



W.P.Nos.10868 & 10872 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 28.03.2025

CORAM

THE HON'BLE Mr. JUSTICE KRISHNAN RAMASAMY

W.P.Nos.10868 & 10872 of 2025
& W.M.P.Nos.12253, 12254, 12259 & 12260 of 2025

M/s.KLP Projects Private Limited,
Rep by its Managing Director, Maneesh Parmar,
1-30, Perambur Barracks Road,
Pattalam, Chennai 600 001

... Petitioner in both petitions

Vs.

Assistant Commissioner of Income Tax,
Central Circle 3(1), Chennai,
3rd Floor, Investigation Building,
No.46, Mahatma Gandhi,
Chennai 600 034

... Respondent in both petitions

Common Prayer:

Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorari, to call for the records on the file of the respondent in PAN AACCL7561Q and quash the impugned notice under Section 153C of the Income Tax Act, 1961 bearing DIN and Letter Nos.ITBA/AST/S/153C/2024-25/1071701904(1) & ITBA/AST/S/153C/



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2024-25/1071701944(1) dated 30.12.2024 and the consequential order bearing DIN and Letter No.ITBA/AST/F/17/2024-25/1074479802(1) & ITBA/AST/F/17/2024-25/1074479949(1) dated 13.03.2025 passed by the respondent for the AY 2017-18 & AY 2018-19.

For Petitioner
in both petitions : Mr.Vadana Vyas

For Respondent
in both petitions : Mr.A.P.Srinivas,
Senior Standing counsel
& Mr.A.N.R.Jayaprathap,
Junior Standing counsel

COMMON ORDER

These writ petitions have been filed challenging the notice issued by the respondent under Section 153C dated 30.12.2024 and the impugned order dated 13.03.2025.

2. The learned counsel for the petitioner would submit that in this case, previously, the search was conducted by the respondent on 09.11.2017, subsequent to which, the petitioner approached the Interim Board for Settlement (IBS) and arrived at settlement. Thereafter, another

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search was conducted on 10.11.2020. The materials were collected from the petitioner and the satisfaction notes were issued by the Authorities on 30.06.2022. Under these circumstances, once again the petitioner had approached the IBS vide application dated 28.12.2023. In spite of the same, the impugned notice dated 30.12.2024 under Section 153C and another notice dated 28.02.2025 under Section 142(1) came to be issued by the respondent, for which, the petitioner filed their reply/objection dated 03.03.2025, whereby they had taken a stand that the proceedings initiated by the respondent is barred by limitation. However, the said reply/objection was rejected and the impugned order came to be passed by the respondent on 13.03.2025.

3. Further, she would submit that in terms of Section 153C, the respondent-Department is supposed to issue notice to the other person, viz., petitioner, within a period of 6 years from the date of handing over of material. In such case, since the present matter is pertaining to the AY 2017-18, the impugned notice dated 30.12.2024 is clearly barred by limitation.



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4. By referring the judgement of the Hon'ble Apex Court in the case of *CIT vs. Jasjit Singh* in *SLP (C) No.6644 of 2014*, she would submit that the limitation period of 6 years has to be reckoned only from the date of issuance of show cause notice but not from the date of collection of materials from the petitioner. Though the said aspect was duly explained by the petitioner vide his reply/objection dated 03.03.2025, the said reply/objection was rejected by the respondent while passing the impugned order dated 13.03.2025.

5. That apart, she had also pointed out that the petitioner had already approached the IBS and arrived at settlement during an earlier occasion and hence, she would contend that now, it is not fair on the part of the respondent to once again raise the very same issue against the petitioner. In this regard, she referred to the order of the Hon'ble Delhi High Court in the case of *Omaxe Ltd., vs. Assistant Commissioner of Income Tax* reported in *[2012] 25 taxmann.com 190*. Therefore, she requests this Court to pass appropriate orders.



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6. In reply, the learned Senior Standing counsel appearing for the respondent would submit that when the settlement was arrived before the IBS, the respondent was granted liberty to raise a similar issue in future, if any material is found against the petitioner.

7. Further, he would submit that in this case, the search was conducted on 10.11.2020 and the documents/materials were handed over by the petitioner, who is the other person, only on 30.06.2022. By referring the proviso to Section 153C(1), he would contend that the limitation starts only from the date on which the materials were collected from the other person, viz., petitioner. In such case, the show cause notice was issued well within a period of limitation. Therefore, he prayed for dismissal of the present petitions.

8. I have given due consideration to the submissions made by the learned counsel for the petitioner and the learned Senior Standing counsel for the respondents and also perused the materials available on record.



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9. In the cases on hand, the search was conducted on 10.11.2020.

