

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

श्री रविश सूद, न्यायिक सदस्य एवं श्री मधुसूदन सावडिया लेखा सदस्य समक्ष।
Before Shri Ravish Sood, Judicial Member
A N D
Shri Madhusudan Sawdia, Accountant Member

आ.अपी.सं / **ITA Nos.1000 to 1006/Hyd/2025**
(निर्धारण वर्ष/Assessment Years: 2013-14 to 2019-20)

Shri Bharat Kumar Bansal HYDERABAD PAN:ABFPB6416P	Vs.	Assistant Commissioner of Income Tax Central Circle 2(1) Hyderabad
(Appellant)		(Respondent)
निर्धारिती द्वारा/Assessee by:		Shri A Srinivas, CA
राजस्व द्वारा/Revenue by::		Shri S. Arun Kumar, Sr. DR
सुनवाई की तारीख/Date of hearing:		17/12/2025
घोषणा की तारीख/Pronouncement:		07/01/2026

आदेश/ORDER

Per Bench:

These seven appeals are filed by Shri Bharat Kumar Bansal (“the assessee”), feeling aggrieved by the separate orders passed by the Learned Commissioner of Income Tax (Appeals)-12, Hyderabad (“Ld. CIT(A)”) all dated 07.03.2025 for the A.Ys. 2013-14 to 2019-20. Since common and identical issues are raised by the assessee in all these appeals, for the sake of convenience, these were heard together and are being disposed of by this consolidated order.

2. At the outset, we find there is a delay of 06 days in filing of all these appeals before this Tribunal. The assessee has

filed separate petitions for condonation of delay along with copies of the affidavits explaining the reasons for such delay and praying for condonation of the same. After considering the reasons stated by the assessee and upon hearing the submissions of the Learned Departmental Representative (“Ld. DR”), we are satisfied that the delay was due to reasonable cause. Accordingly, the delay of 06 days in filing of all these appeals are condoned, and the appeals are admitted for adjudication on merits.

3. Identical grounds have been raised by the assessee in ITA Nos.1000 to 1005/Hyd/2025 of the appeals. For the purpose of clarity, the grounds raised by the assessee in ITA No.1000/Hyd/2025 are reproduced as under:

4. The assessee has raised the following grounds of appeal:

“1. The order of the Appellate Commissioner is contrary to law, facts and circumstances of the case.

2. The appellant submits that the basis for the assessment under 153C being the satisfaction note is not a satisfaction note at all in the eyes of law and therefore the proceedings based on such invalid satisfaction note are not tenable in law and as such the same should be held illegal.

3. The appellant submits that the name of the appellant is being included in a proceeding namely transaction of agreement of sale, to which he is neither a party nor a signatory nor a beneficiary, and the entire proceedings under section 153C are based on such instance are nothing but an proceedings based on surmises and conjectures and such proceedings are illegal and invalid.

4. The appellant submits that the assessment is illegal and invalid for want of jurisdiction as at no point in the proceedings the transfer of jurisdiction is intimated to the appellant or the appellant put on notice either physically or through ITBA portal.

5. The appellant prays that the assessment proceedings be declared invalid and void ab initio as they are based on improper and incorrect satisfaction note which is not a satisfaction note in the eyes of the law.

6. *The appellant prays that the assessment proceedings be held invalid for want of jurisdiction.*

7. *Any other grounds which the Assessee may urge either before or at the time of the hearing.”*

5. The grounds raised by the assessee in ITA No.1006/Hyd/2025 are also reproduced as under:

“1. The order of the Appellate Commissioner is contrary to law, facts and circumstances of the case.

2. The appellant submits that the basis for the assessment under 153C being the satisfaction note is not a satisfaction note at all in the eyes of law and therefore the proceedings based on such invalid satisfaction note are not tenable in law and as such the same should be held illegal

3. The appellant submits that the name of the appellant is being included in a proceeding namely transaction of agreement of sale, to which he is neither a party nor a signatory nor a beneficiary, and the entire assessment is based on such instance is nothing but an assessment based on surmises and conjectures and such the assessment order deserves to be quashed

4. The appellant submits that the assessment is illegal and invalid for want of jurisdiction as at no point in the proceedings the transfer of jurisdiction is intimated to the appellant or the appellant put on notice either physically or through ITBA portal

5. The appellant prays that the assessment proceedings be declared invalid and void ab initio as they are based on improper and incorrect satisfaction note, which is not a satisfaction note in the eyes of the law.

