

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

श्री विजय पाल राव, उपाध्यक्ष एवं श्री मंजुनाथ जी, लेखा सदस्य के समक्ष ।

**Before Shri Vijay Pal Rao, Vice-President**  
**A N D**  
**Shri Manjunatha G. Accountant Member**

आ.अपी.सं / **ITA Nos 1671 & 1672/Hyd/2025**  
(निर्धारण वर्ष / Assessment Years: 2017-18 & 2018-19)

Shri Fayaz Mohammed HYDERABAD PAN: AKEPM7405R (Appellant)	Vs.	Dy.CIT Central Circle 2(4) Hyderabad (Respondent)
निर्धारिती द्वारा / Assessee by:	Shri P Murali Mohan Rao, CA	
राजस्व द्वारा / Revenue by:	Smt.V Koteshwaramma, Sr.AR	
सुनवाई की तारीख / Date of hearing:	19/02/2026	
घोषणा की तारीख / Pronouncement:	25/02/2026	

**आदेश/ORDER**

**Per MANJUNATHA, G. A.M.**

These two appeals are filed by the assessee are directed against the separate orders passed by the Learned Commissioner of Income Tax (Appeals)-12, Hyderabad, all dated 08/08/2025, for the Asst. Years 2017-18 and 2018-19. Since identical issues are raised by the assessee in these two appeals, for the sake of convenience, these appeals were heard together and are being disposed off, by this common consolidated order.

**ITA No.1671/Hyd/2025 A.Y 2017-18**

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

Sno.	Grounds of Appeal	T
1.	The Order of the Ld. CIT (A) u/s 250 of the Act dt. 08.08.2025 for the AY 2017-18 is erroneous both on facts and in law to the extent the order is prejudicial to the interests of the appellant.	
2.	The Ld. CIT(A) has erred in dismissing the appeal of the assessee without actually considering the submissions of the assessee and without appreciating the facts and circumstances of the case which is invalid and bad in law.	1
3.	The Ld. CIT(A) ought to have considered that the common satisfaction note was recorded for the assessment years 2014-15 to 2020-21, which is bad in law and therefore, the notice u/s 153C for the AY 2017-18 is invalid and the assessment completed u/s 153C deserves to be annulled.	1
4.	The Ld. CIT(A) ought to have appreciated that that there is no proper recording of satisfaction note in the appellant's case for invoking the provisions of section 153C of the Act and that consolidated satisfaction note recorded for different assessment years would vitiate entire assessment proceedings.	1
5.	The Ld. CIT(A) ought to have considered that the notice u/s 153C of the Act issued by the ACIT, Central Circle 2(4), Hyderabad is invalid and without Jurisdiction as the assessment was originally reopened u/s 148 by the ITO, Ward 12(1), Hyderabad on the strength of the seized material found during the search conducted u/s 132 of the Act.	1
6.	The Ld. CIT(A) ought to have considered that the notice u/s 153C of the Act is invalid and without Jurisdiction as the invoking of provisions u/s 147 and issuance of notice u/s 148 on the same	1

	based on excel sheet, and as such the AO has not assumed Jurisdiction u/s 153C of the Act.	
8.	The Ld. CIT(A) ought to have appreciated that no incriminating material relating to assessee was possessed by A.O. who did assessments u/s 153A and on basis of that issuing of satisfaction u/s 153C is not valid and incorrect.	T
9.	The Ld. CIT(A) ought to have appreciated that the AO erred in invoking provisions of sec 153C of the Act without there being any incriminating material found belonging to the appellant during the course of search at the premises of third person.	T
10.	The Ld. CIT(A) ought to have appreciated that the demand raised in the case of the assessee was only based on the false belief of the AO without any corroborative evidence found to the AO for the year under consideration.	T
11.	The Ld. CIT(A) ought to have appreciated that the AO failed to discharge the burden of proving that the entries in the excel sheets represent real, unaccounted income of the appellant and not mere rough estimates, proposals, or third-party data and cannot be treated as books of account/Document of the appellant.	T
12.	The Ld. CIT(A) erred in upholding the addition of Rs. 2,00,000/- as unexplained u/s 69 of the Act without considering the facts of the case and which is not justified.	T
13.	The Ld. CIT(A) ought to have appreciated that the assessee has only paid an amount of Rs. 12,50,000/- Vide cheque as purchase consideration and no other amount was paid to the seller till the date of search proceedings.	T
14.	The Ld. CIT(A) ought to have appreciated that the Sale deed dated 10.09.2018 Vide Doc no. 19523/2018 was final from which, it is	T

