other person is one and same. There is no question of transmitting such seized documents to oneself. The ld counsel for the assessee drew our attention to the decision of the Hon'ble Supreme Court in the case of Super Malls (supra) wherein, it is held in para 6 as under:-*

*"6. This Court had an occasion to consider the scheme of Section 153C of the Act and the conditions precedent to be fulfilled/complied with before issuing notice under Section 153C of the Act in the case of Calcutta Knitwears (supra) as well as by the Delhi High Court in the case of Pepsi Food Pvt. Ltd. (supra). As held, before issuing notice under Section 153C of the Act, the Assessing Officer of the searched person must be "satisfied" that, inter alia, any document seized or requisitioned "belongs to" a person other than the searched person.*

*That thereafter, after recording such satisfaction by the Assessing Officer of the searched person, he may transmit the records/documents/things/papers etc. to the Assessing Officer having jurisdiction over such other person. After receipt of the aforesaid satisfaction and upon examination of such other documents relating to such other person, the jurisdictional Assessing Officer may proceed to issue a notice for the purpose of completion of the assessment under Section 158BD of the Act and the other provisions of Chapter XIV-B shall apply.*

*6.1 It cannot be disputed that the aforesaid requirements are held to be mandatorily complied with. There can be two eventualities. It may so happen that the Assessing Officer of the searched person is different from the Assessing Officer of the other person and in the second eventuality, the Assessing Officer of the searched person and the other person is the same. Where the Assessing Officer of the searched person is different from the Assessing Officer of the other person, there shall be a satisfaction note by the Assessing Officer of the searched person and as observed hereinabove that thereafter the Assessing Officer of the searched person is required to transmit the documents so seized to the Assessing Officer of the other person. The Assessing Officer of the searched person simultaneously while transmitting the documents shall forward his satisfaction note to the Assessing Officer of the other person and is also required to make a note in the file of a searched person that he has done so. However, as rightly observed and held by the Delhi High Court in the case of Ganpati Fincap (supra), the same is for the administrative convenience and the failure by the Assessing Officer of the searched person, after preparing and dispatching the satisfaction note and the documents to the Assessing Officer of the other person, to make a note in the file of a searched person, will not vitiate the entire proceedings under Section 153C of the Act against the other person. At the same time, the satisfaction note by the Assessing Officer of the searched person that the documents etc. so seized during the search and seizure from the searched person belonged to the other person and transmitting such material to the Assessing Officer of the other person is mandatory. However, in the case where the Assessing Officer of the searched person and the other person is the same, it is sufficient by the Assessing Officer to note in the satisfaction note that the documents seized from the searched person belonged to the other person. Once the note says so, then the requirement of Section 153C of the Act is fulfilled. In case, where the Assessing Officer of the searched person and the other person is*

the same, there can be one satisfaction note prepared by the Assessing Officer, as he himself is the Assessing Officer of the searched person and also the Assessing Officer of the other person. However, as observed hereinabove, he must be conscious and satisfied that the documents seized/recovered from the searched person belonged to the other person. In such a situation, the satisfaction note would be qua the other person. The second requirement of transmitting the documents so seized from the searched person would not be there as he himself will be the Assessing Officer of the searched person and the other person and therefore there is no question of transmitting such seized documents to himself. "

*(Emphasis supplied)*

4. Hon'ble Supreme Court held that where the AO of the searched person and other than the searched person is the same, it is sufficient by the AO to note in the satisfaction note that the documents seized from the searched person belonged to the other person and once the notice was sent then requirement of Section 153C of the Act is fulfilled. In case where the Assessing Officer of the searched person and the other person is the same there can be one satisfaction note prepared by the Assessing Officer as he himself is the Assessing Officer of the searched person and also the Assessing Officer of the other person. The ld counsel for the assessee before us filed a chart of chronology of dates which reads as under:-

| Sl No. | Particulars                                                               | ITA No.    | Remakrs, if any                          |
|--------|---------------------------------------------------------------------------|------------|------------------------------------------|
| 1.     | Search under Section 132 of the IncomeTax 06.01.201 Act, 1961 ('the Act') | 06.01.2021 |                                          |
| 2.     | Order passed under Section 127 of the Act                                 | 06.01.2021 |                                          |
| 3.     | Date of Satisfaction note drawn in the present case                       | 28.06.2022 | Issued by DCIT, Cenral Circle-31, Delhi  |
| 4.     | Notice issued under section 153C of the Act                               | 29.06.2022 | Issued by ACIT, Cetral Circle-31, Delhi  |
| 5.     | Assessment order passed under Section 153C/144 of the Act                 | 16.03.2024 | Passed by DCIT, Central Circle-31, Delhi |

