

ACIT, Central Circle-13, New Delhi. Versus Kaashvi Industries

No.- ITA No. 9319/DEL/2019

Dated:- September 30, 2025

Validity of proceeding u/s 153C - incriminating documents seized during search or not? - HELD THAT:- Pertinently, while arriving at the impugned conclusion, the Ld.First Appellate Authority has placed reliance upon the decision of Singhad Technical Education Society [[2017 \(8\) TMI 1298 - SUPREME COURT](#)] wherein as held that in order to justify the assumption of jurisdiction u/s 153C of the Act, the incriminating documents seized and must relate to each of the assessment years which are sought to be reopened.

As noted that the impugned judicial precedent has been followed in its decisions in the case of RRJ Securities Limited [[2015 \(11\) TMI 19 - DELHI HIGH COURT](#)], Ganapathy Fincap Services Pvt Ltd [[2017 \(5\) TMI 1425 - DELHI HIGH COURT](#)] in the case of Gopi Aparments [[2014 \(5\) TMI 158 - ALLAHABAD HIGH COURT](#)]. Thus, Hon'ble High Courts and Hon'ble Apex Court are unanimous in concluding that the incriminating documents seized and must relate to each of the assessment years which are sought to be reopened and that in the absence thereof the proceeding u/s 153C would be a nullity.

Accordingly, we are of the considered view that there is no infirmity in the order of CIT(A) in deleting the addition made in the order u/s 153C of the Act by holding that the same is not sustainable. Appeal of the Revenue is dismissed.

Judgment / Order

Shri Anubhav Sharma, Judicial Member And Shri Amitabh Shukla, Accountant Member

For the Assessee : Shri Salil Agarwal, Sr. Adv. And Shri Madhur Agarwal, Adv.

For the Department : Ms. Monika Singh, CIT (DR)

ORDER

PER AMITABH SHUKLA, A.M:

This appeal, preferred by the Revenue for assessment year 2010-11, is directed against the order of Commissioner of Income-tax (Appeals)-XXVI, New Delhi dated 17.09.2019 in appeal No. 10235/16-17 against the order dated 31.03.2016 passed by the ACIT, CC-13, New Delhi u/s 143(3)/153C of the Income-tax Act (hereinafter referred to as the "Act").

2.0 The Revenue has assailed the order of Ld.CIT(A) of deleting the addition of Rs. 4,49,65,000/-. It is the case of the appellant Revenue that the action of Ld.CIT(A) by not accepting the bona-fide mistake of wrong mention of seized document number in the satisfaction note u/s 153C was erroneous. It was argued that the relief accorded is therefore erroneous and excessive.

3.0 The Ld.Counsel for the assessee argued that the relief accorded is purely based upon true facts of the case and that the order of Ld.CIT(A) therefore deserves to be sustained.

4.0 We have heard the rival submissions in the light of material available on records. Brief facts of the case are that a search and seizure action was conducted upon one Minda Group of cases on 20.09.2013. It has been submitted that in this case regular assessment u/s 143(3) was conducted on 08.03.2013 and that thereafter consequent to the search, proceedings action u/s 153C was initiated against the assessee. The Ld.Counsel for the assessee has argued that the Ld.CIT(A) in this case has rightly deleted the addition by holding that the order passed u/s 153C is not based upon correct satisfaction recorded dated 29.01.2016. The Ld.Counsel has invited our attention to page 3 to 5 of the order of Ld.CIT(A) wherein he has extracted the reasons recorded. It is the case of the assessee that the satisfaction note refers to page no.18 of Annexure- S-9 / A-1, in respect of transactions with one Shri Tahir Ussain. It has been argued that no such transactions appear on original page 18 of the seized document.. The Ld.DR has argued that it is an inadvertent mistake of mention of the page number and that it was actually page number 17. The Ld.DR has accordingly vehemently argued that this inadvertent mistake be ignored and not given any credence. The Ld.Counsel for the assessee argued that even if the same was true, Revenue's case would not be saved as no addition was made qua any transaction referred on said page number 17 of the impugned seized annexure.

5.0 We have noted that Ld.CIT(A) on pages 8 to 10 of his order extensively dealt this issue before concluding that as the satisfaction note u/s 153C is factually incorrect, the corresponding reassessment order would not survive. Pertinently, while arriving at the impugned conclusion, the Ld.First Appellate Authority has placed reliance upon the decision of Hon'ble Apex Court in the case of Singhad Technical Education Society as at 397 ITR 344, wherein their Lordship have held that in order to justify the assumption of jurisdiction u/s 153C of the Act, the incriminating documents seized and must relate to each of the assessment years which are sought to be reopened. We have noted that the impugned judicial precedent has been followed by the Hon'ble Delhi High Court in its decisions in the case of RRJ Securities Limited 380 ITR 612 Ganapathy Fincap Services Pvt Ltd 395 ITR 692, by the Hon'ble Alahabad High Court in its decisions in the case of Gopi Aparments 365 ITR 411, by the Hon'ble Bombay High Court in its decisions in the case of 459 ITR 100 etc. Thus, Hon'ble High Courts and Hon'ble Apex Court are unanimous in concluding that the incriminating documents seized and must relate to each of the assessment years which are sought to be reopened and that in the absence thereof the proceeding u/s 153C would be a nullity.

6.0 Accordingly, we are of the considered view that there is no infirmity in the order of Ld.CIT(A) in deleting the addition made in the order u/s 153C of the Act by holding that the same is not sustainable. We therefore confirm the order of the Ld.CIT(A) and dismiss all the grounds of appeal raised by the Revenue.

7.0 In the result, the appeal of the Revenue is dismissed.

Order pronounced in open court on 30th Sept-2025.