3. The brief facts of the case are that the assessee, an individual, filed his return of income for the A.Y 2017-18 declaring net income of Rs. Rs.27,07,060/-, after claiming deduction under Chapter VI-A of Rs.1,60,000/-. A search & seizure operation under section 132 of the Income Tax Act, 1961 is conducted in the case of M/s. Skill Promoters on 22/10/2019. During the course of assessment proceedings, in the case of the searched person, the A.O of the searched person, on analysis of seized material vide annexure No. A/SPPL/OFF/01 had satisfied that the information contained in the seized material pertains to the assessee and information contained therein, has a bearing on the determination of total income of the assessee for A.Ys from 2014-15 to 2020-21. Thereafter, the AO of the “other person” i.e., the assessee Mohammed Fayaz, has recorded Satisfaction Note for initiating proceedings u/s.153C of the Income-tax Act, 1961 with reference to the seized material and issued notice under section 153C of the Act on 3/8/2022. In response, the assessee filed return of income on 3/09/2022.

4. The case of the assessee was selected for scrutiny and during the course of assessment proceedings, the A.O, on the basis of material found during the course of search observed that the assessee has purchased a property from M/s. Skill Promoters (P) Ltd and paid consideration in cash for Rs. 21,50,000/-, out of which sum of Rs.2 lakhs has been paid for the A.Y 2017-18. Therefore, called upon the assessee to file its explanation, if any, as to why the addition should not be made towards consideration paid in cash for purchase of property as unexplained money. In

response, the assessee vide letter dated 12/02/2024, submitted that, he had purchased the property and paid consideration of Rs.12,50,000/- by cheque and the same has been reported in the return of income filed for the year under consideration. The A.O after considering the relevant submissions of the assessee and also taking note of the relevant seized material made addition of Rs.2 lakhs paid for purchase property from M/s. Skill Promoters (P) Ltd under section 69 of the Act as unexplained money.

5. Aggrieved by the assessment order, the assessee preferred an appeal before the Ld. CIT (A). Before the Ld. CIT (A), the assessee challenged the addition made by the A.O towards cash payment made for purchase of property and argued that the assessee has not paid any cash, except the consideration paid through proper banking channel and therefore, the A.O is erred in making addition under section 69 of the Act. The Ld. CIT (A) after considering the relevant submission of the assessee and also taking note of the seized material found during the course of search observed that the material found during the course of search clearly shows details of the property along with the payments made in cheque and cash is exactly match with the property purchased by the assessee. Therefore, the arguments of the assessee that he has not made any cash payment for purchase of the property is devoid of any merit and contrary to the facts on record. Therefore, rejected the explanation of the assessee and sustained the addition made by the A.O.

6. Aggrieved by the order of the Ld. CIT (A), the assessee is in appeal before the Tribunal.

7. The learned counsel for the assessee, Shri P Murali Mohan Rao, C.A. referring to the date of search, the order passed by the Assessing Officer in the case of searched person, the date of recording satisfaction as required u/s.153C of the Act and subsequent notice issued u/s.153C of the Act dated 03/08/2022, submitted that the Assessing Officer issued notice after a gap of 10 months from the date of order passed in the case of searched person on 26.09.2021 which is beyond the limitation period provided under the Act. In support of his contention, he relied on the decision of the Hon'ble Supreme Court in the case of CIT-III Vs. Calcutta Knitwears (2014) 362 ITR 673 (SC) and also the decision of Hon'ble Delhi High Court in the case of CIT Vs. Bharat Bhushan Jain (2015) 370 ITR 695 (Del). The learned counsel for the assessee referring to the decision of Hon'ble Supreme Court in the case of CIT-III Vs. Calcutta Knitwears (supra) submitted that the Hon'ble Supreme Court had clearly stated that for the purpose of section 158BD of the Act, a satisfaction note is sine qua non and must be prepared by the Assessing Officer before he transmits the records to the other Assessing Officer who has jurisdiction over such other person. The satisfaction note could be prepared at either of the following stages :

(a) at the time of or along with the initiation of proceedings against the searched person u/s. 158BC of the Act;

(b) along with the assessment proceedings u/s. 158BC of the Act; and

(c) immediately after the assessment proceedings are completed u/s. 158BC of the Act of the searched person.

8. In the present case, search was carried out on 22.11.2019 and the assessment of the searched person was completed on 26.09.2021. The Assessing Officer of the assessee issued notice u/s.153C of the Act on 3/8/2022, after a gap of more than 10 months and thus, the above notice issued by the Assessing Officer and consequential order passed by the Assessing Officer u/s.153C of the Act is bad in law and liable to be quashed. In this regard, he relied upon the decision of Hon'ble Gujarat High Court in the case of Pr.CIT Vs. Jitendra H Modi HUF (2018) 403 ITR 110 (Guj) and also the decision of ITAT, Pune Bench in the case of Kewal Kumar Jain Vs. ACIT in ITA Nos.1384 & 1385/PUN/2016 dated 06.11.2018. The assessee had also relied upon the decision of ITAT, Hyderabad Benches in the case of Shri. Farooqi Gulam Samdani vs. Dy. CIT in IAT No 814/Hyd/2025.

