

**आयकर अपीलीय अधिकरण, हैदराबाद पीठ**  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**Hyderabad 'A' Bench, Hyderabad**

**Before Shri Manjunatha G., Accountant Member**  
**and**  
**Shri Ravish Sood, Judicial Member**

आ.अपी.सं /**ITA No.268/Hyd/2024**  
(निर्धारण वर्ष/Assessment Year: 2016-17)

Syed Mohammed Asad Ullah Hussaini, Hyderabad. PAN: ABFPH0148G	Vs.	ACIT, Central Circle-2(3), Hyderabad.
(Appellant)		(Respondent)
निर्धारिती द्वारा/Assessee by:	Shri P. Murali Mohan Rao	
राजस्व द्वारा/Revenue by:	Shri Gurpreet Singh, Sr.AR	
सुनवाई की तारीख/Date of Hearing:	13/10/2025	
घोषणा की तारीख/Date of Pronouncement:	03/12/2025	

**आदेश / ORDER**

**PER. RAVISH SOOD, J.M:**

The present appeal filed by the assessee is directed against the order passed by the CIT(Appeals)-12, Hyderabad, dated 14.09.2023, which in turn arises from the order passed by the Assessing Officer (for short, "AO") under Section 143(3) r.w.s. 153C of the Income-tax Act, 1961 (for short, "Act"), dated 28.03.2022, for the Assessment Year 2016-17. The assessee has assailed the impugned order of the CIT(Appeals) on the following grounds of appeal before us.

1. "The order passed by the Ld. CIT(A) u/s 250 of the Act is erroneous both on facts and in law to the extent the order is prejudicial to the interest of the appellant.
2. The delay in filing of the appeal before the Hon'ble ITAT is because the appellate order passed by the CIT(A)-12, Hyderabad has been misplaced by the staff member who deals with the income tax matters and could only be traced on 01.02.2024.
3. The Ld. CIT(A) erred in not considering the fact that the AO has passed the order without fairly appreciating the facts of the case and without considering the submissions made by the assessee, which is against the provisions of law and principles of natural justice.
4. The Ld. CIT(A) erred by not considering the fact that the invoking provisions of Sec 153C of the Act, without there being any incriminating material found belonging to the assessee during the search proceedings, is invalid and bad in law.
5. The Ld. CIT(A) erred by not appreciating the fact that in a search assessment no addition can be made to the income already determined in a concluded assessment, without there being any incriminating material found during the course of search proceedings belonging to that of the assessee.
6. The Ld. CIT(A) erred in upholding the invocation of provisions of Sec 153C of the Act, which has been issued after the completion of assessment u/s 153A on the contention that the PAN of the appellant could not be traced out by the AO, which is not a valid reason for the delay and is against the limitation of time prescribed under the Act.
7. The Ld. CIT(A) erred in dismissing the appeal by upholding the addition of Rs. 35,00,000/- towards hand loan given to Mr. G. Shyam Prasad as unexplained, which is incorrect and bad in law
8. The Ld. CIT(A) erred in dismissing the appeal without considering the fact that the addition was made based on a document where the name of the assessee has been mentioned, without there being any conclusive evidence that points out to the assessee or without any signature of him agreeing to the said transaction of the hand loan, which is invalid and bad in law.
9. The Ld. CIT(A) ought to have considered the fact that the mere mentioning of the name of the assessee does not prove the authenticity of the transaction based on which the impugned addition has been made.
10. The Ld. CIT(A) erred in not appreciating the fact that the AO failed to prove the acceptance given by the assessee to the said agreement which is the essential element in a contract, without which the contract becomes void abinitio and the addition made based on the above agreement becomes invalid.\
11. The Ld. CIT(A) erred in upholding the addition of Rs. 25,00,000/- made towards unexplained investment u/s 69, without fairly appreciating the facts of the case.