6. The appellant prays that the assessment proceedings be held invalid for want of jurisdiction.

7. The Appellate Commissioner erred in confirming the addition of Rs.41,927/- as long term capital gains.

8. The Appellate Commissioner erred in confirming the disallowance of Rs. 1,88,241/-, claimed u/s.80C.

9. Any other grounds which the Assessee may urge either before or at the time of the hearing.”

6. The brief facts common to all these appeals are that a search and seizure operation under section 132 of the Act was conducted on 22.11.2018 in the premises of Shri Mohammed Abdul Sattar and others (“the searched person”). During the course of the said search operation, certain documents were found and seized from the premises of the searched person. The Learned Assessing Officer (“Ld. AO”) recorded a satisfaction note dated 12.10.2022, stating that the seized material belonged to the assessee. On the basis of the said satisfaction note, notices under section 153C of the Act were issued to the assessee for Assessment Years 2013-14 to 2019-20. In response thereto, the assessee filed returns of income for all the said A.Ys. Thereafter, notices under section 143(2) of the Act were issued and, after considering the submissions of the assessee, the Ld. AO passed the separate assessment orders under section 153C of the Act for all the said years on 18.03.2024.

7. Aggrieved by the assessment orders passed by the Ld. AO, the assessee preferred appeals before the Ld. CIT(A). However, the assessee could not comply with the notices issued by the Ld. CIT(A), and accordingly, the Ld. CIT(A) dismissed the appeals for non-prosecution, confirming the assessment orders passed by the Ld. AO.

8. Aggrieved with the orders of the Ld. CIT (A), the assessee is in appeal before this Tribunal. The Learned Authorized Representative (“Ld. AR”) raised a legal ground challenging the validity of initiation of proceedings under section 153C of the Act. He invited our attention to the satisfaction note placed at page no. 1 of the paper book and submitted that the Ld. AO has recorded one single consolidated satisfaction note for multiple assessment

years from AY 2013-14 to AY 2019-20. The Ld. AR further invited our attention to the seized material relied upon by the Revenue, namely an “agreement of sale” dated 28.08.2018, placed at page nos. 2 to 6 of the paper book, and submitted that the said document pertains only to Assessment Year 2019-20 and has no relevance or bearing on the earlier assessment years from AY 2013-14 to AY 2018-19. It was contended that, as per the settled position of law, the Ld. AO is mandatorily required to record separate satisfaction for each assessment year, and recording of a common or consolidated satisfaction note for multiple years vitiates the assumption of jurisdiction under section 153C of the Act. Therefore, the notices issued under section 153C of the Act and the consequent assessment orders are liable to be quashed.

9. Per contra, the Ld. DR relied upon the orders of the lower authorities and submitted that the satisfaction note was duly recorded and that the proceedings under section 153C of the Act were validly initiated. Accordingly, he prayed that the appeals of the assessee be dismissed.

10. We have heard the rival submissions and carefully gone through the material available on record, including the case law relied upon. In this regard, we have gone through the satisfaction note recorded by the Ld. AO placed at page no.1 of the paper book, which is to the following effect:

Satisfaction note for initiating proceedings u/s.153C of the Income-tax Act, 1961.

Name: Sri Bharat Kumar Bansal
 PAN: ABFPB6416P
 Status: Individual
 Asst. Years: 2013-14 to 2019-20

✓ Search & Seizure operations were conducted in the case of Sri Mohammed Abdul Sattar & Others on 22.11.2018. During the course of search and seizure operation, certain documents were found and seized in the residence of Sri Mohammed Abdul Sattar. The details of the seized material are as under :

Sl.	Annexure Details	Documents seized as per annexure
1.	A/MAS/RES/02	Page Nos.124 to 127

It is observed from the seized material that it represents the Agreement of Sale dated 28.08.2018 entered by Sri Mohammad Abdul Sattar and Others, Sri Mohammed Basheer Khan and others (VENDORS) with Sri Gulam Rahmani Farooqui, Sri Gulam Samdani Farooqui, Sri Gulam Haqqani Farooqui and Smt Anees Begum (VENDEES), with reference to agricultural land admeasuring Ac.05.12 ½ guntas for a total sale consideration of Rs.10 crores and received an amount of Rs.3 crores in cash towards advance amount from the above vendees.

