

Principal Commissioner of Income Tax, Central-3 v. Abhisar Buildwell P. Ltd.

Civil Appeal No. 6580 of 2021 (lead) and connected proceedings (full list below)

[2023] 7 S.C.R. 899 | 2023-04-24

Whether section 153A permits additions for completed or unabated assessment years without incriminating material found in a search or requisition, and the scope of assessment where such material is found.

153A | 132 | 132A | 147 | 148

Two-judge bench | M.R. Shah, J. | Sudhanshu Dhulia, J.

Assessment years: See the source-scope notes; no year inferred.

01 FACTS OF THE CASE

The Court heard a common batch on the limits of search assessments under section 153A. The lead Revenue appeal arose from the Delhi High Court decision of 5 August 2019 in ITA 240/2018. Revenue contended that a search authorised assessment of total income using all available material, even for completed years where the search yielded no incriminating material. The assessee disputed that proposition. The batch also contained distinct assessee appeals: Kesarwani Zarda Bhandar challenged the Allahabad High Court decisions permitting reassessment where undisclosed income was found in the search; Dayawanti, through her legal heir, challenged the Delhi High Court decision upholding additions based on incriminating material. The Court did not narrate the lead taxpayer's transactions, search date, addition amounts or individual assessment years.

Source: [official signed judgment / paragraphs 1-2 / PDF pages 3, 4 / judgment](#); [reported alternate rendition / paragraphs Jurisdiction and originating appeal information / PDF pages 6 / report identity](#); [official signed judgment / paragraphs 15-16.1 / PDF pages 57, 58, 59 / judgment](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court read section 153A in its search-and-requisition setting, distinguishing the earlier Chapter XIV-B regime from the later system of assessment of total income for each relevant year. The second proviso to section 153A(1) abates pending assessments or reassessments for the covered years; section 153A(2) provides their revival if the search assessment is annulled. Completed or unabated assessments do not abate merely because a search occurs. Reading the provision to permit their unrestricted reconsideration without incriminating material would undermine that distinction. The Court approved *Kabul Chawla* and *Saumya Construction* on the rule against additions to completed assessments without search-derived incriminating material. It also held that, where incriminating material is found for the concerned assessment year, total income can be assessed or reassessed taking into account that material and other available material, including returned income. Where no such material is found for a completed year, the Court preserved the Revenue's separate powers under sections 147/148, expressly subject to satisfaction of their statutory conditions.

Source: [official signed judgment / paragraphs 7-14 / PDF pages 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56 / judgment](#)

03 JUDICIAL DECISION

A search under section 132 or requisition under section 132A triggers section 153A; pending assessments or reassessments for the covered years abate. For completed or unabated years, no addition can be made under section 153A without incriminating material found in the search or requisition. Where such material is found, assessment or reassessment of total income may take account of it and other available material. The Revenue appeals and the connected review petition were dismissed. The *Kesarwani Zarda Bhandar* and *Dayawanti assessee* appeals were also dismissed because the challenged decisions concerned incriminating material found in the search. No costs were awarded.

Source: [official signed judgment / paragraphs 14-16.1 / PDF pages 55, 56, 57, 58, 59 / judgment](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Assessee in the Revenue appeals; Revenue in the Kesarwani Zarda Bhandar and Dayawanti appeals

Revenue appeals and connected review petition dismissed; both specified groups of assessee appeals dismissed; no costs

Section 153A jurisdiction and scope decided, with separate operative dispositions for each side's appeals

This is not a uniform assessee victory and does not bar every reassessment. The sections 147/148 route is conditional, not a blanket permission or limitation waiver. The historical section 153A text and six-year framework considered here are not certified as the governing law for every search date.

Source: [official signed judgment / paragraphs 14-16.1 / PDF pages 55, 56, 57, 58, 59 / judgment](#)

05 AKHB REVIEW POINT

Build a year-by-year schedule of the assessment's pending or completed status on the search/requisition date and identify the incriminating material for each disputed year. Do not treat the words total income as removing the Court's jurisdictional distinction, or omit the adverse assessee dispositions where search material existed. A proposed reopening outside section 153A requires a separate check of the applicable reassessment provisions and their conditions, including the governing limitation rules. Read the 12 May 2023 clarification disposition separately: it did not grant the additional limitation or reopening relief requested there, and the subsequent review outcome has not been verified.

