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W.P.No.11630 of 2023 and etc., batch

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on	16.11.2023
Pronounced on	18.01.2024

CORAM

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.Nos.11630, 11633, 11635, 11636, 11638, 11644, 12018, 12021, 12686, 12688, 12691, 13114, 13117, 13119, 13125, 13129, 13142, 13432, 13436, 13438, 13442, 13443, 13489, 13494, 13500, 13504, 13602, 13609, 13616, 13619, 13625, 13771, 13775, 13781, 14379, 14384, 14387, 14391, 14918, 14927, 14929, 14930, 14934 & 16431 of 2023

and

W.M.P.Nos.11535, 11536, 11544, 11545, 11546, 11551, 11552, 11554, 11539, 11542, 11547, 11548, 11549, 11550, 11555, 11556, 11557, 11870, 11871, 11872, 11874, 12468, 12470, 12479, 12481, 12485, 12486, 12897, 12900, 13107, 13108, 13116, 13117, 13120, 13121, 13123, 13124, 13113, 13115, 13169, 13170, 13172, 13173, 13174, 13175, 13176, 13177, 13277, 13279, 13280, 13282, 13285, 13286, 13291, 13292, 13293, 13300, 13301, 13304, 13305, 15806, 15807, 13445, 13446, 13447, 13449, 13452, 13453, 13885, 13887, 13891, 13893, 13898, 13899, 13904, 13905, 14509, 14512, 14515, 14524, 14525, 14526, 14521, 14522, 14523, 14530, 14534, 14518, 14519 and 14520 of 2023

W.P.No.11630 of 2023:-

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W.P.No.11630 of 2023 and etc., batch

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M/s.LKS Gold House Private Limited,
Represented by its Joint Managing Director,
No.60, Usman Road,
T.Nagar,
Chennai – 600 017
PAN: AAACL7611F

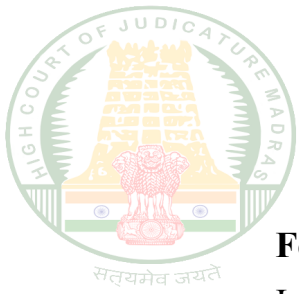
... Petitioner

Vs

- 1.The Deputy Commissioner of Income Tax,
Central Circle – 3(3),
Income Tax Department,
108, Mahatma Gandhi Road,
Chennai – 600 034.
2. The Deputy Commissioner of Income Tax,
Central Circle – 3(4),
Income Tax Department,
No.108, Mahatma Gandhi Road,
Chennai – 600 034.
3. The Principal Commissioner of Income Tax (Central),
Chennai – 1,
Income Tax Department,
108, Mahatma Gandhi Road,
Chennai – 600 034.

... Respondents

Prayer: Petition filed under Article 226 of the Constitution of India to issue a Writ of Certiorari to call for the records of the Writ Petitioner on the file of the second respondent to quash the impugned order dated 31.03.2023 for the Assessment Year 2016-2017 in DIN & Order No.ITBA/AST/S/153C/2022-2023/1051769918(1).



W.P.No.11630 of 2023 and etc., batch

For Petitioners:

In W.P.Nos.11630, 11635, : Mr.A.S.Sriram
11644, 11633, 11636, 11638,
14918, 14934, 14930, 14927 &
14929 of 2023

In W.P.No.13139 of 2023 :Mr.J.D.Mistri for
Mr.R.Sivaraman

In W.P.Nos.12686, 12688, : Mr.R.Sivaraman
12691, 13142, 13432, 13438,
13442, 13443, 13436, 13602,
13609, 13616, 13619, 13625,
14379, 14384, 14387 & 14391
of 2023

In W.P.Nos.12018, 12021, :M/s.Vandana Vyas for
13771, 16431, 13775 & 13781 Mr.R.Sivaraman
of 2023

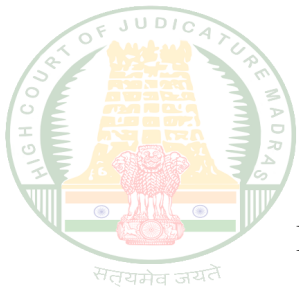
In W.P.No.13114, 13117, :M/s.Hema Muralikrishnan
13119, 13125 & 13129 of 2023

In W.P.Nos.13489, 13494, : Mr.S.Ramamurthy
13500 & 13504 of 2023

For Respondents:

In all the cases :Mr.A.P.Srinivas,
Senior Standing Counsel
and
Mr.A.N.R.Jayaprathap,
Junior Standing Counsel

COMMON ORDER



W.P.No.11630 of 2023 and etc., batch

By this common order all these writ petitions are being disposed of.

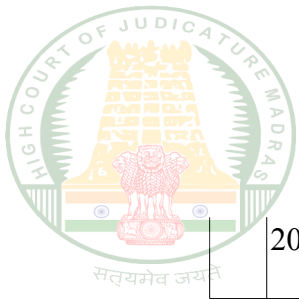
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2. In these writ petitions, the respective petitioners have challenged the respective impugned Assessment Orders passed under Section 153C read with Section 143(3) of the Income Tax Act, 1961 and Scrutiny Assessment Orders passed under Section 143(3) of the Income Tax Act, 1961.

3. The details of the respective writ petitioners challenging the Impugned Orders are as under:-

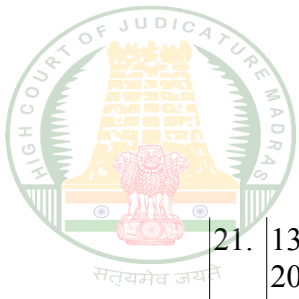
Table 1:-

Sl. No	W.P. Nos.	Name of the Petitioners	Date of the I.Os.	AY	Provision under which the impugned I.O. have been passed
1.	11630 of 2023	M/s.LKS Gold House Private Limited	31.03.2023	2016-2017	153C of the Income Tax Act, 1961.
2.	11635 of 2023	M/s.LKS Gold House Private Limited	31.03.2023	2017-2018	153C of the Income Tax Act, 1961.
3.	11644 of 2023	M/s.LKS Gold House Private Limited	31.03.2023	2018-2019	153C of the Income Tax Act, 1961.
4.	11633 of 2023	M/s.LKS Gold House Private Limited	31.03.2023	2019-2020	153C of the Income Tax Act, 1961.
5.	11636 of 2023	M/s.LKS Gold House Private Limited	31.03.2023	2020-2021	153C r.w.s 143(3) of the Income Tax Act, 1961
6.*	11638 of 2023	M/s.LKS Gold House Private Limited	31.03.2023	2021-2022	143(3) of the Income Tax Act, 1961.
7.	12018 of	Mr.Sunil Khetpalia	31.03.2023	2020-	153C r.w.s 143(3)



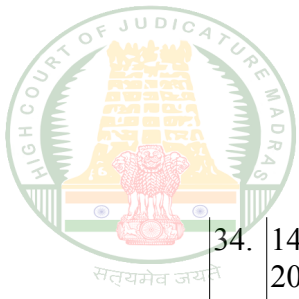
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	2023			2021	of the Income Tax Act, 1961
8.*	12021 of 2023	Mr.Sunil Khetpalia	31.03.2023	2021-2022	143(3) of the Income Tax Act, 1961.
9.	12686 of 2023	Shri.G.Rajendran	31.03.2023	2020-2021	153C r.w.s 143(3) of the Income Tax Act, 1961.
10.	12688 of 2023	Shri.G.Rajendran	31.03.2023	2019-2020	153C r.w.s 143(3) of the Income Tax Act, 1961
11.	12691 of 2023	Shri.G.Rajendran	31.03.2023	2021-2022	153C r.w.s 143(3) of the Income Tax Act, 1961.
12.	13114 of 2023	Maneesh Parmar	31.03.2023	2017-2018	153C r.w.s 143(3) of the Income Tax Act, 1961
13.	13117 of 2023	Maneesh Parmar	31.03.2023	2018-2019	153C r.w.s 143(3) of the Income Tax Act, 1961
14.	13119 of 2023	Maneesh Parmar	31.03.2023	2019-2020	153C r.w.s 143(3) of the Income Tax Act, 1961
15.	13125 of 2023	Maneesh Parmar	31.03.2023	2020-2021	143(3) rws 153C of the Income Tax Act, 1961.
16.*	13129 of 2023	Maneesh Parmar	31.03.2023	2021-2022	143(3) of the Income Tax Act, 1961.
17.	13142 of 2023	M/s.GRT Jewellers (India) Private Limited	31.03.2023	2017-2018	153C r.w.s 143(3) of the Income Tax Act, 1961
18.	13432 of 2023	Shri.G.R.Ananthpadmanabhan	31.03.2023	2017-2018	153C r.w.s 143(3) of the Income Tax Act, 1961
19.	13438 of 2023	Shri.G.R.Ananthpadmanabhan	31.03.2023	2019-2020	153C r.w.s 143(3) of the Income Tax Act, 1961
20.	13442 of 2023	Shri.G.R.Ananthpadmanabhan	31.03.2023	2020-2021	153C r.w.s 143(3) of the Income Tax Act, 1961



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21.	13443 of 2023	Shri.G.R.Ananthapadmanabhan	31.03.2023	2021-2022	153C r.w.s 143(3) of the Income Tax Act, 1961.
22.	13436 of 2023	Shri.G.R.Ananthapadmanabhan	31.03.2023	2018-2019	153C r.w.s 143(3) of the Income Tax Act, 1961
23.	13489 of 2023	Muthusamy Goundar Palaniappan	29.03.2023	2017-2018	153C r.w.s 143(3) of the Income Tax Act, 1961
24.	13494 of 2023	Muthusamy Goundar Palaniappan	29.03.2023	2018-2019	153C r.w.s 143(3) of the Income Tax Act, 1961
25.	13500 of 2023	Muthusamy Goundar Palaniappan	30.03.2023	2020-2021	153C r.w.s 143(3) of the Income Tax Act, 1961
26.	13504 of 2023	Muthusamy Goundar Palaniappan	29.03.2023	2019-2020	153C r.w.s 143(3) of the Income Tax Act, 1961.
27.	13602 of 2023	M/s.Original Kerala Jewellers	31.03.2023	2017-2018	153C r.w.s 143(3) of the Income Tax Act, 1961.
28.	13609 of 2023	M/s.Original Kerala Jewellers	31.03.2023	2018-2019	153C r.w.s 143(3) of the Income Tax Act, 1961
29.	13616 of 2023	M/s.Original Kerala Jewellers	31.03.2023	2019-2020	153C r.w.s 143(3) of the Income Tax Act, 1961
30.	13619 of 2023	M/s.Original Kerala Jewellers	31.03.2023	2020-2021	153C rws 143(3) of the Income Tax Act, 1961.
31.	13625 of 2023	M/s.Original Kerala Jewellers	31.03.2023	2021-2022	153C rws 143(3) of the Income Tax Act, 1961.
32.	14379 of 2023	M/s.GRT Jewellers (India) Private Limited	31.03.2023	2018-2019	153C r.w.s 143(3) of the Income Tax Act, 1961the Income Tax Act, 1961
33.	14384 of 2023	M/s.GRT Jewellers (India) Private Limited	31.03.2023	2019-2020	153C r.w.s 143(3) of the Income Tax Act, 1961

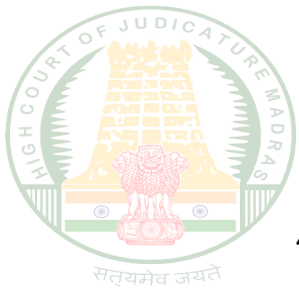


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34.	14387 of 2023	M/s.GRT Jewellers (India) Private Limited	31.03.2023	2020-2021	153C r.w.s 143(3) of the Income Tax Act, 1961
35.	14391 of 2023	M/s.GRT Jewellers (India) Private Limited	31.03.2023	2021-2022	153C r.w.s 143(3) of the Income Tax Act, 1961.
36.	14918 of 2023	M/s.RM Appavu Chettiyar Jewellery Private Limited	29.03.2023	2017-2018	153C r.w.s 143(3) of the Income Tax Act, 1961.
37.	14934 of 2023	M/s.RM Appavu Chettiyar Jewellery Private Limited	29.03.2023	2018-2019	153C r.w.s 143(3) of the Income Tax Act, 1961.
38.	14930 of 2023	M/s.RM Appavu Chettiyar Jewellery Private Limited	29.03.2023	2019-2020	153C r.w.s 143(3) of the Income Tax Act, 1961.
39.	14927 of 2023	M/s.RM Appavu Chettiyar Jewellery Private Limited	30.03.2023	2020-2021	153C r.w.s 143(3) of the Income Tax Act, 1961.
40.	14929 of * 2023	M/s.RM Appavu Chettiyar Jewellery Private Limited	29.03.2023	2021-2022	143(3) of the Income Tax Act, 1961.
41.	13771 of 2023	M/s.KLP Projects Private Limited	31.03.2023	2019-2020	153C r.w.s 143(3) of the Income Tax Act, 1961.
42.	16431 of 2023	Mr.Sunil Khetpalia	31.03.2023	2019-2020	153C r.w.s 143(3) of the Income Tax Act, 1961.
43.	13775 of 2023	M/s.KLP Projects Private Limited	31.03.2023	2020-2021	153C r.w.s 143(3) of the Income Tax Act, 1961.
44.	13781 of * 2023	M/s.KLP Projects Private Limited	31.03.2023	2021-2022	143(3) of the Income Tax Act, 1961.