It is found during the post assessment proceedings in the case of Sri Mohammed Basheer Khan that the said property got registered on 27.09.2019, where the assessee **Sri Bharat Kumar Bansal** along with others (totalling 6 vendors) registered the property in favor of Mr. Gulam Samdani Farooqui and Mrs Anees Begum for a sale consideration of Rs.1,00,00,000/-.

Since the number of vendors as appearing in the sale agreement and sale deed are six persons, their share in the consideration received has been calculated on the basis of their share in land sold. Accordingly, the share of assessee i.e. Sri Bharat Kumar Bansal is worked out in the table below :

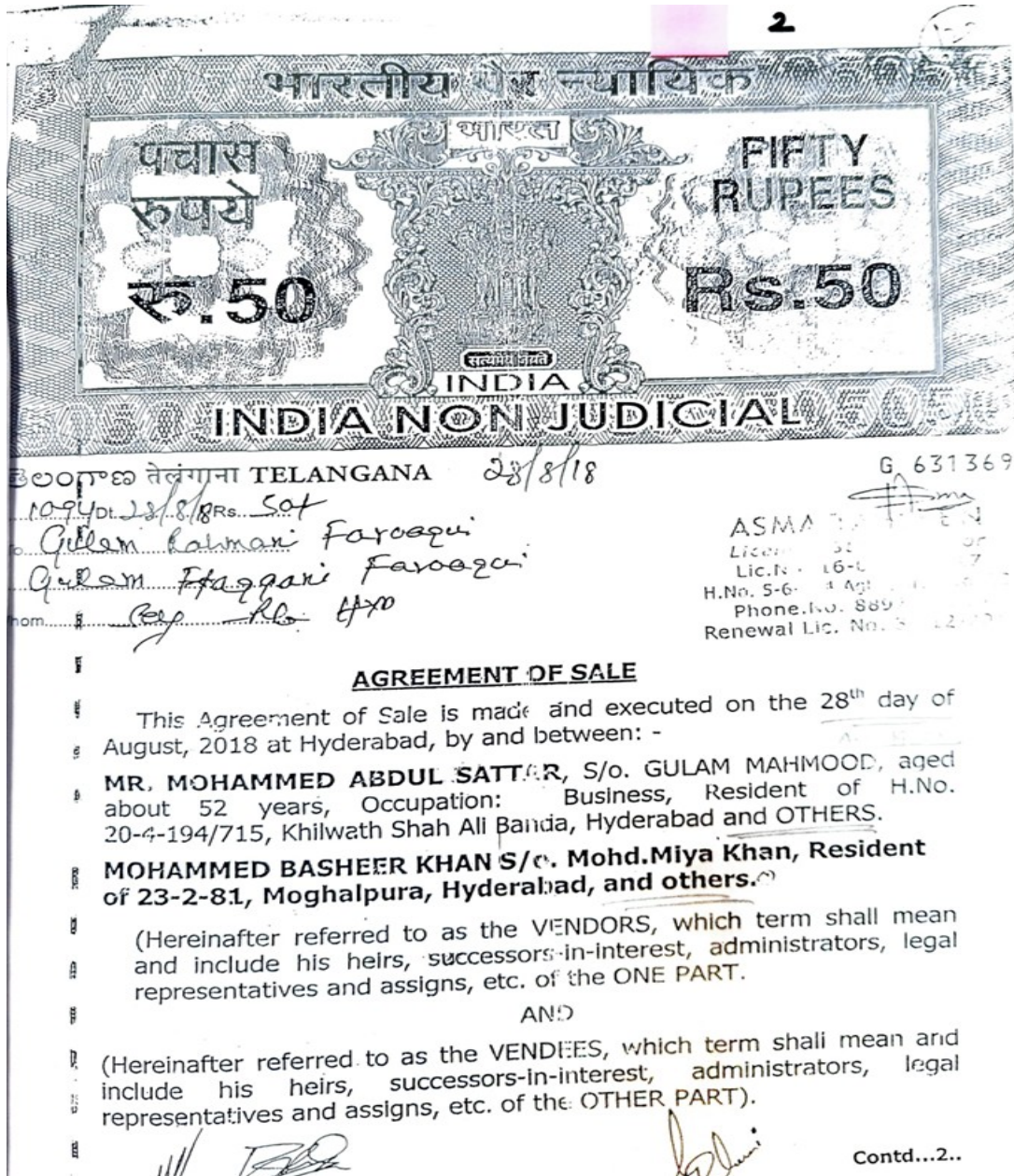
S. No.	Name of the vendor	Portion (in Gts)	Share of the vendor
1.	Mohd Abdul Sattar	44.5	20.94%
2.	Fareeda Banu	20.5	9.64%
3.	Heena Kauser	65	30.59%
4.	Mohd Basheer Khan	27.5	12.94%
5.	Hasan Bin Ahmed alias Hassan Zumbli	27.5	12.94%
6.	Bharat Kumar Bansal	27.5	12.94%
	Total	212.5	