Thereafter, on 30.06.2022, the documents/materials were collected from the petitioner, who is the other person. In terms of 1st proviso to Section 153C(1), the limitation would start from the date on which the materials were collected from the other person, viz., petitioner. At this juncture, it would be apposite to extract the provisions of Section 153C of the IT Act, which reads as follows:

“153C.Assessment of income of any other person.—

(1) Notwithstanding anything contained in section 139, section 147, section 148, section 149, section 151 and section 153, where the Assessing Officer is satisfied that,—

(a) any money, bullion, jewellery or other valuable article or thing, seized or requisitioned, belongs to; or

(b) any books of account or documents, seized or requisitioned, pertains or pertain to, or any information contained therein, relates to,

a person other than the person referred to in section 153A, then, the books of account or documents or assets,



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seized or requisitioned shall be handed over to the Assessing Officer having jurisdiction over such other person] 1 [and that Assessing Officer shall proceed against each such other person and issue notice and assess or reassess the income of the other person in accordance with the provisions of section 153A, if, that Assessing Officer is satisfied that the books of account or documents or assets seized or requisitioned have a bearing on the determination of the total income of such other person [for six assessment years immediately preceding the assessment year relevant to the previous year in which search is conducted or requisition is made and] for the relevant assessment year or years referred to in sub-section (1) of section 153A.

Provided that in case of such other person, the reference to the date of initiation of the search under section 132 or making of requisition under section 132A in the second proviso to 4 [sub-section (1) of section 153A] shall be construed as reference to the date of receiving the books of account or documents or assets seized or requisitioned by the Assessing Officer having jurisdiction over such other person.



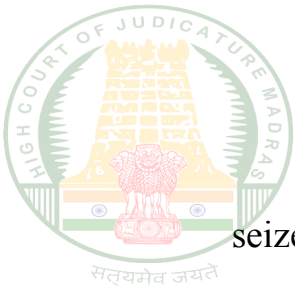
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Provided further that the Central Government may by rules made by it and published in the Official Gazette, specify the class or classes of cases in respect of such other person, in which the Assessing Officer shall not be required to issue notice for assessing or reassessing the total income for six assessment years immediately preceding the assessment year relevant to the previous year in which search is conducted or requisition is made 2 [and for the relevant assessment year or years as referred to in sub-section (1) of section 153A] except in cases where any assessment or reassessment has abated.]

10. A perusal of the above *proviso* would show that in case of such other person, the reference to the date of initiation of the search under section 132 or making of requisition under section 132A in the second proviso to 4 [sub-section (1) of section 153A] shall be construed as reference to the date of receiving the books of account or documents or assets seized or requisitioned by the Assessing Officer having jurisdiction over such other person. In this case, the search was conducted on 10.11.2020. Thereafter, the documents or assets were



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seized or requisitioned by the Assessing Officer on 30.06.2022 and the

show cause notice dated 30.12.2024 was issued.

11. The claim of the petitioner is that the date of issuance of show cause notice should be considered as the date of initiation of proceedings as far as other person is concerned, and hence, the limitation period of 6 year has to be calculated from the said date, in which case, the present proceedings are barred by limitation. In this case, on 10.11.2020, the search was not conducted in the petitioner's premises. The petitioner is the other person, from whom the documents or assets were seized or requisitioned on 30.06.2022 and thus, the said date, i.e., 30.06.2022, only has to be considered for calculating the limitation period of 6 years. With regard to all other aspects, i.e., for initiation or completion of proceedings, it is left open for the petitioner to give suitable reply to the show cause notice dated 30.12.2024 and contest the same in accordance with law, if so advised.



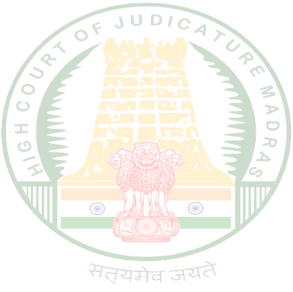
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12. As far as the settlement arrived at IBS is concerned, even though the case was settled before the IBS, the liberty is granted to the Department to proceed further, in future, if any new material is found. When such being the case, this Court finds no substance in the submissions made by the petitioner on this aspect.

13. In view of the above decision arrived by this Court, the citations, which were referred by the learned counsel appearing for the petitioner, will not apply to the facts and circumstances of the present case.

14. For all the reasons stated above, this Court does not find any merits in the submissions made by the petitioner on the aspect of limitation and thus, this Court is not inclined to interfere with either the impugned notice dated 30.12.2024 or the impugned order dated 13.03.2025. Therefore, the writ petitions are liable to be dismissed.



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15. In the result, these writ petitions are dismissed. While dismissing the writ petitions, this Court grants liberty to the petitioner to file a reply to the show cause notice within a period of 30 days from the date of receipt of copy of this order. No costs. Consequently, the connected miscellaneous petitions are also closed.

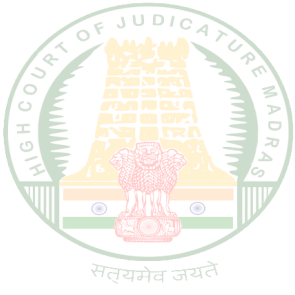
28.03.2025

Speaking/Non-speaking order
Neutral Citation : Yes / No
nsa

To

Assitant Commissioner of Income Tax,
Central Circle 3(1), Chennai,
3rd Floor, Investigation Building,
No.46, Mahatma Gandhi,
Chennai 600 034

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KRISHNAN RAMASAMY.J.,

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