[**Note 1:** * cases at SI. No: 6, 8, 16, 41 and 45 are regular scrutiny assessment **143(3) of the Income Tax Act, 1961.**

Note 2: Rest of the AO's are AO's passed under Section 153C read with Section 143(3) of the Income tax Act.]



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4. Respective scrutiny assessment orders passed under Section 143(3)

of the Income Tax Act, 1961 merely coincides with the proceedings initiated against these petitioners under Section 153C of the IT Act, 1961 for six years, immediately preceding the assessment year relevant to the previous year in which the search was conducted at the premises of M/s Mohanlal Jewellers (P) Ltd, (hereinafter referred to as searched persons on 10.11.2020.

5. In W.P.No.13139 of 2023, Impugned Order dated 31.03.2023 was challenged for the Assessment Year 2015-2016 filed by M/s.GRT Jewellers (India) Pvt Limited.

6. As Assessment Year 2015-2016 does not fall within six years, immediately preceding the assessment year relevant to the previous year in which the search was conducted at the premises of searched persons, it is delinked and dealt with separately from the rest of the above writ petitions.

7. These petitioners were issued with Notices under Section 153C of the Income Tax Act, 1961 on various dates for the Assessment Years between 2016-2017 and 2020-2021. Meanwhile, returns under Section 139 of the



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2021- 2022 were filed by these petitioners under Income Tax Act, 1961.

Thus, proceedings have culminated in the impugned orders which are subject matter of these Writ Petitions.

8. The background to proceedings under Section 153C of the Income Tax Act, 1961 against each of the Petitioner is a search that was conducted at the premises of the said “searched person” on 10.11.2020.

9. During the course of the search under Section 132 of the Income Tax Act, 1962, statements were recorded from the following persons of the “searched persons” on the following dates under the following provisions of the Income Tax Act, 1961:-

Statements under the Income Tax Act, 1961.	Suresh Khatri (Director of the “searched person”)	Rajendra Kothari (Accountant of the “searched person”)
U/s 132(4) of the Act	11.11.2020	10.11.2020
U/s 131 of the Act	04.12.2020	24.11.2020 & 30.11.2020

10. In most of the cases, the Assessing Officer of the respective petitioners i.e, the “other persons” under Section 153C of the Income Tax Act, 1961 and the “searched person” i.e., M/s.Mohanlal Jewellers (P) Ltd, are



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one and the same. In few cases, the Assessing Officer of the “searched person” and “other persons” are different.

11. The search was carried at the secret office of the “searched person” located at No.16/5, 3rd Floor, Swami Thiru Nilagandanayanar Street near Jain Temple, Kondithope, Chennai – 600 001 on 10.11.2020. The search team found a customized software named “J Pack” that was being used for recording unaccounted gold and cash transactions. The search team seized a I ball Desktop PC and pen drive related to “J Pack” maintained by Mr. Rajendra Kothari, the Accountant of the “searched person”.

12. In the statement recorded on 10.11.2020, Mr. Rajendra Kothari, the Accountant of the “searched person” stated that he was working in the secret office as per the instruction of Mr. Suresh Khatri, the Director of the “searched person” and that he was using the aforesaid Personal Computer for making entries as per the data provided in a pen drive by Mr. Suresh Khatri and Mr. Kishore Khatri (relative and an employee of Mr. Suresh Khatri) till 27.10.2019.



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13. Mr. Rajendra Kothari also stated that after 27.10.2019, the same operation was carried out in the office of the “searched person” at NSC Bose Road, Sowcarpet, Chennai. He is further alleged to have stated that Mr. Suresh Khatri had provided him with a Red Sandisk Pen Drive along with a Lenovo laptop to access the “J Pack” and that he used to handover the Laptop and the pen drive to Mr. Suresh Khatri the Director of the “searched person” after making entries on a regular basis.

14. In his statement for the Financial Year 2020-2021, Mr. Rajendra Kothari also stated that the information was maintained in the sandisk pen drive inside a black laptop which was handed over to one Kishore Khatri through one Sarvan, also an employee of the “searched persons.”

15. In the said statement, Mr. Rajendra Kothari, the Accountant had also stated that the pen drive contained account data of various persons for the Assessment Year 2016-2017 to 2019-2020 which included these petitioners.



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16. Mr. Suresh Khatri, the Director of the “searched person” in his statement u/s 132(4) has confirmed the statement of Mr. Rajesh Kothari, the Accountant of the “searched person”.

17. The challenge to the respective Assessment Orders passed by the Assessing Officers are primarily on the ground that the Assessing Officer(s) have failed to consider the decision of the Hon'ble Supreme Court in **Super Malls (P) Ltd v CIT**, (2020) 4 SCC 581. There the Court held that when the Assessing Officer of searched person and third person is same, it is sufficient by Assessing Officer to record in satisfaction note that documents seized from searched person belonged to other person and there is no requirement of transmitting documents so seized from searched person. It is submitted that that initiation of proceedings Section 153C of the Income Tax Act, 1961 were time barred.

18. Secondly, it is submitted that there was a gross violation of principles of natural justice for not allowing any of the respective petitioners to cross examine Mr. Suresh Khatri, the Director of the “searched person” and Mr. Rajendra Kothari, the Accountant of the “searched person”.

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WEB COPY 19. It is submitted that the person's whose sworn statements were relied upon for initiating the proceedings under Section 153C of the Income Tax Act, 1961 were not produced for cross examination. In this connection, the decision of the Hon'ble Supreme Court in **Andaman Timber Industries v CCE**, (2016) 15 SCC 785 was invited. It is therefore submitted that the respective impugned assessment orders are liable to be quashed.

20. It is further submitted that impugned assessment orders have been passed beyond the time prescribed for passing assessments orders and thus contrary to Section 153B of the Income Tax Act, 1961.

21. The satisfaction notes of the Assessing Officer of the "searched person" and the respective petitioners (the "other person") under Section 153C of the IT Act, 1961, confirms that the books of accounts/ documents seized from the premises of the "searched person" had a bearing on the



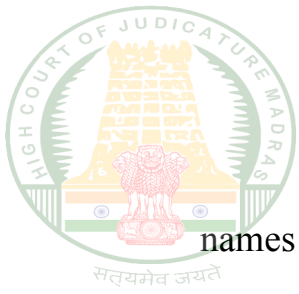
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determination of the total income of these petitioners for six assessment years immediately preceding the assessment year relevant to the previous year in which search was conducted.

22. It is submitted that the assessment proceedings were concluded based on invalid notices issued under Section 153C of the Income Tax Act, 1961. It is submitted that as per section 153C of the Income Tax Act, 1961, before the commencement of the proceedings to assess or reassess the income of an assessee u/s 153C, the jurisdictional Assessing Officer was required:-

- i. *To record a satisfaction that the books of account or documents or assets seized or requisitioned belongs to or pertain to any information contained therein, related to the petitioner, i.e person other than the searched person referred to in section 153A; and*
- ii. *that the books of account or documents or assets so seized or requisitioned had a bearing on the determination of total income of the petitioner's viz a 'other person' for the relevant assessment year or years referred to in section 153C(1).*

23. All these Petitioners uniformly state that they had no unexplained transactions with the "search person" during these assessment. It is further submitted that the names in the JPACK does not match with initials and code



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names of these petitioners and thus the proceedings initiated based on the statements of Mr. Rajesh Kothari , the accountant and the Mr.Suresh Khatri of the “searched person” are liable to be interfered.

24. It is submitted that there was a jurisdictional error in assuming the power under Section 153C of the Income Tax Act, 1961. It is submitted that the ‘satisfaction note’ could not record any satisfaction to initiate proceeding against these petitioners.

25. It is submitted that the word ‘satisfaction’ refers to a conclusion drawn or a finding recorded on the material available and the satisfaction should reflect that on the basis of the material pertained to the “other person”. It is submitted that *prima facie* there was no case for fastening tax liability on these Petitioners.

26. The Petitioners have relied upon Circular No 24/2015 in F.no.279/Misc/140/2015/ITJ dated 31.12.2015, wherein the time limit to record the satisfaction has been explained. It is submitted that several High Courts have held that the provisions of section 153C of the Act is substantially similar or *pari materia* to the provisions of the Section 158BD of the Act as it stood before its deletion.



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WEB COPY 27. Therefore, for the purpose of assessment of the income of the person other than the “searched person”, the guidelines of the Hon’ble Supreme Court in **CIT Vs Calcutta Knitwear Ludhiana** (2014) 6 SCC 444 will apply to proceedings u/s 153C of the Income Tax Act, 1961, which has been accepted by the Central Board of Direct Taxes vide dated 31.12.2015 in Circular No 24/2015 in F.no.279/Misc/140/2015/ITJ.

28. It is submitted that the above Circular mandates that the Assessing Officer has to record a satisfaction and issue a satisfaction note within a stipulated period as per the guidelines of the Hon’ble Supreme Court in **CIT-III VS Calcutta Knitwears. Ludhiana** (2014) 6 SCC 444.

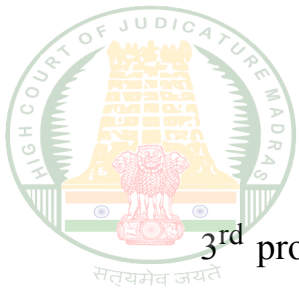
29. It is submitted that the respondent Assessing Officer has ignored both the decision of the Hon’ble Supreme Court in **CIT-III VS Calcutta Knitwears. Ludhiana** (2014) 6 SCC 444 and Central Board of Direct Taxes vide dated 31.12.2015 in Circular No 24/2015 in F.no.279/Misc/140/2015/ITJ before issuing notices under Section 153C of the Income Tax Act,1961.



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WEB COPY 30. It is submitted that as per the third proviso to Section 153B (1) of the Income tax Act, 1961 “the period of limitation for completing the assessment or reassessment in case of “other person” like the petitioner is twelve months from the end of the financial year in which the last of the authorization for search under section 132 of the Income Tax Act, 1961 was made (or) for requisition under section 132A was executed or twelve months from the end of the financial year in which books of accounts or documents or assets seized or requisitioned were handed over under section 153C to the Assessing officer having jurisdiction over such person, whichever is later.

31. It was submitted that the jurisdictional Assessing Officer of the petitioners and that of the “searched person” in most of the cases are one and the same. Therefore, the question of handing over of the searched material did not arise and hence the time limit for completing the assessment expired on 31.03.2022, being 12 months from the end of the financial year in which the last of the authorization for search under section 132 or for requisition under section 132A was executed. It is therefore submitted that the second limb of



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3rd proviso to Section 153B(1) did not apply as the search was by the same jurisdictional Assessing officer.

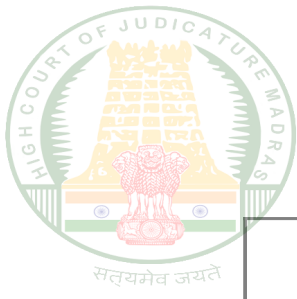
32. The cases of the respective Petitioner company along with their Directors and Partnership Firms along and their Partners have been discussed together and disposed in separate part of this order.

