

IN THE INCOME TAX APPELLATE TRIBUNAL, DELHI 'C' BENCH,  
NEW DELHI [THROUGH VIDEO CONFERENCE]

BEFORE SHRI N.K. BILLAIYA, ACCOUNTANT MEMBER, AND  
SHRI K.N. CHARY, JUDICIAL MEMBER

ITA No. 2575/DEL/2017  
[A.Y 2006-07]

The Income-tax Officer  
Ward -12(3)  
New Delhi

Vs.

M/s Integer Leasing & Finance  
Co, Pvt Ltd, 2, Pal Mohan  
Apartment, Club Road,  
Punjabi Bagh [W], New Delhi

PAN: AAACI 0151 R

[Appellant]

[Respondent]

Assessee by : None

Revenue by : Ms. Sunita Singh, CIT-DR

Date of Hearing : 27.07.2021

Date of Pronouncement : 27.07.2021

**ORDER**

**PER N.K. BILLAIYA, ACCOUNTANT MEMBER,**

This appeal by the Revenue is preferred against the order of the  
CIT(A) - 30, New Delhi dated 18.01.2017 pertaining to A.Y 2006-07.

2. The grievances of the Revenue read as under:

"1. On the facts and circumstances of the case the Ld. CIT (A) has erred in holding the assessment made by the AO u/s 153C of the Act as void ab initio.

2. On the facts and circumstances of the case, the Ld.CIT(A) has erred in holding that the action u/s 153C of the I.T.Act, can be taken only for A.Y. 2008-09 and 2009-10 to which the seized document which is a balance sheet found at the place of search.

3. On the facts and circumstances of the case, the Ld.CIT(A) has erred by not following the provisions of section 153C which require the AO to take action u/s 153C in the manner provided u/s 153A for making assessment for 6 years prior to the date of search. The only condition is seizure of any document and the period to which it relates, is immaterial.

4. The appellant craves leave for reserving the right to amend, modify, add or forego any ground(s) of appeal at any time before or during the hearing of appeal."

3. None appeared on behalf of the assessee inspite of notice. We decided to proceed exparte.

4. The Id. DR was heard at length. Case records carefully perused.
  
5. Briefly stated, the facts of the case are that a search and seizure operation u/s 132 of the Income-tax Act, 1961 [hereinafter referred to as 'The Act'] was initiated by the Investigation Wing on 11.04.2011 in the case of Shri R.S. Bansal. Documents/bills belonging to the assessee were found and seized from the office premises of Shri R.S. Bansal and accordingly, notice u/s 153C r.w.s 153A of the Act was issued and served upon the assessee.
  
6. In response, the assessee filed return of income declaring an income of Rs. 2,10,114/-
  
7. During search at the premises of Shri R.S. Bansal, balance sheet etc of the appellant was found and on receiving no plausible reply, the Assessing Officer made addition of Rs. 18,99,739/- as bogus expenses. Rs. 40 lakhs was added as unexplained cash credit u/s 68 of the Act and further addition of Rs. 1,25,60,000/- was made on account of unsecured loans.

8. Assessment was assailed before the Id. CIT(A) and it was strongly contended that no incriminating material pertaining to Assessment Year under consideration was found from the office premises of R.S. Bansal Group. It was pointed out that the alleged balance sheet found and seized from the premises of R.S. Bansal is the audited balance sheet finalized by the auditors and signed by the Directors. Therefore, the same cannot be considered as incriminating material.

9. After considering the facts and submissions, the Id. CIT(A) held as under:

(iii) In the appellate proceedings, the appellant has submitted that there was no -Incriminating material found and seized during the action u/s 132 of the Act, in the case of Shri R.S. Bansal group. It is a balance sheet belonging to the appellant prepared as on 31.3.2009 and therefore, same covers the A.Y. 2009-10 only. It is further submitted by the AR that this balance sheet found and seized from the premises of Shri R.S. Bansal group, is the audited balance sheet finalized by the auditor and signed by the directors also. Therefore, it is submitted by the AR that the same cannot be considered as incriminating documents.

(iv) In the appellate proceedings, the AR has also submitted that the action u/s 153C of the Act, in the case of the appellant cannot

be taken in the A.Ys., for which no document was found and seized during the action u/s 132 of the Act. Alternatively, AR has further submitted that at the most, the alleged balance sheet can be considered for the A.Y. 2009-10 and A.Y. 2008-09, being previous year included in the balance sheet.

From the above, it is clear that no incriminating document was found in the search and seizure action pertaining to A.Y. 2006-07, A.Y. 2007-08, A.Y. 2010-11 and A.Y. 2011-12, which relates to the appellant.

In view of the above, I am of the considered opinion that the action of the A.O. u/s 153C of the Act, is not as per provision of law and therefore, the action of the A.O. u/s 153C of the Act, cannot be approved and same is held as void ab initio.

Accordingly, ground no. 1, is hereby allowed."

10. The ld. DR could not point out any factual error in the aforementioned findings of the ld. CIT(A).

11. Admittedly, the balance sheet pertained to Assessment Year 2009-10 and the same cannot be treated as incriminating material for Assessment Year 2006-07. We, therefore, do not find any error or infirmity in the findings of the ld. CIT(A).

12. In the result the appeal of the Revenue in ITA No. 2575/DEL/2017 is dismissed.

The order is pronounced in the open court in the presence of both the rival representative on 27.07.2021.

**Sd/-**

**[K.N. CHARY]  
JUDICIAL MEMBER**

**Sd/-**

**[N.K. BILLAIYA]  
ACCOUNTANT MEMBER**

Dated: 27<sup>th</sup> July, 2021

VL/

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asst. Registrar,  
ITAT, New Delhi

Date of dictation	
Date on which the typed draft is placed before the dictating Member	
Date on which the typed draft is placed before the Other Member	
Date on which the approved draft comes to the Sr.PS/PS	
Date on which the fair order is placed before the Dictating Member for pronouncement	
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