9. The learned Sr. A.R Smt. V. Koteshwaramma, on the other hand, supporting the order of Ld. CIT(A) submitted that, as per the provisions of section 153C of the Act, the only requirement is to record satisfaction and issue notice to any other person, if search indicates incriminating material belongs to the other person. However, there is no condition as to when such satisfaction has to be recorded and notice u/s.153C should be issued. Since the Assessing Officer has issued notice u/s.153C of the Act after recording satisfaction within a reasonable time, and passed the assessment order u/s.153C of the Act, the arguments

of the learned counsel for the assessee that the notice issued by Assessing Officer is beyond limitation, consequently assessment order passed by the Assessing Officer is bad in law and liable to be quashed cannot be accepted. In this regard, she relied upon the decision of Hon'ble Delhi High Court in the case of Indian National Congress Vs. DCIT (2024) 463 ITR 431 (Del).

10. We have heard both the parties, perused the material available on record and had gone through the orders of authorities below. We have also carefully considered the case laws referred by the learned counsel for the assessee in support of his arguments and also the counter argument advanced by the learned DR in light of the decision of Hon'ble Delhi High Court in the case of Indian National Congress Vs. DCIT (supra). There is no dispute with regard to the fact that the search was conducted in the case of M/s Skill promoters Private Limited and M/s Skill Promoters on 22/10/2019 and the assessment of the searched person was completed u/s.153A of the Act on 26/09/2021 for the A.Y. 2017-18. It is also an admitted fact that, the Assessing Officer of the assessee has recorded satisfaction as required u/s.153C of the Act on 27/07/2022 and issued notice u/s.153C of the Act on 03/08/2022. Thus, there is a gap of 10 months from the date of assessment by the Assessing Officer of the person searched and the date of issue of notice u/s.153C of the Act to the assessee. The assessee contends that the satisfaction note could be prepared at any of the following stages, including at the time or along with the initiation of proceedings against the searched person under section 158BC/ 153A of the Act or in the course of

the assessment proceedings u/s.158BC/153A of the Act or immediately after the assessment proceedings are completed u/s. 158BC/ 153A of the Act of the searched person. This legal position has been explained by the Hon'ble Supreme Court in the case of CIT-III Vs. Calcutta Knitwears (supra) wherein the Hon'ble Supreme Court at para 44 of the order clearly held as under :

*“ 44. In the result, we hold that for the purpose of Section 158BD of the Act a satisfaction note is sine qua non and must be prepared by the assessing officer before he transmits the records to the other assessing officer who has jurisdiction over such other person. The satisfaction note could be prepared at either of the following stages: (a) at the time of or along with the initiation of proceedings against the searched person under Section 158BC of the Act; (b) along with the assessment proceedings under Section 158BC of the Act; and (c) immediately after the assessment proceedings are completed under Section 158BC of the Act of the searched person.”*

11. This legal position has been accepted by the CBDT and issued a Circular No.24/2015 dated 31.12.2015, whereby referring to the decision of Hon'ble Supreme Court in the case of CIT-III Vs. Calcutta Knitwears (supra), the CBDT has issued a circular and directed the Assessing Officer as to how and when the satisfaction note could be prepared. Further, the CBDT also directed the field officer to withdraw / not to press, the pending litigation with regard to recording of satisfaction note u/s.158BD/153C of the Act, if it does not meet the guidelines laid down by the Hon'ble Supreme Court. The relevant circular No.24/2015 is reproduced as under :

*“ The issue of recording of satisfaction for the purposes of section 158BD/ 153C has been subject matter of litigation.*

*2. The Hon'ble Supreme Court in the case of M/s Calcutta Knitwears in its detailed judgment in Civil Appeal No.3958 of 2014 dated 12.3.2014(available in NJRS at 2014-LL-0312-51) has laid down that for the purpose of Section 158BD of the Act, recording of a satisfaction note is a prerequisite and the satisfaction note must be prepared by the AO before he transmits the record to the other AO who has jurisdiction over such other person u/s 158BD. The Hon'ble Court held that "the satisfaction note could be prepared at any of the following stages:*

*(a) at the time of or along with the initiation of proceedings against the searched person under section 158BC of the Act; or*

*(b) in the course of the assessment proceedings under section 158BC of the Act; or*

*(c) immediately after the assessment proceedings are completed under section 158BC of the Act of the searched person."*