33. As mentioned above, the challenge to Scrutiny Assessment Orders respective Assessment Year 2021-2022 is dealt with separately in separate part of this order. Before dealing further, I shall briefly give the outlines of the cases of each of the petitioners and the relevant timelines.

M/S. KLP PROJECTS PRIVATE LIMITED AND ITS DIRECTORS.

34. The Petitioners M/s. KLP Projects Private Ltd who are engaged in the construction and development of properties, has challenged the following Assessment Order all dated 31.03.2023 in the following Writ Petitions:-

S.No.	W.P.No.	Assessment Date	of Date	of Assessed income	u/s
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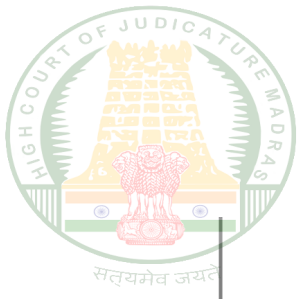
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		Year	notice u/s 153C	u/s the Assessment orders	143(3) r/w Section 153C (Taxable Income as per ROI + Unexplained Income under Section 69A of the Act) (Rs.)
1.	13771 of 2023	2019-2020	30.06.2022	31.03.2023	18,75,36,730 +24,77,56,589 = 43,52,93,309
2.	13775 of 2023	2020-2021	30.06.2022	31.03.2023	8,75,84,720 + 1,31,77,500 =10,07,62,220
3.	13781 of 2023	2021-2022		31.03.2023	9,31,67,920 + 18,50,000 = 9,50,17,920

35. The timeline relevant to the case of the petitioner are as follows:-

DATE	EVENT
30.06.2022	<ul style="list-style-type: none">- Satisfaction note for the searched person was prepared by the Assistant Commissioner of Income Tax.- Satisfaction note for KLP Projects (other persons) was prepared by the Deputy Commissioner- Notice u/s 153C was issued by the Respondent to the Petitioner.
14.07.2022	Petitioner filed the return of income in response to the notice issued under S. 153C. (Does not apply W.P. No 13781 of 2023)
14.02.2023	Notice u/s 143(2) was issued to the Petitioner and the petitioner was directed to appear before the Respondent on 21.02.2023. The Petitioner's authorized representative had appeared before the

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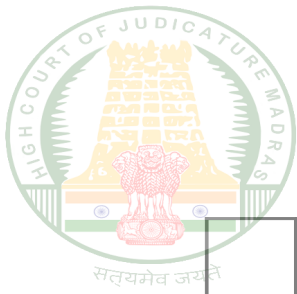
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	respondent. (Does not apply W.P. No 13781 of 2023)
13.03.2023	Notice u/s 142(1) was issued to the Petitioner to produce various details which was provided as a list of documents.
20.03.2023 + 21.03.2023	Petitioner furnished the details which were required by the Respondent as per the Notice issued u/s 142(1).
22.03.2023	Respondent sent the satisfaction note of the searched person to the Petitioner.
24.03.2023	Show cause notice was issued to the Petitioner to file further details in response to the notice issued u/s 142(1) on or before 27.03.2023.
27.03.2023 + 28.03.2023	Petitioner filed their submissions.
27.03.2023	Petitioner filed objections to the assessment proceedings issued u/s 153C.
29.03.2023	Objections filed by the petitioner were disposed off without providing for cross examinations of Mr. Suresh Khatri and Mr. Rajendra Kothari.
31.03.2023	- Assessment order was passed u/s 143 r/w Section 153C. - Notice of demand u/s 156 of the Income-tax Act, 1961. - Notice u/s 274 r/w Section 271AAC(1) of the Act.

36. The Petitioner Mr. Maneesh Parmar, the Director of M/s. KLP Projects Private has challenged the following assessment order all dated 31.03.2023 in the following Writ Petitions:-

S.No.	W.P.No.	AY	Date of notice u/s 153C	Date of the Assessment orders	Assessed income u/s 143(3) r/w Section 153C (Taxable Income as per ROI + Unexplained Income under Section 69A of
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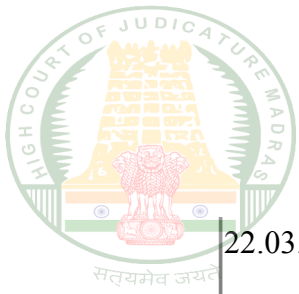
W.P.No.11630 of 2023 and etc., batch

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						the Act) (Rs.)
1.	13114 of 2023	2017-2018	30.06.2022	31.12.2023	32,10,000	+
					24,58,85,213	=
					24,90,95,213	
2.	13117 of 2023	2018-2019	30.06.2022	31.03.2023	1,97,56,360	+
					1,03,81,95,500	=
					1,05,79,51,860	
3.	13119 of 2023	2019-2020	30.06.2022	31.03.2023	2,31,11,590	+
					12,38,78,295	= 14,69,
					89,885	
4.	13125 of 2023	2020-2021	30.06.2022	31.03.2023	1,38,65,250	+
					65,88,750	=
					2,04,54,000	
5.	13129 of 2023	2021-2022	-	31.03.2023	2,81,57,150	+ 9,25,000
					= 2,90, 82, 150	

37. The timeline relevant to the case of the petitioner are as follows:-

DATES	EVENT
30.06.2022	Notice u/s 153C was issued to the Petitioner for the AY 2017-18 to 2020-21 Notice u/s 143(2) for the AY 2021-2022 was issued to the Petitioner.
14.07.2022	Return of Income was filed by the Petitioner in response to notice issued u/s 153C.
09.02.2023	Notice u/s 143(2) was issued to the Petitioner.
13.03.2023	Notice u/s 142(1) was issued to produce various accounts of the Petitioner.
07.03.2023	Satisfaction note was sent to the Assesse.
	Petitioner filed their objections for each AY for the assumption of the jurisdiction u/s 153C of the Act.

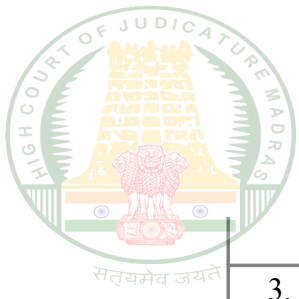


W.P.No.11630 of 2023 and etc., batch

22.03.2023	Respondent issued proceedings for the AY 2021-22 while rejecting the objections of the petitioner.
23.03.2023	Respondent issued a show cause notice to furnish details or documents as per the notice issued u/s 142(1) of the Act on or before 27.03.2023.
27.03.2023	Petitioner submitted the available records and stated that there was no connection with M/s Mohanlal Jewellers (P) Ltd in any of the AY.
31.03.2023	Impugned order was issued by the Respondent.

38. The Petitioner Mr.Sunil Khetpalia, the Director of M/s. KLP Projects Private has challenged the following Assessment Order all dated 31.03.2023 in the following Writ Petitions:-

S.No.	W.P.No.	AY.	Date of notice u/s 153C.	Date of the Assessment orders.	Assessed income u/s 143(3) r/w Section 153C (Taxable Income as per ROI + Unexplained Income under Section 69A of the Act) (Rs.)
1.	16431 of 2023	2019-2020	30.06.2022	31.03.2023	5,10,49,140 + 12,38,78,295 = 17,49,27,435
2.	12018 of 2023	2020-2021	30.06.2022	31.03.2023	2,34,69,180 + 65,88,750



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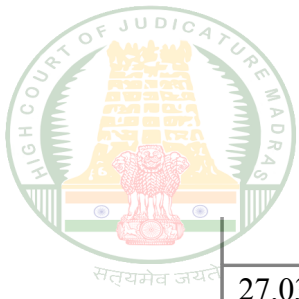


W.P.No.11630 of 2023 and etc., batch

					= 3,00,57,930
3.	12021 of 2023	2021-2022		31.03.2023	5,45,03,270 + 9,25,000 = 5,54,28,270

39. The timeline relevant to the case of the petitioner are as follows:-

DATE	EVENT
30.06.2022	<ul style="list-style-type: none">● Notice u/s 153C was issued to Petitioner after recording the satisfaction note.● The Satisfaction note for the Petitioner was prepared by the Deputy Commissioner of Income-tax.● The Satisfaction note of M/s KLP Projects, Mr. Sunil Khetpalia and Mr. Manish Parmar were prepared by The Assistant Commissioner of Income-tax, being the Assessing Officer of the searched persons.● With respect to W.P. No: 12021 of AY 21-22, notice u/s 143(2) was issued to the Petitioner.
11.03.2023	Petitioner filed their Return of Income for the above notice. (NA to WP No: 12021 of AY 21-22)
13.03.2023	<ul style="list-style-type: none">● Notice u/s 143(2) was issued to the Petitioner to furnish details and documentary evidence with respect to the transactions made with M/s Mohanlal Jewellers (P)Ltd. (NA to W.P. No: 12021 of AY 21-22)● Notice u/s 142(1) was issued to the Petitioner.
17.03.2023	Petitioner sent a letter seeking the following information: <ul style="list-style-type: none">● Name of the searched person and the date of warrant for such search.● Copies of the material seized.● Satisfaction record of the Assessing Officer of the searched person and the date of communication of the satisfaction note to the petitioner's assessing officer.● Satisfaction note recorded by the petitioner's authority.● Date of the seized material handed over by the searched person.
20.03.2023	Petitioner furnished the required details as per the notice issued on 13.03.2023.
22.03.2023	The Respondent in response to the request of the Petitioner provided only



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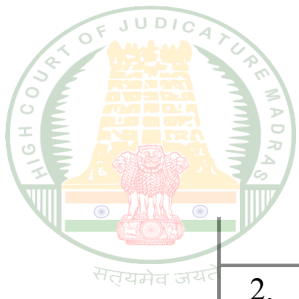
W.P.No.11630 of 2023 and etc., batch

	the satisfaction note and the seized ledger.
27.03.2023	<ul style="list-style-type: none">● The Petitioner objected to the satisfaction note for the issuance of the notice U/s 153C.● The Petitioner requested for the other documents which were requested from the Respondent as on 17.03.2023.● The Petitioner sought for cross examination of Mr. Suresh Khatri and Mr. Rajesh Kothari.
29.03.2023	Objections filed by the Petitioner were dismissed by the Respondent without providing for cross examination and passed the assessment order without issuing the show cause notice.
31.03.2023	<ul style="list-style-type: none">● Impugned order was passed by the Respondent.● Notice of demand was issued u/s 156 of Income tax Act, 1961.