Source: [official signed judgment / paragraphs 11-16.1 / PDF pages 51, 52, 53, 54, 55, 56, 57, 58, 59 / judgment; paragraphs 2-3 / PDF pages 3, 4 / judgment](#)

APPEAL AND PROCEEDING NUMBERS

Civil Appeal No. 6580 of 2021 (lead) / Civil Appeal No. 4264/2018 / Civil Appeal No. 2648/2020 / Civil Appeal No. 6585/2021 / Civil Appeal No. 3044/2023 / Civil Appeal No. 3045/2023 / Civil Appeal No. 6593/2021 / Civil Appeal No. 3043/2023 / Civil Appeal No. 9097/2022 / Civil Appeal No. 741/2023 / Civil Appeal No. 6582/2021 / Civil Appeal No. 721/2020 / Civil Appeal No. 6611/2021 / Civil Appeal No. 9100/2022 / Civil Appeal No. 9106/2022 / Civil Appeal No. 9111/2022 / Civil Appeal Nos. 565-566/2023 / Civil Appeal Nos. 567-568/2023 / Civil Appeal No. 824/2023 / Civil Appeal No. 541/2023 / Civil Appeal No. 540/2023 / Civil Appeal No. 14702/2015 / Civil Appeal No. 17533/2017 / Civil Appeal No. 6596/2021 / Civil Appeal No. 7028/2021 / Civil Appeal No. 7029/2021 / Civil Appeal No. 6610/2021 / Civil Appeal No. 7030/2021 / Civil Appeal No. 6608/2021 / Civil Appeal No. 6594/2021 / Civil Appeal No. 7338/2019 / Civil Appeal No. 6609/2021 / Civil Appeal No. 6605/2021 / Civil Appeal No. 1505/2020 / Civil Appeal No. 734/2020 / Civil Appeal No. 7016/2021 / Civil Appeal No. 7017/2021 / Civil Appeal No. 7015/2021 / Civil Appeal No. 6584/2021 / Civil Appeal No. 6589/2021 / Civil Appeal No. 7026/2021 / Civil Appeal Nos. 9098-9099/2022 / Civil Appeal No. 3053/2018 / Civil Appeal No. 7014/2021 / Civil Appeal No. 6583/2021 / Civil Appeal No. 7027/2021 / Civil Appeal No. 6899/2021 / Review Petition (Civil) No. 223 of 2023 in Civil Appeal No. 4484 of 2018 / Civil Appeal Nos. 7738-7739/2021 / Civil Appeal Nos. 7736-7737/2021 / Civil Appeal Nos. 7732-7735/2021 / Civil Appeal Nos. 7740-7743/2021 / Civil Appeal No. 15617/2017 / Civil Appeal No. 10267/2017 / Civil Appeal No. 10266/2017 / Civil Appeal No. 10268/2017

DETAILED DISPOSITION AND CONNECTED GROUPS

Per appeal

1.

Group: Revenue appeals

Case numbers: 6580/2021; 4264/2018; 2648/2020; 6585/2021; 3044/2023; 3045/2023; 6593/2021; 3043/2023; 9097/2022; 741/2023; 6582/2021; 721/2020; 6611/2021; 9100/2022; 9106/2022; 9111/2022; 565-566/2023; 567-568/2023; 824/2023; 541/2023; 540/2023; 14702/2015; 17533/2017; 6596/2021; 7028/2021; 7029/2021; 6610/2021; 7030/2021; 6608/2021; 6594/2021; 7338/2019; 6609/2021; 6605/2021; 1505/2020; 734/2020; 7016/2021; 7017/2021; 7015/2021; 6584/2021; 6589/2021; 7026/2021; 9098-9099/2022; 3053/2018; 7014/2021; 6583/2021; 7027/2021; 6899/2021

In whose favour: Assesseees

Disposition: Dismissed; no costs

Basis: No section 153A additions to completed/unabated assessments without incriminating search material

Pinpoints

1.

Source url: [Open cited source](#)

Paragraphs: 14

Pdf pages: 55; 56; 57

Source role: judgment

2.

Group: Connected Revenue review petition

Case numbers: Review Petition (Civil) No. 223 of 2023 in Civil Appeal No. 4484 of 2018

In whose favour: Assessee

Disposition: Dismissed; no costs

Basis: Common question answered on the same terms as the Revenue appeals

Pinpoints

1.

Source url: [Open cited source](#)

Paragraphs: 14

Pdf pages: 55; 56; 57

Source role: judgment

3.

Group: M/s Kesarwani Zarda Bhandar, Sahson, Allahabad

Case numbers: 7738-7739/2021; 7736-7737/2021; 7732-7735/2021; 7740-7743/2021

In whose favour: Revenue

Disposition: Assessee appeals dismissed; no costs

Basis: Search revealed incriminating material; High Court view permitting total-income reassessment using search material and material available at original assessment left undisturbed

Pinpoints

1.

Source url: [Open cited source](#)

Paragraphs: 15-15.1

Pdf pages: 57; 58

Source role: judgment

4.

Group: Dayawanti through legal heir

Case numbers: 15617/2017; 10267/2017; 10266/2017; 10268/2017

In whose favour: Revenue

Disposition: Assessee appeals dismissed; no costs

Basis: Challenge to additions upheld on incriminating material found during search failed

Pinpoints

1.