12. The Ld. CIT(A) erred by not appreciating the fact that the assessee has not entered in any agreement of sale with Mr. G. Shyam Prasad in the assessment year under consideration and there is no signature of the assessee on the said agreement to prove the acceptance of the assessee, without which the contract becomes void abinitio.
13. The Ld. CIT(A) erred by not appreciating the fact that an addition u/s 69 cannot be made without proving that the amount is unexplained, which is invalid and against the provisions of natural justice.
14. The assessee may add, alter, or modify or substitute any other points to the grounds of appeal at any time before or at the time of hearing of the appeal.”

2. Search and seizure operations under Section 132 of the Act were conducted in the case of Shri Md. Abdul Sattar (assessee's father-in-law), Mrs Fareeda Banu (assessee's mother-in-law) and Mrs. Heena Kauser (assessee's wife) on 22.11.2018. During the course of the search proceedings, certain incriminating documents referring to transactions allegedly involving the assessee were found and seized from the premises of the assessee's father-in-law, viz. Shri. Md. Abdul Sattar.

3. Thereafter, the AO observed that the assessee had not filed his return of income under Section 139(1) of the Act for the year under consideration. Initially, the AO was not able to trace the assessee's PAN and therefore allotted a temporary PAN "GMQPM7805B" and recorded satisfaction under Section 153C of the Act on 22.03.2021 and issued notice on the same date. Subsequently, the AO came across the assessee's correct PAN "ABFPH0148G" and, after seeking the assessee's response, wherein he conveyed that he had no objection to

proceedings being continued under his correct PAN, issued a fresh notice under Section 153C of the Act dated 14.03.2022.

4. In response, the assessee filed his return of income for the subject year, i.e., AY 2016-17, on 23.03.2022, declaring an income of Rs. 3,57,100/-. Notices under Sections 143(2) and 142(1) were thereafter issued by the AO, and in response, some details were filed by the assessee.

5. The AO noted that Page nos. 76 and 77 of Annexure A/MAS/Loc169 /AB/KB/02 contained a declaration dated 12.06.2015 signed by Shri G. Shyam Prasad Reddy, wherein he had admitted receipt of a hand loan of Rs. 1.75 crores from five persons, including the assessee. As per the declaration, a sum of Rs. 1.50 crores was advanced in cash, and against this Shri. G. Shyam Prasad Reddy (supra) had mortgaged his two flats and two mulgies. The balance amount of Rs. 25 lakhs was stated to be a further loan for which cheques Nos. 097677 and 097678 drawn on the SBI Branch: Gunfoundry were issued by the borrower. Shri. G. Shyam Prasad Reddy, i.e., the borrower, had also undertaken that the dishonour of the aforementioned cheques would attract consequences under Section 138 of the Negotiable Instruments Act and that, in case of default, he would not

object to the lenders taking possession of the properties that were offered as security.

6. Another document that was seized in the course of the search proceedings, i.e., Page 89 of Annexure A/MAS/Loc169 /AB/KB/02, written in the handwriting of Shri G. Shyam Prasad Reddy, recorded that the assessee had paid Rs. 25 lakhs towards the purchase of 300 sq. yards of land in Survey Nos. 218/11(p), 218/12(p), and 218/13(p) situated at Kondapur.

7. The AO issued show-cause notices (SCN's) proposing certain additions, viz. (i) Rs. 35 lakhs, i.e., 1/5th of Rs. 1.75 crores (supra) as unexplained money under Section 69A of the Act; and (ii) Rs. 25 lakhs (supra) as unexplained investment under Section 69 of the Act. The assessee submitted that he had no knowledge of the seized documents and was not a party to the subject transactions. The AO rejected the assessee's explanation and held a firm conviction that the seized documents were self-explanatory, signed by the borrower/seller, contained specific details of the properties and cheque numbers, and clearly referred to the assessee.