LKS GOLD HOUSE

40.The Petitioner LKS Gold House has challenged the following Assessment Order all dated 31.03.2023 in the following Writ Petitions:-

S.No.	W.P.No.	AYs.	Date of notice u/s 153C.	Date of the Assessment orders.	Assessed income u/s 143(3) r/w Section 153C (Taxable Income as per ROI + Unexplained Income under Section 69A of the Act) (Rs.)
1.	11630 of 2023	2016-2017	15.02.2022	31.03.2023	(1,66,87,813) + 15,03,130

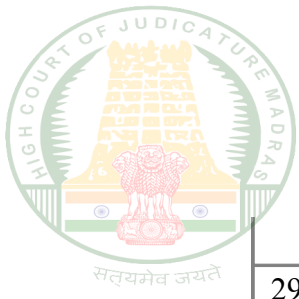


W.P.No.11630 of 2023 and etc., batch

					= (1,51,84,683)	
2.	11635 of 2023	2017-2018	15.02.2022	31.03.2023	61,27,218 + 13,41,796	= 74,69,104
3.	11644 of 2023	2018-2019	15.02.2022	31.03.2023	4,39,39,730 + 56,79,926	= 4,96,19,656
4.	11633 of 2023	2019-2020	15.02.2022	31.03.2023	3,20,12,300 + 1,33,48,013	= 4,53,60,313
5.	11636 of 2023	2020-2021	15.02.2022	31.03.2023	8,03,04,430 + 1,23,20,129	= 9,26,24,559
6.	11638 of 2023	2021-2022	-	31.03.2023	16,05,09,682 2,15,21,499	+ = 18,20,31,181

41. The timeline relevant to the case of the petitioner are as follows:-

DATE	EVENT
08.02.2022	The satisfaction note in the hands of the searched person was recorded by the Assessing officer.
11.02.2022	The satisfaction note in the hands of the petitioner was recorded by the Assessing officer.
15.02.2022	<ul style="list-style-type: none">● Notice u/s 153C was issued by the Respondent.● For the W.P No: 11638 AY 2021-2022, notice u/s 143(2) was issued by the First Respondent.
19.02.2022	The Petitioner filed the Return of Income which was the originally filed u/s 139(1) of the Act.
03.03.2022	Notice u/s 142(1) was issued by the Respondent seeking details as per the annexure.
08.03.2022	Petitioner filed their response in the web portal.
27.06.2022	Notice u/s 143(2) was issued seeking personal appearance of the writ



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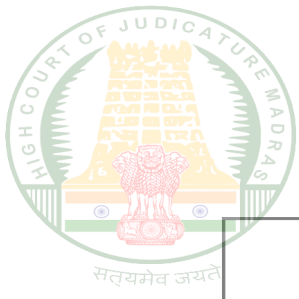
	petitioner on 12.07.2022.
29.11.2022	Notice u/s 142(1) was issued referring to the sworn statement and the details obtained from the searched person as per Section 153A.
05.12.2022	Petitioner filed their response objecting to the inferences made in the sworn statements and the seized material.
09.01.2023	Notice u/s 142(1) was issued seeking details as per the annexure.
12.01.2023	The Petitioner filed their response with the details as requested by the Petitioner.
18.01.2023	A letter was issued to intimate the Petitioner regarding the jurisdiction of the Writ petition was transferred from the First respondent to the Second Respondent.
09.03.2023	A show cause notice was issued by the Second Respondent for W.P. No: 11633, 11636, 11638 of 2023.
19.03.2023	A Show cause notice was issued by the Second Respondent.
20.03.2023	Petitioner filed their response to the show cause notice by raising objections.
21.03.2023	The Second Respondent disposed off the objections raised by the Petitioner.
23.03.2023	Petitioner filed their response to the above communication and reiterated their objections and lack of considerations.
28.03.2023	Second Respondent issued a letter denying the request for cross examination.
29.03.2023	Petitioner filed their response to the above communication.
31.03.2023	The Second Respondent passed the assessment order.

RM APPAVU CHETTIYAR

42. The Petitioner RM Appavu Chettiyar, who is engaged in the business of manufacturing of jewellery has challenged the following assessment orders all dated 31.03.2023 in the following Writ Petitions:-

S.No.	W.P.No.	AYs.	Date of notice u/s 153C.	Date of the Assessment	Assessed income u/s 143(3) r/w Section 153C
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W.P.No.11630 of 2023 and etc., batch

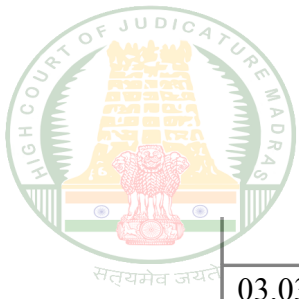
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				orders.	(Taxable Income as per ROI + Unexplained Income under Section 69A of the Act) (Rs.)
1.	14918 of 2023	2017-2018	15.02.2022	29.03.2023	0+ 50,34,707 = 50,34,707
2.	14934 of 2023	2018-2019	15.02.2022	29.03.2023	(1,70,28,162) + 32,82,357 = (1,37,45,805_
3.	14930 of 2023	2019-2020	15.02.2022	29.03.2023	0 + 21,58,734 = 21,58,734
4.	14927 of 2023	2020-2021	15.02.2022	30.03.2023	1,99,91,630 + 1,08,46,533 = 3,08,38,163
5.	14929 of 2023	2021-2022	-	29.03.2023	7,96,20,180 + 1,22,21,327 = 9,18,41,507

43. The timeline relevant to the case of the petitioner in W.P. Nos 14918, 14934 & 14930 of 2023 for the Assessment Years 2017-18, 2018-19 and 2019-20 are as follows:-

W.P. Nos. 14918, 14934 and 14930 of 2023 for the Assessment Years 2017-18, 2018-19 & 2019-20)

DATES	EVENT
28.10.2017	<ul style="list-style-type: none">● The Petitioner filed their original Return of Income for the AY 2017-2018 and reported nil balance.● A notice u/s 143(1) of the Act was issued.
08.02.2022	The satisfaction note was recorded in the hands of the searched person u/s 153A by First Respondent.
11.02.2022	The satisfaction note was recorded in the hands of the Petitioner u/s 153C by First Respondent.
15.02.2022	First Respondent issued notice u/s 153C.
19.02.2022	The Petitioner filed the Return of Income in response to the notice issued on 15.02.2022 u/s 153C of the Act. The filed Return of Income was the



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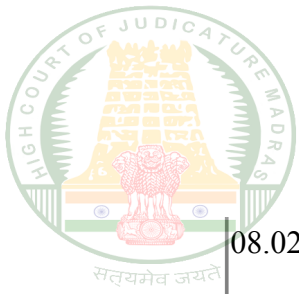
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	same as original filed u/s 139 of the Act.
03.03.2022	Notice u/s 142(1) was issued seeking details of those mentioned in the annexure.
08.03.2022	Show cause notice issued by the R1. Filed the Return of Income on the web portal as per the notice issued u/s 142(1).
13.12.2022	Notice u/s 142(1) of the Act was issued by referring to the statement and details obtained from the searched person in terms of Section 153A.
19.12.2022	Response to the notice issued u/s 142(1) of the Act was filed by the petitioner and objected to the inference made on the analysis of the sworn statement and seized material as referred by the R1.
24.01.2023	Petitioner received a notice intimating the change of the incumbent in the office of the First Respondent and in view of the provisions of S. 129 of the Act.
25.01.2023	Response was filed by the Petitioner with respect to the notice issued on 24.01.2023.
24.02.2023	Notice u/s 143(2) was issued by the First Respondent. The Petitioner filed his response seeking copies of the sworn statement while filing objections with respect to the materials shared with the Writ Petitioner.
08.03.2023	The First Respondent sent copies of the sworn statement recorded on 04.12.2020 in the hands of Mr. Suresh Khatri to the Petitioner.
29.03.2023	Impugned order was issued u/s 153C of the Act.

44. The timeline relevant to the case of the same petitioner in W.P. No. 14927 of 2023 for the Assessment Year 2020-2021 are as under:-

WP. No. 14927 of 2023

DATE	EVENT
26.12.2020	The Petitioner filed the Return of Income as nil and processed u/s 143(1) of the Act.
15.02.2022	Notice u/s 153C was issued to the Petitioner.
19.12.2022	In reply to the above notice, the Return of Income was filed which was originally filed u/s 139.



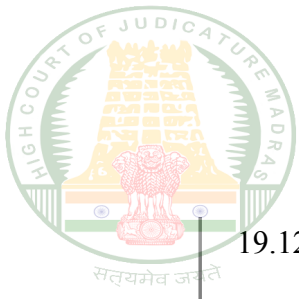
W.P.No.11630 of 2023 and etc., batch

08.02.2022	The satisfaction note of the searched person was prepared by the First Respondent.
11.02.2022	The satisfaction note of the Petitioner was prepared by the First Respondent.
03.03.2022	Notice u/s 142(1) was issued seeking details as mentioned in the annexure.
13.12.2022	Notice u/s 142(1) was issued which also contained the sworn statements and details obtained from the searched persons.
19.12.2022	The Petitioner filed the objection to interference for the notice issued above.
24.01.2023	Petitioner received a notice intimating the change of the incumbent in the office of the First Respondent and in view of the provisions of S. 129 of the Act.
25.01.2023	The Response was submitted by the Petitioner.
24.02.2023	Notice u/s 143(2) of the Act was issued to the Petitioner.
01.03.2023	The Petitioner filed their response to notice issued u/s 143(2).
08.03.2023	A show cause notice was issued by the First Respondent.
15.03.2023	The Petitioner filed their submissions with respect to the show cause notice issued.
30.03.2023	<ul style="list-style-type: none">- The Impugned order passed under section 153C of the Act which was served to the petitioner physically after 31.03.2023.- A Demand notice u/s 156 was issued to the Petitioner along with a notice u/s 274 r.w Section 270A of the Act.

45. The timeline relevant to the case of the same petitioner in W.P. No.14929 of 2023 for the Assessment Year 2021-2022 are as under:-

W.P. No.14292 of 2023

DATE	EVENT
15.02.2022	Notice u/s143(2) of the Act was issued by the First Respondent.
02.03.2022	The petitioner filed electronic reply to the above notice through the web portal.
13.12.2022	Notice u/s 142(1) was issued to the Petitioner.



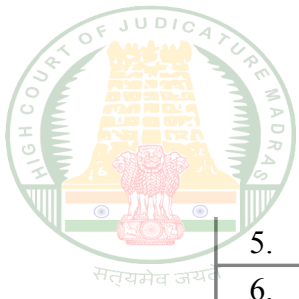
W.P.No.11630 of 2023 and etc., batch

19.12.2022	Reply to the notice issued on 13.12.2022 was filed by the Petitioner containing objections to the inference on the sworn statements
24.01.2023	Petitioner received a notice intimating the change of the incumbent in the office of the First Respondent and in view of the provisions of S. 129 of the Act.
08.03.2023	A Show cause notice was issued enclosing copies of the satisfaction note to the Petitioner.
29.03.2023	The Impugned order was passed.

GRT JEWELLERS (INDIA) PVT LTD

46. The Petitioners GRT Jewellers (India) Pvt Ltd has challenged the following assessment order all dated 31.03.2023 in the following Writ Petitions:-

S.No.	W.P.No.	AYs.	Date of notice u/s 153C.	Date of the Assessment orders.	Assessed income u/s 143(3) r/w Section 153C (Taxable Income as per ROI + Unexplained Income under Section 69A of the Act) (Rs.)
1.	13139 of 2023	2015-16	20.03.2022	31.03.2023	20,01,60,79,730
2.	13142 of 2023	2017-18	20.03.2022	31.03.2023	18,39,04,306
3.	14379 of 2023	2018-19	20.03.2022	31.03.2023	2,57,48,79,776
4.	14384 of 2023	2019-20	20.03.2022	31.03.2023	6,31,58,004



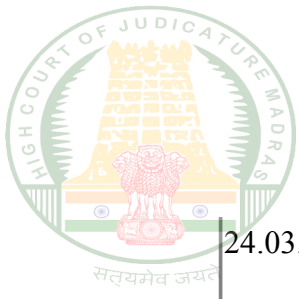
W.P.No.11630 of 2023 and etc., batch

5.	14391 of 2023	2020-21	20.03.2022	31.03.2023	3,41,12,350
6.	14387 of 2023	2021-22	20.03.2022	31.03.2023	2,75,38,017

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47. The timeline relevant to the case of the petitioner are as follows:-

DATE	EVENT
30.11.2017	GRT Jewellers had filed their Income Tax Returns for AY 2017-18
30.11.2018	GRT Jewellers filed had their Income Tax Returns for AY 2018-19
30.11.2019	GRT Jewellers filed their Income Tax Returns for AY 2019-20
10.11.2020	Search proceedings under section 132 was conducted in the premises of Ms. Mohanlal Jewellers Pvt. Ltd
31.01.2021	GRT Jewellers filed their Income Tax Returns for AY 2020-21
28.02.2022	GRT Jewellers filed their Income Tax Returns for AY 2021-22
19.03.2022	Satisfaction notes were issued for AY 2017-18 to AY 2022-23 to the Petitioner and Searched Person by the same Assessing Officer.
20.03.2022	Notice was issued u/s 153C for AY 2017-18 to 2021-22
02.05.2022	Income Tax Returns were for AY 2017-18 to 2021-22 in response to notice dated 20.03.2022
27.06.2022	In connection with the returns filed on 02.05.2022, notice was issued u/s 143(2) for AY 2017-18 to AY 2021-22.
08.12.2022	Notice u/s 142(1) was issued asking for furnishing of information from AY 2017-18 to AY 2021-22.
15.12.2022	Submissions of financial statements were made in furtherance of notice dated 08.12.2022.
09.01.2023	Notice issued u/s 142(1) asking for furnishing of further information from the returns filed. Along with that, as requested by the Petitioner Satisfaction note was sent.
15.03.2023	Statement of Accountant of GRT Jewellers was made to the IT for AY 2017-18 to 2021-22
17.03.2023	Notice was issued u/s 142(1) for furnishing the remaining information from the past notice dated 08.12.2022 and 09.01.2023 and also additional information. Applicable only W.P.No.14379 of 2022 for AY 2018-19.
18.03.2023	Accountant Statement of GRT specifying transactions under 'Anand' can be in his individual capacity and not as per this company, was made to IT for AY 2017-18 to 2021-22