Therefore, on verification of the seized material and in the light of the above findings, I am satisfied that the seized material belongs to Sri Bharat Kumar Bansal and the information contained in the documents seized u/s.132 relates to Sri Bharat Kumar Bansal, and has a bearing on the determination of the total Income of Sri Bharat Kumar Bansal for the Assessment years 2013-14 to 2019-20. Hence, proceedings u/s.153C of the Income-tax Act, 1961 may be initiated as per law.

Date : 12.10.2022
 Place : Hyderabad

(RAVI CHAKRAVARTHY B)
 Asst. Commissioner of Income tax
 Central Circle 2(3), Hyderabad

11. On perusal of the above, we find that the Ld. AO has recorded a single consolidated satisfaction note for multiple assessment years, namely from AY 2013-14 to AY 2019-20. We have also gone through the 1st page of the copy of seized documents in the form of "Agreement of Sale" placed at page no. 2 of the paper book, which is to the following effect:



12. On perusal of the above, we further find that the seized document relied upon by the Revenue is an agreement of sale

dated 28.08.2018, which, at best, can pertain only to Assessment Year 2019-20, and there is no material on record linking the seized document to the other assessment years. In this regard, we find that the Hon'ble Karnataka High Court in the case of DCIT vs. Sunil Kumar Sharma (469 ITR 197) has categorically held, at para no. 53 of the judgment, that separate satisfaction is required to be recorded under section 153C of the Act for each assessment year, and that recording of a consolidated satisfaction note for different assessment years would vitiate the entire assessment proceedings. We further note that the SLP filed by the Revenue against the said judgment has been dismissed by the Hon'ble Supreme Court, reported in the case of DCIT vs. Sunil Kumar Sharma (469 ITR 271). For the purposes of completeness, the para no. 53 of the order of the Hon'ble Karnataka High Court in the case of DCIT vs. Sunil Kumar Sharma (Supra) is reproduced as under:

“53. Further, satisfaction note is required to be recorded under section 153C of the IT Act for each Assessment Year and in the impugned proceedings, a consolidated satisfaction note has been recorded for different Assessment Years, which also vitiates the entire assessment proceedings. In view of all these findings, it is said that the appeals do not have any substance for seeking intervention as sought for by the appellant/Revenue.”

13. Therefore, respectfully following the aforesaid binding precedent, we hold that the initiation of proceedings under section 153C of the Act on the basis of a single consolidated satisfaction note is invalid in law. Consequently, the notices issued under section 153C of the Act and the assessment orders passed pursuant thereto are liable to be quashed. We order accordingly.

14. Since we have allowed the appeals of the assessee on the legal issue relating to the validity of initiation of proceedings under section 153C of the Act on the basis of a single consolidated

satisfaction note, we do not deem it necessary to adjudicate the other grounds raised by the assessee. Accordingly, the remaining grounds are left open.

15. In the result, all the appeals filed by the assessee are allowed.

Order pronounced in the Open Court on 7th January 2026.

Sd/-

Sd/-

(RAVISH SOOD) JUDICIAL MEMBER	(MADHUSUDAN SAWDIA) ACCOUNTANT MEMBER
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Hyderabad, dated 7th January 2026

Vinodan/sps

Copy to:

S.No	Addresses
1	Shri Bharat Kumar Bansal, H. No. 4-3-215/I/A Kandaswamy Lane, Hyderabad 500001
2	Assistant Commissioner of Income Tax Central Circle 2(1) Aayakar Bhavan, Basheerbagh, Hyderabad 500004
3	Pr. CIT – Central, Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order