8. The AO thereafter framed the assessment vide his order passed under Section 143(3) r.w.s. 153C of the Act and assessed the total

income of the assessee at Rs. 63,57,100/-, i.e., after making the aforementioned additions, viz. (i). addition of cash loan (1/5<sup>th</sup> share) advanced to Shri G. Shyam Prasad Reddy: Rs. 35 lakhs; and (ii). addition u/s 69 of the unexplained investment in property: Rs. 25 lakhs.

9. Aggrieved, the assessee carried the matter in appeal before the CIT(A). However, despite several notices, neither the assessee nor his representative participated in the appellate proceedings. Also, no written submissions or supporting evidence were filed in the course of the appellate proceedings. The CIT(A), therefore, decided the appeal on merits on the basis of the material available on record and confirmed the additions.

10. The assessee, being aggrieved with the CIT(A) order, has carried the matter in appeal before us.

11. We have heard the Ld. Authorised representatives of both parties, perused the orders of the lower authorities and the material available on record, as well as considered the judicial pronouncements that have been pressed into service by them to drive home their respective contentions.

12. Shri. Murali Mohan Rao, Chartered Accountant, the Ld. Authorised Representative (for short, "Ld. AR") for the assessee, at the threshold of hearing of the appeal submitted that the same involves a delay of 130 days. Elaborating on the reasons leading to the delay, the Ld. AR submitted that the same had crept in for the reason that the CIT(A) order was not served on the authorized person of the appellant. The Ld. AR submitted that the assessee had learnt about the disposal of his appeal by the CIT(A)-12, Hyderabad only when the Tax Recovery Officer (TRO) had initiated recovery proceedings and had called upon him to deposit the outstanding demand. The Ld.AR submitted that even though, a certified copy of the CIT(A) order was not made available to the assessee, but based on the copy that he had obtained on 21/08/2024 that the appeal was filed with the Tribunal on 22/03/2024 which by the time involved a delay of 130 days. The Ld. AR to buttress his aforesaid contention had drawn our attention to the affidavit, dated 28/07/2025 of Sri Syed Mohammed Asad Ullah Hussain, i.e., the assessee wherein he has deposed the aforesaid facts. The Ld. AR submitted that as the delay in filing of the present appeal had crept in because of the bonafide mistake, and not on account of any lackadaisical conduct of the assessee, therefore, the same in all fairness be condoned.

13. Per contra, the Learned Departmental Representative (for short, "Ld. DR") objected to the seeking of the condonation of the delay involved in filing of the present appeal. The Ld. DR submitted that as the assessee had failed to substantiate his explanation leading to the delay in filing of the present appeal based on irrefutable material, therefore, the same does not merits to be condoned.

14. We have thoughtfully considered the contentions of the Learned Authorized Representatives of both parties regarding the issue of delay involved in filing of the present appeal.

15. Although, we are of a firm conviction that the assessee appellant ought to have remained vigilant regarding his on going appellate proceedings and the disposal of the same, but at the same time based on the facts deposed by him in his affidavit are of the view that the impugned delay in filing of the present appeal is backed by bona fide reasons and not prompted by any lackadaisical conduct on his part. Our aforesaid view that a liberal approach should be taken while considering the application seeking condonation of delay is supported by the judgment of the Hon'ble Supreme Court in the case of **Vidya Shankar Jaiswal vs. The Income Tax Officer, Ward-2, Ambikapur** in **Special Leave Petition (Civil) Nos. 26310-26311/2024, dated 31<sup>st</sup> January,**

**2025.** The Hon'ble Apex Court while setting aside the order of the Hon'ble High Court of Chhattisgarh, which had approved the declining of the condonation of delay of 166 days by the Income-Tax Appellate Tribunal, Raipur Bench, had observed, that a justice-oriented and liberal approach should be adopted while considering the application filed by an appellant seeking condonation of the delay involved in filing the appeal. We thus, in terms of our aforesaid observations, condone the delay involved in the filing of the present appeal.