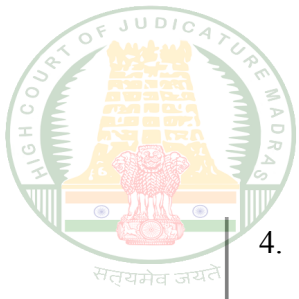
W.P.No.11630 of 2023 and etc., batch

24.03.2023	A Show Cause Notice was issued to the Petitioner due to incomplete details furnished by the petitioners for notices dated 08.12.2022 & 09.01.2023 for AY 2017-18 to 2021-22
31.03.2023	Assessment Orders were passed in accordance with section 153C read with section 143(3) for AY 2017-18 to 2021-22

G R ANANTHAPADMANABHAN

48. The Petitioner G.R.Ananthapadmanabhan, being a proprietor of GRT Jewellers (India) Pvt Ltd challenged the following assessment order all dated 31.03.2023 in the following Writ Petitions:-

S.No.	W.P.No.	AYs.	Date of notice u/s 153C.	Date of the Assessment orders.	Assessed income u/s 143(3) r/w Section 153C (Taxable Income as per ROI + Unexplained Income under Section 69A of the Act) (Rs.)
1.	13432 of 2023	2017-2018	22.03.2023	31.03.2023	18,54,37,370 + 20,18,13,530 + 10,20,33,400 = 48,92,84,300
2.	13436 of 2023	2018-2019	22.03.2023	31.03.2023	24,39,18,060 + 9,90,75,440 + 0 = 34, 29,93,500
3.	13438 of 2023	2019-2020	22.03.2023	31.03.2023	23,49,54,420 + 5,83,77,863 + 0 = 29,33,32,283



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4.	13442 of 2023	2020-2021	22.03.2023	31.03.2023	14,09,88,100 + 3,67,35,874 + 0 = 17,77,23,974
5.	13443 of 2023	2021-2022	22.03.2023	31.03.2023	17,74,50,520 + 4,10,74,917 + 0 = 21,85,25,437

49. The timeline relevant to the case of the petitioner are as follows:-

DATE	EVENT
22.03.2023	Notice u/s 153C of the Act was issued to the Petitioner.
28.03.2023	The Petitioner filed their Return of Income as per the notice issued.
28.03.2023	A Show cause notice was issued to the Petitioner stating that the gold was issued by M/s Mohanlal Jewellers (P) Ltd and a reply as to why the same should not be treated as unaccounted purchases were to be given on 29.03.2023.
29.03.2023	The Petitioner filed their preliminary reply.
30.03.2023	Notice u/s 143(2) of the Act was issued to the Petitioner,
31.03.2023	The Impugned order was passed by the Respondent.

G RAJENDRAN

50. The Petitioner G. Rajendran, being a proprietor of GRT Jewellers (India) Pvt Ltd has challenged the following assessment order all dated 31.03.2023 in the following Writ Petitions:-



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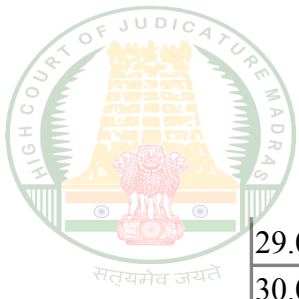


W.P.No.11630 of 2023 and etc., batch

S.No.	W.P.No.	A.Ys.	Date of notice u/s 153C.	Date of the Assessment orders.	Assessed income u/s 143(3) r/w Section 153C (Taxable Income as per ROI + Unexplained Income under Section 69A of the Act) (Rs.)
1.	12688 of 2023	2019- 2020	22.03.2023	31.03.2023	29,96,79,490 + 1,00,66,293 = 27,97,45,783
2.	12686 of 2023	2020-2021	22.03.2023	31.03.2023	17,11,98,510 + 1,11,32,593 = 18,23,31,103
3.	12691 of 2023	2021-2022	22.03.2022	31.03.2023	17,48,54,970 + 69,43,440 = 18,17,98,410

51. The timeline relevant to the case of the petitioner are as follows:-

DATE	EVENT
22.03.2023	Notice u/s 153C of the Act was issued to the Petitioner.
28.03.2023	The Petitioner filed their Return of income as per the notice issued u/s 153C.
28.03.2023	A Show cause notice was issued to the Petitioner stating that cash payments amounting to Rs. 98,92,31,272 have been made to M/s Mohnalal Jewellers (P) Ltd by the Petitioner. The Petitioner was requested to reply stating the reasons as to why such an amount should not be treated as unexplained income u/s 69A of the Act and was requested to submit their reply on 29.03.2023



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29.03.2023	Preliminary reply was submitted by the Petitioner.
30.03.2023	– Notice u/s 143(2) was issued to the Petitioner and was asked to appear on the same day. – The authorised representative of the Petitioner appeared on the same day and also filed his partial reply.
31.03.2023	The Impugned order was passed.

ORIGINAL KERALA JEWELLERS:-

52. The Petitioner Original Kerala Jewellers, engaged in the business of jewellery retail has challenged the following assessment order all dated 31.03.2023 in the following Writ Petitions:-

S.No.	W.P.No.	AY.	Date of notice u/s 153C.	Date of the Assessment orders.	Assessed income u/s 143(3) r/w Section 153C (Taxable Income as per ROI + Unexplained Income under Section 69A of the Act) (Rs.)
1.	13602 of 2023	2017-18	09.01.2023	31.03.2023	2,20,99,491 + 62,51,327 = 2,83,50,818
2.	13609 of 2023	2018-19	09.01.2023	31.03.2023	7,42,28,920 + 25,39,525 = 7,67,68,505
3.	13616 of 2023	2019-20	09.01.2023	31.03.2023	2,44,41,091 + 40,01,095 = 2,84,42,186
4.	13619 of 2023	2020-21	09.01.2023	31.03.2023	50,55,400 + 52,30,266 = 1,02,85,866
5.	13625 of 2023	2021-22	09.01.2023	31.03.2023	23,80,630 + 19,38,517 = 43,19,147



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53. The timeline relevant to the case of the petitioner are as follows:-

DATE	EVENT
15.07.2021	Demand Notice u/s 156 of the Income-tax Act was issued to the Petitioner by The Assistant Commissioner of Income-tax.
01.11.2017	The Petitioner filed the Return of Income for the AY 2017-2018.
09.01.2023	– Notice u/s 153C was issued to the Petitioner. – The Satisfaction note for the Petitioner was recorded by The Deputy Commissioner of Income Tax.
19.01.2023	The Petitioner filed their return of income as per notice 153C.
09.02.2023	Notice u/s 143(2) was issued requesting the petitioner to attend the Respondent's office on 16.02.2023
10.03.2023	The Respondent issued notice u/s 142(1) seeking details regarding the entries in the JPACK Software on or before 17.03.2023.
16.03.2023	The Petitioner sought 2 weeks adjournment for submitting the details.
17.03.2023	The Respondent issued a letter to furnish the details on or before 22.03.2023.
22.03.2023	The Petitioner communicated the delay in furnishing the details to the Respondent and also sought for cross examination of the sworn statements of the parties relied upon.
23.03.2023	A Show cause notice was issued by the Respondent to furnish the details on or before 27.03.2023.
27.03.2023	The Petitioner submitted a stock reconciliation statement between the Petitioner and the JPACK for the FY 2016-17 to 2020-21.
31.03.2023	The Impugned order was passed.



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MUTHUSWAMY GOUNDER PALLANIAPPAN

54. The Petitioner Muthuswamy Gounder Pallaniappan, proprietor of a jewellery shop has challenged the following assessment order all dated 31.03.2023 in the following Writ Petitions:-

S.No.	W.P.No.	AYs.	Date of notice u/s 153C.	Date of the Assessment orders.	Assessed income u/s 143(3) r/w Section 153C (Taxable Income as per ROI + Unexplained Income under Section 69A of the Act) (Rs.)
1.	13489 of 2023	2017-2018	15.02.2022	29.03.2023	1,05,52,120 + 59,32,436 = 1,64,84,556
2.	13494 of 2023	2018-2019	15.02.2022	29.03.2023	1,11,38,550 + 92,13,824 + 2,03,52,374
3.	13504 of 2023	2019-2020	15.02.2022	29.03.2023	1,32,62,480 + 81,75,258 = 2,14,37,738
4.	13500 of 2023	2020-2021	15.02.2022	30.03.2023	1,15,91,080 + 1,15,92,646+ 84, 20, 248 = 2,00,12,894



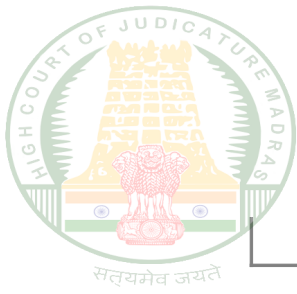
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55. The timeline relevant to the case of the petitioner are as follows:-

DATE	EVENT
15.02.2022	Notice u/s 153C was issued to the Petitioner.
02.03.2022	Notice u/s 142(1) was issued to the petitioner to furnish the accounts, documents and the relevant information.
23.03.2022	Petitioner sought for 15 days' time to file the documents.
23.04.2022	The Petitioner submitted the relevant documents and information to the notice issued u/s 142(1).
23.06.2022	Notice u/s 143(2) was issued to the Petitioner to directly appear and clarify certain points with respect to the Return of Income.
18.11. 2022	Notice u/s 142(1) was issued to produce documents and information as specified on or before 25.11.2022.
17.02.2023	The Petitioner received a notice of change of incumbent u/s 129 of the Act. The notice also contained an opportunity of personal hearing and was directed to make all their submissions on or before 23.02.2023.
23.02.2023	Petitioner resubmitted the documents.
05.03. 2023	A Show cause notice was issued u/s 153C by the respondent.
11.03.2023	<ul style="list-style-type: none">- The Respondent issued a corrigendum to the show cause notice dated 05.03.2023 where it substituted the words "AmarT" as "PKM Karur".- The Respondent rejected the request for extension of time to submit their reply by 25.03.2023 and stated that the time limit to complete the assessment was by 31.03.2023.- The Petitioner was directed to furnish their reply on or before 15.03.2023 failing which the respondent proposed to complete the assessment as per the show cause notice.
14.03.2023	Petitioner submitted their reply and also raised jurisdictional objections
22.03.2023	Petitioner submitted interim reply in continuation to the reply submitted on 14.03.2023.
29.03.2023	The Impugned order was passed.
30.03.2023	The Impugned order was passed for the W.P. No: 13500 for the AY



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56. The Petitioner has relied upon Section 2(12A) of the Income Tax Act, 1961 which provides for the definition for books or books of accounts. It is submitted that as per the definition, books or books of accounts should be in a written form or kept as printouts of data stored in floppy disc, tape or any other form of electro-magnetic storage device. It is submitted that their books of accounts is within ambit of Section 2(12A) of the Income Tax Act, 1961. It is submitted that books or books of accounts will not include ledgers kept in electronic or digital forms in a software application. It is submitted that the software and the pen drive seized does not satisfy the definition of Books of Accounts under the definition of Section 2(12A) of the Income Tax Act, 1961. Therefore, the initiation of proceedings u/s 153C and the impugned order passed are invalid. That apart, it is submitted that satisfaction cannot be recorded based on information gathered or seized and therefore the assessment proceedings under Section 153C was wrongly initiated.