Source url: [Open cited source](#)

Paragraphs: 16-16.1

Pdf pages: 58; 59

Source role: judgment

PROVISION-SPECIFIC SCOPE

1.

Section: 153A(1), second proviso; 153A(2)

Role: core_holding

Description: Search-assessment jurisdiction; distinction between pending/abated and completed/unabated assessments; revival on annulment.

Pinpoints

1.

Source url: [Open cited source](#)

Paragraphs: 10-14

Pdf pages: 49; 50; 51; 52; 53; 54; 55; 56; 57

Source role: judgment

2.

Section: 132, 132A

Role: jurisdictional_trigger

Description: Search/requisition and the source of the incriminating material required for additions in completed years.

Pinpoints

1.

Source url: [Open cited source](#)

Paragraphs: 9.1-14

Pdf pages: 48; 49; 50; 51; 52; 53; 54; 55; 56; 57

Source role: judgment

3.

Section: 147, 148

Role: expressly_saved_conditional_remedy

Description: Separate reassessment powers preserved only subject to their statutory conditions; no unconditional reopening relief.

Pinpoints

1.

Source url: [Open cited source](#)

Paragraphs: 11, 14(iv)

Pdf pages: 53; 56

Source role: judgment

4.

Section: 153C

Role: related_search_assessment_context

Description: Mentioned when explaining the object of search assessments; the adjudicated common question and operative summary focus on section 153A.

5.

Section: 158BA, 158B-158BG, 113

Role: historical_comparison

Description: Earlier undisclosed-income/block-assessment scheme considered for statutory history, not a current-law ruling on that scheme.

6.

Section: 263

Role: assessee_submission_only

Description: Appears in the assessee's table; not an independently granted remedy in the operative decision.

Pinpoints

1.

Source url: [Open cited source](#)

Paragraphs: 4.1

Pdf pages: 38; 39

Source role: judgment

7.

Section: 2(45), 4, 5, 131, 133, 133A, 139, 142, 143, 144, 145, 149, 151, 153, 153B, 285BA

Role: supporting_statutory_context

Description: Charging/total-income definitions, ordinary assessment, information collection, historic scheme and non-obstante context; not separate holdings under each provision.

KNOWN RELATED ORDERS

1.

Case id: sc-2023-05-12-abhisar-buildwell-clarification

Decision date: 2023-05-12

Case number: Miscellaneous Application No. 680 of 2023 in Civil Appeal No. 6580 of 2021

Relationship: Subsequent clarification application concerning this substantive decision

Review status: Separately reviewed

Source url: [Open cited source](#)

Limited result: Clarification application not entertained; Revenue left to seek review; prayers not decided on merits

Subsequent review outcome: not_verified

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(official signed judgment\)](#)

Identified source rendition: 59 PDF pages; SHA-256
c0dead019b8b432f504f3ba17b3c59b7257c3963d2340446e897953c32184d3e. Original bytes preserved.

[Open cited source rendition](#)

Ingested one-judge metadata corrected to the two judges named on the signed judgment and SCR cover.

Every operative appeal group is preserved; the generic reporter line Appeals dismissed does not identify a single winner.

Review Petition 223/2023 disposed of with this April judgment is distinct from any review proposed after the separate 12 May clarification disposition.

The assessee's paragraph 4.1 table is submissions, not the Court's operative conclusions; it was visually read because SCR text extraction omits the table on PDF pp. 27-28.

The judgment uses block-assessment language while reproducing year-wise assessment under the historical section 153A text; no single composite assessment or universal current six-year period is inferred.

Apparent textual slips in submissions (including 31 May 2023 on SCR p. 912 versus 31 May 2003 in the statute reproduced at paragraph 10) are not adopted as law.

No subsequent-review disposition or comprehensive later-treatment conclusion has been inferred.

SCR citation verified on reported PDF p. 1; case numbers checked against signed PDF pp. 1-3; date and bench checked against signed PDF p. 59. The unverified neutral citation in the source index is not used.

The common judgment does not identify a single assessment year for the lead appeal or enumerate the disputed years for each connected appeal. No years have been inferred from cited decisions or case-number years.

The listed precedents identify leading authorities and their role in this judgment, not an exhaustive citator or independent review of every authority nested in a quotation.

STATUTORY SCOPE

Historical 1961 Act provisions as considered by the Court in this judgment

No automatic mapping to the Income-tax Act, 2025, assessment of later amendments, or current-law certification is represented.

LATER TREATMENT

Source checked 2026-10-04. Subsequent reviews, stays, reversals and later judicial treatment have not been comprehensively checked. Any specifically identified related order is recorded separately and does not amount to a citator status certificate.

IDENTIFIED SOURCE LINKS

[official signed judgment - PDF pages: 59](#)

SHA-256: c0dead019b8b432f504f3ba17b3c59b7257c3963d2340446e897953c32184d3e

[reported alternate rendition - PDF p. 1 / SCR p. 899 - PDF pages: 40](#)

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