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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Date of Decision : 23.04.2025*

+ **W.P.(C) 3927/2025 CM APPL. 18231/2025**

CAROL INFRASTRUCTURE PRIVATE LIMITED .....Petitioner

Through: Mr Sumit Lalchandani, Ms Ananya Kapoor, Mr Shivam Yadav, Mr Aanjul Dalela, Advocates.

versus

ASSISTANT COMMISSIONER OF INCOME TAX, CENTRAL CIRCLE 27, DELHI & ANR. .....Respondents

Through: Mr Gaurav Gupta, SSC, Mr Shivendra Singh, Mr Yojit Pareek, JSCs and Ms Prakriti Rastogi, Advocate.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MR. JUSTICE TEJAS KARIA

VIBHU BAKHRU, J. (*ORAL*)

1. The Petitioner [**the Assessee**] has filed the present petition, *inter alia*, impugning the proceedings initiated pursuant to the notice dated 19.12.2023 [**impugned notice**] issued under Section 153C of the Income Tax Act, 1961 [**the Act**] in respect of Assessment Year **[AY]** 2015-16.

2. The Assessee had filed the return of income for the relevant AY 2015-16, on 30.09.2015, declaring a total income of ₹32,61,010/-. On 18.10.2019, search and seizure operation were conducted under Section 132 of the Act in respect of persons belonging to the Alankit Group. Thereafter, on 19.12.2023, the notice under Section 153C of the Act was issued which is

impugned in present petition.

3. The Assessing Officer [**AO**] of the searched person had recorded a satisfaction note dated 24.06.2022 [**the satisfaction note**] to the effect that he was satisfied that the documents belonging or containing information relating to the assessee, were found during the course of search. The satisfaction note also records that the documents in question were handed over to the AO exercising jurisdiction in the case of the assessee.

4. It is the Petitioner's case that no proceedings under Section 153C can be continued pursuant to the impugned notice in respect of AY 2015-16 because an assessment order cannot be passed pursuant to the impugned notice as the time limit for framing an assessment order has since lapsed.

5. Mr. Gupta, learned counsel appearing for the Revenue sought to contend that the material and documents were received by the AO exercising jurisdiction in the case of the assessee on 09.06.2023 and, therefore, the time for passing the assessment order had not elapsed as on the date the present petition was filed. However, he fairly stated that the said position would not hold true as there are no ground to disbelieve the facts as recorded in the satisfaction note, which was recorded on 24.06.2022.

6. The contention that the said satisfaction note and documents could not be served on the AO exercising jurisdiction in the case of assessee is clearly insubstantial. Mr. Gupta, fairly states that he would not advance submissions to the said effect as the import of such submission is that a false statement was recorded in the satisfaction note, which would render it a false document.

7. Before proceeding further, it is relevant to note that the satisfaction note clearly records that the documents have been handed over to the AO of the other person [in this case the Assessee]. The relevant extract of the satisfaction note is set out below:

> "In view of the above, I am satisfied that these documents also contain information which relates to above referred 'other person' and have a bearing on the determination of its total income. Accordingly, ***these documents are handed over to the AO of other person***, for necessary action in the case of the above referred 'other person' under Section 153C of the I.T. Act 1961 for the relevant assessment years as per the seized documents."
>
> [emphasis added]

8. We also consider it apposite to refer to sub-section (1) of the Section 153C of the Act which is set out below:

> "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 153-A, 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 153-A, 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 requisition is made and] for the relevant assessment year or years referred to in sub-section (1) of Section 153-A]

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 51 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 of 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.]"

9. It is apparent from the plain reading of Sub-section (1) of Section 153C of the Act that in case the AO having jurisdiction in respect of a

person in respect of which search and seizure operations have been conducted under Section 132 of the Act or the assets and/or books of accounts have been requisitioned under Section 132A of the Act [**searched person**] is satisfied that any money, bullion, jewellery or other valuable article, which has seized or requisitioned, belongs to or any books of account or documents, seized or requisitioned, pertain to, or containing an information which relates to the person other than the searched person then the AO is required to hand over the same to the AO having jurisdiction over such other person. In terms of proviso to Section 153C of the Act, in respect of such other person (a person other than the searched person) the date of the search is required to be construed in reference to the date of receiving the books of account or documents or assets seized or requisitioned by the AO having jurisdiction over such other person (person other than the one searched).

10. The main body of Section 153C(1) of the Act and the proviso do not contemplate a hiatus between the handing over of the documents by the AO having jurisdiction over such person and receipt of the same by the AO having jurisdiction over person other than the searched person. In terms of Section 153B(1) of the Act read with third proviso to said Section, in case of the search executed during the financial year commencing on or after 01.04.2019, the period of limitation for assessment or reassessment under Section 153C of the Act has been specified as twelve months from the end of financial year during which the last authorisation to search under section 132 of the Act or requisition under section 132A of the Act, was executed.

11. In terms of proviso to Section 153C of the Act, the date of receiving

of the documents or material by the AO having jurisdiction over the other person [the person other than the one searched] from the AO having jurisdiction over the searched person is required to be considered as the date of initiation of search under Section 132 of the Act or the date of requisition under Section 132A of the Act. In the present case, the said date is required to be considered as 24.06.2022.

12. Thus, the period available for making an assessment pursuant to the impugned notice dated 19.12.2023 had lapsed on the expiry of twelve months from the end of the financial year in which the documents were handed over, that is, on 31.03.2024, the twelve months from the end of the FY 2022-23.

13. The present petition was filed on 22.03.2025 and therefore, we find merits in the contention of the Petitioner that the date on which the present petition was filed, the time for passing the assessment order had expired.

14. The petition is allowed in the aforesaid terms. The pending applications are also disposed of.

VIBHU BAKHRU, J

TEJAS KARIA, J

APRIL 23, 2025

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Click here to check corrigendum, if any