57. The learned counsel for the Petitioner relied on the extracts from



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the Explanatory notes to the Finance Act, 2022 to state that clause (12A) of section 2 of the Act was amended to provide that the definition of books or books of accounts would include books or books of account kept in electronic or in digital form or as print outs of data stored in such electronic or in digital form.

58. Thus, it is submitted that the data stored in Pen drive/ Hard disc of a laptop or computer was not books or books of account for the purpose of Section 153C of the Income Tax Act, 1961.

59. The learned counsel for the Petitioner has relied upon **CIT v. Vatika Township Pvt Ltd**, 2014 AIR SCW 5674, **K Sashidhar v. Indian Overseas Bank**, AIR 2019 SC(C) 1170, **Bhagat Ram Sharma v. UOI**, AIR 1988 SC 740, **Katta Sujatha Reddy v Siddamsetty Infra**, AIR 2022 SC 5435, **Shankarappa v. Cooperative Election Commission**, 2014 (2) AKR 529, **M Suresh v Mahadevamma**, 2021 (2) AKR 329, **Vysya Bank v. DCWT** (2008) 299 ITR 335 and **Keshavlal Jethalal Shah v. Mohanlal Bhawandas**, AIR 1968 SC 1336.

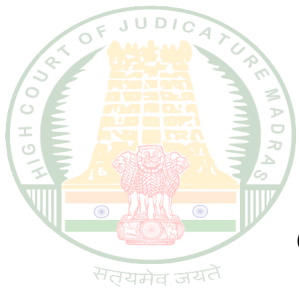


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60. It is further submitted that the procedure under Section 65B of The Evidence Act, 1872 was not followed. It is submitted that it is a mandatory requirement for the admissibility of evidence of a computer printout and therefore it cannot be relied upon. The Petitioner has relied upon **Vetrivel Madras v ACIT (2021) 437 ITR 178 (Mad)** wherein it was held that when the assessments framed on the basis of the electronic records which were copies of excel sheet, excel work note book, failing to comply with Section 65B of The Evidence Act, 1872 was inadmissible in the eyes of law and rendered the document inadmissible piece in the eyes of the law.

61. The above petitioners have challenged the impugned assessment orders dated on 29.03.2023, 30.03.2023 and 31.03.2023 as mentioned above. It is submitted that the limitation for completing the assessment have expired on 31.03.2022 starting from 01.04.2021 and ending on 31.03.2022.



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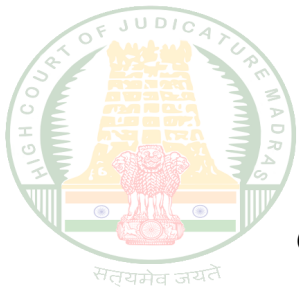
62. It is submitted that as far as the petitioner is concerned, the

Assessing Officer of the searched person and that of the petitioner are one and the same. It is submitted that as the Assessing Officer of the searched person, the Assessing Officer has given a satisfaction note on 08.02.2022 and as the Assessing Officer of the petitioner (other person), the satisfaction note was prepared only on 11.02.2022 although the search was made on 10.11.2020.

63. I have considered the arguments advanced by the learned counsel for the respective petitioners and the learned Senior Standing Counsel and Junior Standing Counsel for the respondents in these writ petitions.

64. I have also perused the impugned orders and the documents that were filed by the respective petitioners along with their typed set of documents.

65. I have also considered the provisions of the Income Tax Act, 1961 and the rules made thereunder and the case laws submitted in support of the writ petitions and against the writ petitions.



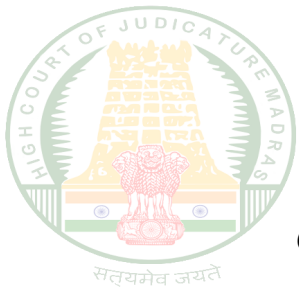
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66. Muthuswamy Gounder Pallaniappan, the petitioner in

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W.P.Nos.13489, 13494, 13500 & 13504 of 2023 has raised certain other ground in addition to the grounds raised by each of the petitioner on the question of limitation i.e both in issuing notices under Section 153C, preparation of the satisfaction note of the “searched person” and in passing the impugned “Assessment Order” under Section 153C read with Section 143(3) of the Income Tax Act, 1961.

67. The learned counsel for the petitioner submits that the definition of “Document” in Section 3 which is an interpretation clause in the Indian Evidence Act, 1872 is slightly different from the definition of “Document” in Section 2 of the Income Tax Act, 1961 and Information Technology Act, 2000.



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68. The definition of the document in these three enactments are

reproduced below:-

Section 2(22AA) of the Income Tax Act, 1961	"document" includes an electronic record as defined in clause (t) of sub-section (1) of section 2 of the Information Technology Act, 2000 (21 of 2000)"
Section 2(r) of the Information Technology Act, 2000	"electronic form" with reference to information means any information generated, sent, received or stored in media, magnetic, optical, computer memory, micro film, computer generated micro fiche or similar device.
Section 3 of the Indian Evidence Act, 1872	Interpretation clause:- "Document" means any matter expressed or described upon any substance by means of letters, figures or marks, or by more than one of those means, intended to be used, or which may be used, for the purpose of recording that matter.

69. Section 65A of the Indian Evidence Act, 1872 and Section 65B of the Indian Evidence Act, 1872 as special provisions relating to electronic record.

70. Section 65B of the Indian Evidence Act, 1872 reads as under:-



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“65B. Admissibility of electronic records. — (1) Notwithstanding anything contained in this Act, any information contained in an electronic record which is printed on a paper, stored, recorded or copied in optical or magnetic media produced by a computer (hereinafter referred to as the computer output) shall be deemed to be also a document, if the conditions mentioned in this section are satisfied in relation to the information and computer in question and shall be admissible in any proceedings, without further proof or production of the original, as evidence or any contents of the original or of any fact stated therein of which direct evidence would be admissible.

(2) The conditions referred to in sub-section (1) in respect of a computer output shall be the following, namely:-

- a) the computer output containing the information was produced by the computer during the period over which the computer was used regularly to store or process information for the purposes of any activities regularly carried on over that period by the person having lawful control over the use of the computer;
- b) during the said period, information of the kind contained in the electronic record or of the kind from which the information so contained is derived was regularly fed into the computer in the ordinary course of the said activities;
- c) throughout the material part of the said period, the computer was operating properly or, if not, then in respect of any period in which it was not operating properly or was out of operation during that part of the period, was not such as to affect the electronic record or the accuracy of its contents; and
- d) the information contained in the electronic record reproduces or is derived from such information fed into the computer in the ordinary course of the



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said activities.

(3) Where over any period, the function of storing or processing information for the purposes of any activities regularly carried on over that period as mentioned in clause (a) of sub-section (2) was regularly performed by computers, whether—

- a) by a combination of computers operating over that period;*
- b) by different computers operating in succession over that period; or*
- c) by different combinations of computers operating in succession over that period; or*
- d) in any other manner involving the successive operation over that period, in whatever order, of one or more computers and one or more combinations of computers, all the computers used for that purpose during that period shall be treated for the purposes of this section as constituting a single computer; and references in this section to a computer shall be construed accordingly.*

(4) In any proceedings where it is desired to give a statement in evidence by virtue of this section, a certificate doing any of the following things, that is to say, —

- a) identifying the electronic record containing the statement and describing the manner in which it was produced;*
- b) giving such particulars of any device involved in the production of that electronic record as may be appropriate for the purpose of showing that the electronic record was produced by a computer;*
- c) dealing with any of the matters to which the conditions mentioned in sub-section (2) relate,*



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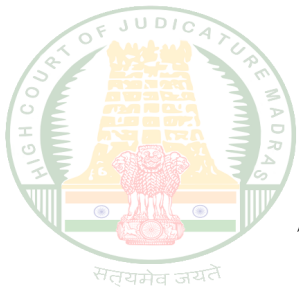
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and purporting to be signed by a person occupying a responsible official position in relation to the operation of the relevant device or the management of the relevant activities (whichever is appropriate) shall be evidence of any matter stated in the certificate; and for the purposes of this sub-section it shall be sufficient for a matter to be stated to the best of the knowledge and belief of the person stating it.

(5) For the purposes of this section, -

- a) information shall be taken to be supplied to a computer if it is supplied thereto in any appropriate form and whether it is so supplied directly or (with or without human intervention) by means of any appropriate equipment;*
- b) whether in the course of activities carried on by any official, information is supplied with a view to its being stored or processed for the purposes of those activities by a computer operated otherwise than in the course of those activities, that information, if duly supplied to that computer, shall be taken to be supplied to it in the course of those activities;*
- c) a computer output shall be taken to have been produced by a computer whether it was produced by it directly or (with or without human intervention) by means of any appropriate equipment.*

Explanation.—For the purposes of this section any reference to information being derived from other information shall be a reference to its being derived therefrom by calculation, comparison or any other process.] ”



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71. Indian Evidence Act, 1872 applies to all judicial proceedings in or before any Court including Courts-martial, [other than Courts-martial convened under the Army Act (44 & 45 Vict., c. 58)] [the Naval Discipline Act [29 & 30 Vict., 109]; or 6[***] the Indian Navy (Discipline) Act, 1934 (34 of 1934),] [or the Air Force Act (7 Geo. 5, c. 51)]. It does not apply to even proceedings before an arbitrator. Provisions of the Indian Evidence Act, 1872 do not apply to a Quasi judicial proceedings before a Quasi-judicial officer such as Assessing Officer under various Tax Law or Appellate Authority and Tribunal under them.

72. Section 1 of the Indian Evidence Act, 1872 in Chapter 1 deals with Short Title, Extent and Commencement of the Act. It clearly delineates applicability of the Act which reads as under:-

“1. Short title, extent and commencement:- This Act may be called The Indian Evidence Act, 1872.

*It extends to the whole of India [***] and applies to all judicial proceedings in or before any Court, including*



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*Courts-martial, [other than Courts-martial convened under the Army Act (44 & 45 Vict., c. 58)] [the Naval Discipline Act [29 & 30 Vict., 109]; or 6[***] the Indian Navy (Discipline) Act, 1934 (34 of 1934),] [or the Air Force Act (7 Geo. 5, c. 51)] but not to affidavits presented to any Court or officer, nor to proceedings before an arbitrator; and it shall come into force on the first day of September, 1872.*

73. These provisions are relevant only for civil and criminal proceedings before the court of law. As far as Assessment proceedings are concerned, the Assessing Officers are not governed by the strict rules of the Indian Evidence Act, 1872.

74. Therefore, the decision of the Hon'ble Supreme Court in the case of **Sunder Vs. State**, MANU/SC/0282/23 and in the case of **P.V. Anwar Vs. P.K Basheer**, 2014 AIR SCW 5695 cited are not relevant as they deal with criminal proceedings before the Court.

75. The Assessment proceedings under the Income Tax Act, 1961 before an Assessing Officer is not a judicial proceeding. It is a Quasi judicial proceeding before a Quasi judicial officer. Therefore, the provisions of The Evidence Act, 1872 particularly special provisions relating to evidence relating to Section 65A, Section 65B and Section 66 are not relevant.



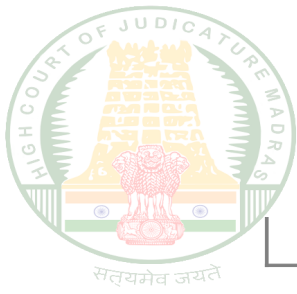
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WEB COPY 76. The decision of this court in the case of **Vetrivel Madras Vs.**

ACIT, (2021) 437 ITR 178 (Mad) fails to note that Section 65B cannot be invoked in a quasi-judicial proceedings as the assessing officers are not governed by strict rules of evidence. Therefore, I am unable to follow the view of the Court in **Vetrivel Madras Vs. ACIT**, (2021) 437 ITR 178 (Mad).