5. From the above chart, the ld counsel explained that once the order u/s 127 of the Act is passed and the assessee's case is transferred to the AO with whom the searched assessee's case i.e. in the present case Hans Group are lying including the seized material of the assessee, the requirement as envisaged in provisions of Section 153C of the Act are fulfilled. Hence, he stated that limitation starts with date of 14.02.2022. Ld counsel for the assessee hence stated that the assessee's case is squarely covered by the decision of the Hon'ble Supreme Court in the case of Super Malls (supra) and the decision of the Hon'ble Bombay High Court supra. When these facts are confronted with the ld CIT DR he stated that the Hon'ble Supreme Court in the case of Jasjit Singh reported in 2023 INSC 882 had held that the date of search of the third party would be the date on which the documents were handed over by the AO of the searched person to the AO of the third party. In the instant case, the date of handing over of seized documents to the AO of the assessee was 28-06-2022 on which date satisfaction note was recorded. Hence considering the limitation as per Clause(ii) of Section 153B of the Act, the AO of the assessee has got time to complete the assessment upto 31.3.2024 and hence the assessment framed on 16.3.2024 is not barred by limitation.

6. We have heard the rival contentions and gone through the material available on record. In the present case admittedly search was conducted on M/s. Hans Group on 06.01.2021, from where certain seized documents/ data pertain to an information contained thereon related to the present assessee Shri Ajay Gupta (person other than searched person) and accordingly initiated proceedings u/s 153C read with Section 153A of the Act in the case of the present assessee for AYs 2015-16 to 2020-21. Now the question arise what is limitation in this case. The case records of the present assessee was transferred to DCIT, Central Circle-31, New Delhi by the ld PCIT vide order passed u/s 127 of the Act dated 14.02.2022, on which date, the entire seized material came to be handed over to the AO of the assessee in terms of decision of the Hon'ble Supreme Court in the case of Super Malls (supra). Hence, reckoning the due date from 14.2.2022, the assessment order passed on 16.03.2024 is clearly barred by limitation.

7. In view of the aforesaid observations, we quash the search assessment framed u/s 153C of the Act for the AY 2015-16 for more than one reason. Accordingly, the ground No. 1 raised by the assessee is allowed for the year under consideration."

11. From perusal of above material facts i.e. search dated 18.10.2019, order u/s 127 of the act dated 20.10.2020, recording of satisfaction note dated 24.12.2021,

issuance of notice u/s 153C of the act dated 28.12.2021, it is evident that the records of assessee were transferred to DCIT, Central Circle-28, Delhi as per order dated 20.10.2020 page No. 314 to 316 of paper book. Hence, by respectfully following the judicial precedents, the limitation started from 20.10.2020 i.e. date of order u/s 127 of the Act, the assessment order dated 30.03.2023 is held to be barred by limitation. Accordingly, ground of appeal No. 1 is allowed.

12. Since, entire assessment is quashed on legal ground and other grounds of appeal No. 2 to 15 having become academic in nature are left open.

**ITA No. 3824/Del/2026 to 3830/Del/2026, A.Y. 2013-14 to 2020-21**

13. ITA Nos. 3824/Del/2026 to 3830/Del/2026 since the facts and issues involved are identical, the findings in ITA No. 3823/Del./2026, (A.Y. 2013-14) shall, mutatis mutandis, apply to these appeals also.

14. In the result, the eight appeals filed by the assessee are partly allowed.

Order pronounced in the open court on 27.07.2026

Sd/-  
(MANISH AGARWAL)  
ACCOUNTANT MEMBER

Sd/-  
(VIMAL KUMAR)  
JUDICIAL MEMBER

Dated: 27.07.2026  
Binita, Sr. PS

Copy forwarded to:

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

ASSISTANT REGISTRAR  
ITAT, NEW DELHI