16. Before us, the assessee has raised several legal and factual grounds. The primary jurisdictional objection raised by the Ld. AR is that the satisfaction under Section 153C was recorded by the AO after an alleged delay of more than 20 months from completion of assessment in the case of the searched person, and therefore, the proceedings were invalid. The Ld.AR, in support of his contention, had relied on a host of judicial pronouncements. It is also contended that the seized documents do not belong to the assessee, are “dumb documents”, and do not bear his signature. On merits, it is argued that the assessee had neither advanced any hand loan nor made any investment in any property as had wrongly been inferred by the AO without any basis.

17. We have given thoughtful consideration and carefully considered the record. We note that the AO recorded satisfaction and issued notice under Section 153C on 22.03.2021 on the PAN allotted by him, as the assessee's PAN was not available. This is well before the date of completion of the assessment in the case of the searched person, i.e., 23.04.2021. Later, upon discovering the correct PAN, the AO afforded an opportunity to the assessee, and the assessee expressly conveyed that he had no objection to the continuation of proceedings under his correct PAN. The issuance of a fresh notice on 14.03.2022 is only a procedural continuation of the already initiated proceedings under Section 153C of the Act. We find no substance in the Ld. AR's contention that the AO had assumed jurisdiction after 20 months from the completion of the assessment in the case of the searched person.

18. As regards whether the seized documents satisfy the condition for initiation under Section 153C, we find that the declaration dated 12.06.2015 is signed by the borrower and contains specific details—names of lenders, flat numbers, mulgy numbers, cheque numbers, and a clear admission of the financial transaction. The second document relating to Rs. 25 lakhs investment is in the handwriting of the seller. The documents were found from the premises of the assessee's father-in-law, who is closely related to the assessee. In such circumstances, we

agree with the AO and CIT(A) that the documents cannot be treated as dumb documents and sufficiently relate to the assessee for the purposes of Section 153C.

19. On merits, the assessee has not placed any material to explain the source of Rs. 35 lakhs or Rs. 25 lakhs. The assessee merely denied knowledge of the transactions. These bald denials, without producing any supporting evidence, cannot overcome the detailed declarations made by the borrower/seller admitting receipt of the sums. No bank statements, cash flow statements, confirmations, or contrary evidence have been filed before the AO, CIT(A), or even before us. We, thus, find no infirmity in the action of the AO in treating Rs. 35 lakhs as unexplained money under Section 69A of the Act and Rs.25 lakhs as unexplained investment under Section 69 of the Act.

20. We note that the assessee has also raised several general grounds regarding natural justice and non-consideration of his submissions. However, the record shows that repeated opportunities were given by the CIT(A), but the assessee did not appear or file any material. In these circumstances, the assessee cannot now complain of the denial of an opportunity of being heard to him by the authorities below.

21. Having examined both the legal and factual issues, we hold that the assumption of jurisdiction under Section 153C was valid and the additions made on the basis of seized material are sustainable.

22. Accordingly, the appeal filed by the assessee is dismissed.

Order pronounced in the open court on 03<sup>rd</sup> December, 2025.

<b>Sd/- (MANJUNATHA G.) ACCOUNTANT MEMBER</b>	<b>Sd/- (RAVISH SOOD) JUDICIAL MEMBER</b>
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Hyderabad,  
Dated: 03<sup>rd</sup> December, 2025.  
**OKK, SPS**

Copy to:

S.No	Addresses
1	Syed Mohammed Asad Ullah Hussaini, C/o. P. Murali & Co, Chartered Accountants, 6-3-655/2/3, Somajiguda, Telangana-500082.
2	ACIT, Central Circle-2(3), Hyderabad, Telangana.
3	The Pr.CIT, Central Circle, Hyderabad
4	The DR, ITAT Hyderabad Benches
5	Guard File

By Order

Senior Private Secretary,  
ITAT, Hyderabad.