77. The definition of “Books and Books of Accounts” in Section 2(12A) of the Income Tax Act, 1961, at the time when the search was conducted at the premises of the “searched person” under section 132 of the Income Tax Act, 1961 on 10.11.2020, i.e., before amendment and after amendment to Section 2 of the Income Tax Act, 1961 by the Finance Act, 2022 with effect from 01.04.2022 read as under:-

<i>Before 01.04.2022 amendment</i>	<i>After 01.04.2022 amendment</i>
<i>“books or books of account <u>includes</u> ledgers, day-books, cash books, account-books and other books, whether kept in the written form or as printouts of data stored in a floppy disc, tape or any other form of electro-magnetic data storage device.”</i>	<i>“books or books of account” includes ledgers, day-books, cash books, account-books and other books, whether kept in the written form or in electronic form or in digital form or as print-outs of data stored in such electronic form or in digital form or in a floppy, disc, tape or any other form of electro-</i>



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magnetic data storage device.

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78. Since the definition uses the word “includes” it should be given a wide connotation. Mere substitution of phrase “**in the written form or as print-outs of data stored**” with “**in the written form or in electronic form or in digital form or as print-outs of data stored in such electronic form or in digital form or in**” will not mean that the information that was stored in a floppy disk, tape or pen drive or any other form of electro-magnetic data storage device did not qualify as books and books of account for the purpose of section 2(12A) of the IT Act, 1961.

79. The amendment to the definition of “Books and Books of Accounts” to clause (12A) to Section 2 of the Income Tax Act, 1961 by The Finance Act, 2022 w.e.f 01.04.2022 by substituting the words “**in written form or as print-outs of data stored**” with “**in written form or in electronic form or in form or in digital form or as print-outs of data**”

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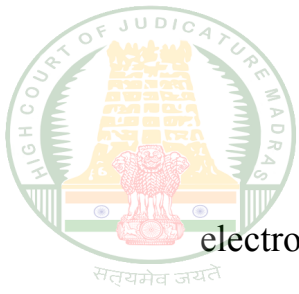
stored in such electronic form or in digital form” was intended to merely

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align the definition with the current practice on account of the advancement of technology and its widespread utility in daily conduct of business for maintaining books of accounts. Today books of accounts are also maintained in “electronic form” by a significant section of the assesseees in the current age as is evident from explanatory notes to the provisions of the Finance Act, 2022 in “Books and Books of Accounts” to clause (12A) to Section 2 of the Income Tax Act, 1961.

80. The Amendment to the definition of “books and books of accounts” in clause (12A) to Section 2 of the IT Act, 1961 is clarificatory and therefore, retrospective.

81. The expression print-outs of data stored would include pdf copies of the print-outs in electronic form or in digital form. At the time when the search was completed on 10.11.2020 not only print outs of data stored in a floppy disk, tape, pen drive or any other form of electro-magnetic data storage device was included in the definition of “Books and Books of Accounts” also other forms of storage implying that the informations stored in such form of



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electro-magnetic data search device such as san disk, hard disk etc., already
quantified as “Books and Books of Accounts”.

82. The amended definition includes books of accounts in electronic form or in digital form or scanned copies of data or printouts of data stored in digital or electronic form.

83. Therefore, arguments advanced by the learned counsel for the Petitioner that there was a jurisdictional error in invoking Section 153C cannot be accepted and is rejected.

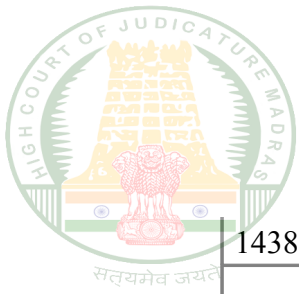
84. The submissions of the learned counsel for the Petitioner, Muthuswamy Gounder Palaniappan that there was illegality and invalidity all through cannot be countenanced as there is no illegality or invalidity in the proceedings initiated under Section 153C as per the Income Tax Act, 1961. The petitioners have to work out their remedy before the Appellate Authority if it is held that the Impugned Assessment Order were passed within the time limit.



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WEB COPY 85. The satisfaction notes of the “Assessing Officer” of the “searched person” and the “Assessing Officer” of the respective petitioners i.e. “other person” in the case of some of the petitioners are detailed as under:-

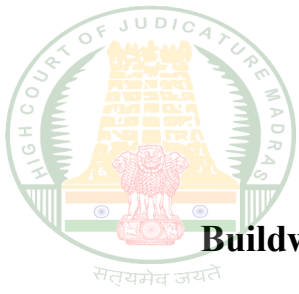
W.P. No:	ASSESSMENT YEAR	DATE OF ISSUANCE OF 153C NOTICE	DATE OF RECORDING THE SATISFACTION NOTE	
			Searched Person	Petitioner
LKS Gold House				
11630 of 2023	2016-2017	15.02.2022	08.02.2022	11.02.2022
11635 of 2023	2017-2018	15.02.2022		
11644 of 2023	2018-2019	15.02.2022		
11633 of 2023	2019-2020	15.02.2022		
11636 of 2023	2020-2021	15.02.2022		
11638 of 2023	2021-2022	-		
RM Appavu Chettiyar				
14918 of 2023	2017-2018	15.02.2022	08.02.2022	11.02.2022
14934 of 2023	2018-2019	15.02.2022		
14930 of 2023	2019-2020	15.02.2022		
14927 of 2023	2020-2021	15.02.2022		
14929 of 2023	2021-2022	-		
Muthuswamy Gounder Palaniappan				
13489 of 2023	2017-2018	15.02.2022	Details not available	
13494 of 2023	2018-2019	15.02.2022		
13504 of 2023	2019-2020	15.02.2022		
13500 of 2023	2020-2021	15.02.2022		
M/s GRT Jewellers (India) Pvt Ltd.				
13139 of 2023	2015-2016	20.03.2022	19.03.2022	19.03.2022
13142 of 2023	2017-2018	20.03.2022		
14379 of 2023	2018-2019	20.03.2022		
14384 of 2023	2019-2020	20.03.2022		
14391 of 2023	2020-2021	20.03.2022		



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14387 of 2023	2021-2022	20.03.2022		
G. Rajendran				
12688 of 2023	2019- 2020	22.03.2023	Details not available	
12686 of 2023	2020-2021	22.03.2023		
12691 of 2023	2021-2022	22.03.2023		
GR Anantha Padmanaban				
13432 of 2023	2017-2018	22.03.2023	Details not available	
13436 of 2023	2018-2019	22.03.2023		
13438 of 2023	2019-2020	22.03.2023		
M/s KLP Projects Private Limited				
13771 of 2023	2019-2020	30.06.2022	30.06.2022	30.06.2022
13775 of 2023	2020-2021	30.06.2022		
13781 of 2023	2021-2022	-		
Maneesh Parmar				
13775 of 2023	2020-2021	30.06.2022	30.06.2022	30.06.2022
13117 of 2023	2018-2019	30.06.2022		
13119 of 2023	2019-2020	30.06.2022		
13125 of 2023	2020-2021	30.06.2022		
13129 of 2023	2021-2022	-		
Sunil Khetpalia				
16431 of 2023	2019-2020	30.06.2022	30.06.2022	30.06.2022
12018 of 2023	2020-2021	30.06.2022		
12021 of 2023	2021-2022	-		
Original Kerala Jewellers				
13602 of 2023	2017-2018	09.01.2023	Details not available	09.01.2023
13609 of 2023	2018-2019	09.01.2023		
13616 of 2023	2019-2020	09.01.2023		
13619 of 2023	2020-2021	09.01.2023		
13625 of 2023	2021-2022	09.01.2023		

86. In Principal Commissioner of Income-tax, Central -3 v. Abhisar



Buildwell (P) Ltd, [2023] 454 ITR 212 (SC), it was held as follows:-

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- i. *that in case of search under section 132 or requisition under section 132A, the Assessing Officer assumes the jurisdiction for block assessment under section 153A ;*
- ii. *all pending assessments/reassessments shall stand abated ;*
- iii. *in case any incriminating material is found/unearthed, even, in case of unabated/completed assessments, the Assessing Officer would assume the jurisdiction to assess or reassess the "total income" taking into consideration the incriminating material unearthed during the search and the **other material available with the Assessing Officer including the income declared in the returns ;** and*
- iv. *in case no incriminating material is unearthed during the search, the Assessing Officer cannot assess or reassess taking into consideration the other material in respect of completed assessments/unabated assessments. Meaning thereby, in respect of completed/unabated assessments, no addition can be made by the Assessing Officer in the absence of any incriminating material found during the course of search under section 132 or requisition under section 132A of the Act, 1961. However, the completed/unabated assessments can be reopened by the Assessing Officer in exercise of powers under section 147/148 of the Act, subject to fulfilment of the conditions as envisaged/mentioned under section 147/148 of the*



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Act and those powers are saved.”

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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 **CIT-III VS Calcutta Knitweaves. Ludhiana** (2014) 6 SCC 444, 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*



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materia to Section 158BD of the Income Tax Act, 1961.

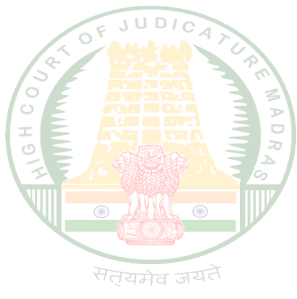
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89. Therefore, the time limit for completing Assessment proceedings and passing the Assessment order will be one year from the date on which the documents were handed over or deemed to have been handed over to the “Assessing Officer” of the “other 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.

91. In **Super Malls (P) Ltd v CIT**, (2020) 4 SCC 581, the Hon’ble Supreme Court held as under:-

“.....In case, where the Assessing Officer of the



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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.”

92. A reading of the time lines in the case of each of the petitioners make it clear that the proceedings against each of the petitioners commenced with the issuance of notice under Section 153C of the Income Tax Act, 1961 on various dates as detailed above.

93. The assessment of the “searched person” was completed on 31.3.2022. The satisfaction notes of the “Assessing officers” of the “searched person” are after passing of the assessment order for the “searched person” as on 31.03.2022.

94. These notices under Section 153C of the Income Tax Act, 196, preceded “satisfaction notes” of the “Assessing Officers” of the “searched person” followed by “satisfaction notes” of the “Assessing Officers” and the



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respective petitioners (other person) as detailed above.

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95. Thus, the last date for issuance of the satisfaction note(s) under Section 153C of the Income Tax Act, 1961 for the respective petitioners i.e “other person” could be at the time of or along (or) during the course of assessment (or) immediately after passing of the assessment order of the “searched person” on 31.3.2022.

96. There is hardly any time lag between 31.03.2022 and the date of “satisfaction note(s)” under Section 153C of the Income Tax Act for the respective “Assessing officers” although such satisfaction note(s) could have been issued earlier as per the decision of the Hon’ble Supreme Court in the case of **CIT-III vs. Calcutta Knitwears. Ludhiana**, (2014) 6 SCC 444.

97. These satisfaction notes issued under Section 153C of the IT Act, 1961 of the respective “Assessing Officers” were in time. It cannot be said

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that no incriminating material were unearthed during the search.

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98. As per the decision of the Hon'ble Supreme Court given in the case of **Principal Commissioner of Income-tax, Central -3 Vs. Abhisar Buildwell (P) Ltd**, [2023] 454 ITR 212 (SC), the “Assessing Officer” can re-assess an assessment on the Assessee by himself other material available with the “Assessing Officer” including the income declared in the returns.

99. Once notices under Section 153C of the Income Tax Act, 1961 were issued in time, and since the presence of incriminating material is the only requirement, the assessment had to be completed with the period of limitation under 3rd proviso to Section 153B(1) of the Income Tax Act, 1961.

100. As per 3rd proviso to section 153B(1) of the Income Tax Act, 1961, the period of limitation for completing the assessment or re-assessment in case of the “other person” is the later of the three dates, namely :-



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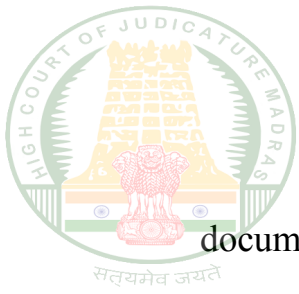


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- i. *twelve months from the end of the financial year in which the last of the authorisations for search under Section 132 was made; or*
- ii. *twelve months from the end of the financial year in which the last of the authorisations for requisition under Section 132-A was executed; or*
- iii. *twelve months from the end of the financial year in which books of account or documents or assets seized or requisitioned were handed over under Section 153-C to the Assessing Officer having jurisdiction over such other person, whichever is later.*

101. It is only during the course of the assessment proceedings, of the “searched person” the Assessing Officer of the “searched person” will be in a position to establish the transaction which provides a link between the “other person with the “searched person” with their former PAN. It is only thereafter, the “satisfaction note(s)” can be prepared to persuade the “Assessing Officer” of the “other person” to initiate appropriate proceedings under Section 153C of the IT Act, 1961.

102. Thus, as per the 3rd proviso to Section 153B(1) of the Income Tax Act, 1961, the last date for completing the assessment for the notices issued to the respective Petitioners under section 153C of the Income Tax Act, 1961, is twelve months from the end of the financial year from the date on which the



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documents were handed over or deemed to have been handed over to the assessing officer of the “other person” i.e. the respective petitioners.

103. Even if the “Assessing Officers” of the “searched person” and the “Assessing Officer” of “other persons” like the respective petitioner are same, the date of “satisfaction note” is to be the deemed date of handing over of the books of account or documents or assets seized or requisitioned for the purpose of computation of limitation. Thus, twelve months from the end of the financial 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 would be start running for computation of limitation from 31.03.2023.

104. Therefore, it has been held that initiations of proceedings against the respective petitioners were both justified and were in time. That apart all



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these Petitioners have had transactions with the “searched person”.

WEB COPY 105. The decision of the Hon’ble Supreme Court in the case of **Super Malls (P) Ltd Vs. CIT**, (2020) 4 SCC 581 cannot be read to mean that where the “Assessing Officer” of the “searched person” and “other person” are one and the same, limitation for either preparing “satisfaction note(s)” or completing the assessment proceedings will have to coincide with the period for completing the assessment of the “searched person”.

106. Even if the Assessing officer of the “searched person” and that of the “other person” i.e the petitioner were same, it has to be construed that the officer concerned was wearing two different hats one as the “assessing officer” of the “searched person” and one as the “assessing officer” of the “other person”. It would be different if they are different in which case it is the date of actual handing over of the books of account or documents or assets seized or requisitioned.

107. Merely because, the assessing officers are one and the same for both “searched person” and the “other person” *ipso facto* would not mean that the moment the documents were seized either by the investigating team and



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handed over to the assessing officer for completing the assessment under section 153A of the Income Tax Act, 1961, the limitation for completing the assessment in the case of “other person” would start running under 3rd proviso to section 153B (1) of the Income Tax Act, 1961.

108. Therefore, even if, the assessing officer of the “searched person” and the “other person” were one and the same, the only requirement is that a single satisfaction note in the capacity as the assessing officer of the “searched person” is sufficient.

109. Therefore, there is no merits in the arguments advanced on behalf of the respective petitioners that the assessment orders ought to have been passed on or before 31.03.2022. The submissions of the learned counsel for the respective petitioners are fallacious and are liable to be rejected.

SECTION 143(3):-

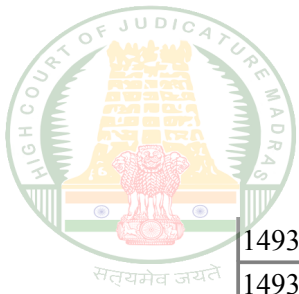


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110. As far as the impugned orders passed under Section 143(3) of the

Income Tax Act, 1961 are concerned, they are regular assessment proceedings which have commenced after the issuance of Section 153C notice to the respective petitioners.

W.P. NO	PETITIONER	ASSESSMENT YEAR	DATE OF NOTICE ISSUED U/S 143(2) OF THE INCOME TAX ACT, 1961
13114 of 2023	Maneesh Parmar	2017-2018	09.02.2023
13117 of 2023		2018-2019	09.02.2023
13119 of 2023		2019-2020	09.02.2023
13125 of 2023		2020-2021	09.02.2023
13129 of 2023		2021-2022	30.06.2022
16431 of 2023	Sunil Khetpalia	2019-2020	13.03.2023
12018 of 2023		2020-2021	13.03.2023
12021 of 2023		2021-2022	30.06.2022
13771 of 2023	M/s KLP Projects Private Limited	2019-2020	14.02.2023
13775 of 2023		2020-2021	14.02.2023
13781 of 2023		2021-2022	30.06.2022
11630 of 2023	LKS Gold House	2016-2017	27.06.2022
11635 of 2023		2017-2018	27.06.2022
11644 of 2023		2018-2019	27.06.2022
11633 of 2023		2019-2020	27.06.2022
11636 of 2023		2020-2021	27.06.2022
11638 of 2023		2021-2022	15.02.2022
14918 of 2023	RM Appavu Chettiyar	2017-2018	24.02.2023



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14934 of 2023		2018-2019	24.02.2023
14930 of 2023		2019-2020	24.02.2023
14927 of 2023		2020-2021	24.02.2023
14929 of 2023		2021-2022	15.02.2022
13139 of 2023	GRT Jewellers (India) Pvt Limited	2015-2016	27.06.2022
13142 of 2023		2017-2018	27.06.2022
14379 of 2023		2018-2019	27.06.2022
14384 of 2023		2019-2020	27.06.2022
14391 of 2023		2020-2021	27.06.2022
14387 of 2023		2021-2022	27.06.2022
12688 of 2023	G Rajendran	2019- 2020	30.03.2023
12686 of 2023		2020-2021	30.03.2023
12691 of 2023		2021-2022	30.03.2023
13432 of 2023	G R AnanthaPadmanaban	2017-2018	30.03.2023
13436 of 2023		2018-2019	30.03.2023
13438 of 2023		2019-2020	30.03.2023
13442 of 2023		2020-2021	30.03.2023
13443 of 2023		2021-2022	30.03.2023
13602 of 2023		Original Kerala Jewellers	2017-2018
13609 of 2023	2018-2019		09.02.2023
13616 of 2023	2019-2020		09.02.2023
13619 of 2023	2020-2021		09.02.2023
13625 of 2023	2021-2022		09.02.2023
13489 of 2023	Muthuswamy Gounder Palaniappan	2017-2018	23.06.2022
13494 of 2023		2018-2019	23.06.2022
13504 of 2023		2019-2020	23.06.2022
13500 of 2023		2020-2021	23.06.2022

111. The court is not concerned with the merits of the case. Validly initiated proceedings for completing the assessment therefore, cannot abate. The respective Assessing Officer have passed Assessment Orders within the time stipulated under Section 153 of the Income Tax Act, 1961.



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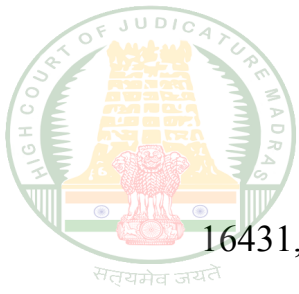
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112. Merely because these assessment orders were passed on the same date as on the dates when orders passed under Section 153C read with Section 143(3) of the Income Tax Act, 1961, would not mean that the Assessment Orders were without jurisdiction. Therefore, challenge to scrutiny of the above Assessment Order passed under Section 143(3) of the Income Tax Act, 1961 are without merits. Therefore, these Writ Petitions challenging the Assessment Orders passed under Section 143(3) of the Income Tax Act, 1961 are also liable to be dismissed.

113. In so far as unexplained income of the Mr. Maneesh Parmar and Mr. Sunil Khetpalia, is concerned there is an overlap as detailed above for **W.P. 13119, 13125, 13129, 16431, 12018, 12021 of 2023.**

114. From reading the tables, the amount of “unexplained income” for the Assessment year 2019-2020, 2020-2021 and 2021-2022 has been added to the accounts of both the directors of M/s.KLP Projects Private Limited, i.e., Manish Parmar and Mr. Sunil Khetpalia.

115. Therefore, the Impugned Orders in W.P. 13119, 13125, 13129,



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16431, 12018, 12021 of 2023 are liable to be quashed and cases are remanded

back to the respondents to redo the exercise by adding the unexplained income under Section 69A of the Income Tax Act, 1961 to the income of the Petitioner.

116. Therefore, to the extent of the impugned orders dated 31.03.2023, in the case of the respective assessment order under Section 153C read with Section 143(3) of the Income Tax Act, 1961 of the above two Petitioner are liable to be quashed and is remitted back to the respondent.

117. In so far as the assessment orders which have been quashed in the case of the directors of the Writ Petitions are concerned, the Assessing Officer shall pass a *denovo* order within a period of six months from the date of receipt of a copy of this order.

118. Therefore, all the Writ petitions filed by the respective petitioners challenging the order passed under Section 153C of the Income Tax Act, 1961 read with Section 143(3) of the Act and under Section 143(3) of the Income Tax Act, 1961 are liable to be dismissed except in the case of



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Maneesh Parmar and Sunil Khetpalia in W.P. Nos.13119, 13125, 13129,

16431, 12018, 12021 of 2023. However, liberty is given to file an appeal

before the Appellate Authority within a period of thirty days from the date of receipt of a copy of this order.

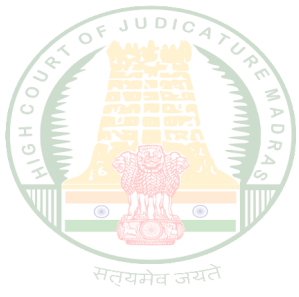
119. In the result:-

- i. W.P.Nos.11630, 11633, 11635, 11636, 11638, 11644, 12686, 12688, 12691, 13114, 13117, 13142, 13432, 13436, 13438, 13442, 13443, 13489, 13494, 13500, 13504, 13602, 13609, 13616, 13619, 13625, 13771, 13775, 13781, 14379, 14384, 14387, 14391, 14918, 14927, 14929, 14930, and 14934 of 2023 stands dismissed. No cost. Consequently, connected miscellaneous petitions are closed.
- ii. W.P.Nos.13119, 13125, 13129, 16431, 12018, 12021 of 2023 stands allowed by way of remand. No costs. Consequently, connected miscellaneous petitions are closed.

18.01.2024

Neutral Citation: Yes/No
Index: Yes/ No
Speaking/Non-speaking Order
krk/rgm

70/73



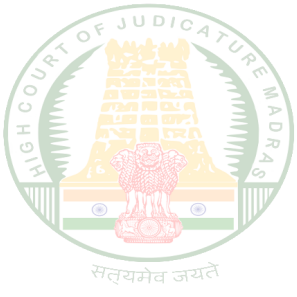
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W.P.No.11630 of 2023 and etc., batch

To

1. The Deputy Commissioner of Income Tax,
Central Circle – 3(3),
Income Tax Department,
108, Mahatma Gandhi Road,
Chennai – 600 034.
2. The Deputy Commissioner of Income Tax,
Central Circle – 3(4),
Income Tax Department,
No.108, Mahatma Gandhi Road,
Chennai – 600 034.
3. The Principal Commissioner of Income Tax (Central),
Chennai – 1,
Income Tax Department,
108, Mahatma Gandhi Road,
Chennai – 600 034.



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W.P.No.11630 of 2023 and etc., batch

C.SARAVANAN,J.

krk/rgm

Pre-Delivery Order made in
W.P.Nos.11630, 11633, 11635, 11636, 11638, 11644, 12018, 12021, 12686,
12688, 12691, 13114, 13117, 13119, 13125, 13129, 13142, 13432, 13436,
13438, 13442, 13443, 13489, 13494, 13500, 13504, 13602, 13609, 13616,
13619, 13625, 13771, 13775, 13781, 14379, 14384, 14387, 14391, 14918,
14927, 14929, 14930, 14934 & 16431 of 2023
and
W.M.P.Nos.11535, 11536, 11544, 11545, 11546, 11551, 11552, 11554,
11539, 11542, 11547, 11548, 11549, 11550, 11555, 11556, 11557, 11870,
11871, 11872, 11874, 12468, 12470, 12479, 12481, 12485, 12486, 12897,
12900, 13107, 13108, 13116, 13117, 13120, 13121, 13123, 13124, 13113,
13115, 13169, 13170, 13172, 13173, 13174, 13175, 13176, 13177, 13277,
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13885, 13887, 13891, 13893, 13898, 13899, 13904, 13905, 14509, 14512,
14515, 14524, 14525, 14526, 14521, 14522, 14523, 14530, 14534, 14518,
14519 and 14520 of 2023



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18.01.2024