*3. Several High Courts have held that the provisions of section 153C of the Act are substantially similar/pari-materia to the provisions of section 158BD of the Act and therefore, the above guidelines of the Hon'ble SC, apply to proceedings u/s 153C of the IT Act, for the purposes of assessment of income of other than the searched person. This view has been accepted by CBDT.*

*4. The guidelines of the Hon'ble Supreme Court as referred to in para 2 above, with regard to recording of satisfaction note, may be brought to the notice of all for strict compliance. It is further clarified that even if the AO of the searched person and the "other person" is one and the same, then also he is required to record his satisfaction as has been held by the Courts.*

*5. In view of the above, filing of appeals on the issue of recording of satisfaction note should also be decided in the light of the above judgement. Accordingly, the Board hereby directs that pending litigation with regard to recording of satisfaction note under section 158BD/153C should be withdrawn/not pressed if it does not meet the guidelines laid down by the Apex Court."*

12. A similar view has been taken by Hon'ble Delhi High Court in the case of CIT Vs. Bharat Bhushan Jain (supra), where the Hon'ble Delhi High Court by following the decision of Hon'ble Supreme Court in the case of CIT-III Vs. Calcutta Knitwears

(supra), had held that satisfaction note can be recorded after completion of the proceedings u/s. 158BC of the Act, but the same must be done immediately thereafter.

13. A similar view has been taken by Hon'ble Gujarat High Court in the case of PCIT Vs. Jitendra H Modi HUF (supra) wherein at para 7, it was held as under:

7. Thus, even going by the judgment of the Supreme Court in the case of *Calcutta Knitweaves (supra)* that satisfaction note can be recorded after completion of the proceedings under section 158BC of the Act, the same must be done immediately thereafter. The Supreme Court in the said judgment had noted that there is no embargo in the law for recording satisfaction after completion of proceedings under section 158BC of the Act. It was further noticed that section 158BE [2] (b) of the Act only provides for limitation for completion of block assessment under section 158BD which is two years from the end of the month in which the notice for such purpose was served on such person, who happen to be other than the searched person. It was in this background the Supreme Court had culled out the ratio, as reproduced in para 44 of the judgment. Thus, even if such satisfaction note were to be recorded after completion of the proceedings under section 158BC, the same has to be done immediately thereafter. The term 'immediately' has not been defined nor is it possible to quantify it in absolute terms. In any case, period close to nine months for completion of the proceedings under section 158BC of the Act, without there being any limiting factor on the Assessing Officer to have recorded satisfaction earlier, cannot be stated to be an immediate action. Delhi High Court in the case of *CIT v. Bharat Bhushan Jain* [2015] 61 taxmann.com 89/370 ITR 695 had an occasion to examine similar issue. After referring to the judgment of the Supreme Court in the case of *Calcutta Knitweaves (supra)*, it was observed as under :—

"Having regard to the intent of the Supreme Court in paragraph 44 of the *Calcutta Knitweaves (supra)*, where it was indicated that the Revenue has to be vigilant in issuing notice to the third party under section 158BD, immediately after the completion of assessment of the searched person, this court is of the opinion that a delay ranging between 10 months of one-and-half years cannot be considered contemporaneous to assessment proceedings. We are of the opinion that notices were not issued in conformity with the requirements of section 158BD, and were unduly delayed. The appeals of the Revenue, accordingly, fail and are dismissed."

In the result, Tax Appeal is dismissed.

14. The ITAT, Pune Benches in the case of Kewal Kumar Jain Vs. ACIT (supra) also considered an identical issue of recording satisfaction and issue of notice u/s.153C of the Act by the Assessing Officer of the searched person or the other person or the issue of notice u/s.153C of the Act and after considering the relevant facts and also by following the decision of Hon'ble Supreme Court in the case of CIT-III Vs. Calcutta Knitweaves (supra), in paras 10 to 14 held as under :

*“ 10. We have heard the rival contentions and perused the record. The assessee is aggrieved by initiation and completion of proceedings under section 153C of the Act, so we shall first make reference to said section. Under the pre-amended provisions of section 153C(1) of the Act, it is provided that notwithstanding anything contained in sections 139, 147, 148, 149, 151 and 153 of the Act, where the Assessing Officer is satisfied that any money, bullion, jewellery or other valuable article or thing or books of account or documents seized or requisitioned, belongs to a person other than a person referred to in section 153A of the Act, then the books of account or documents or assets seized or requisitioned, shall be handed over to the Assessing Officer having jurisdiction over such ‘other person’ and that Assessing Officer shall proceed against such other person and issue notice and assess or re-assess income of such ‘other person’ in accordance with provisions of section 153A of the Act. In other words, recording of satisfaction has to be made by Assessing Officer of searched person before handing over the books of account or documents or assets seized or requisitioned, to the Assessing Officer having jurisdiction over such other person. The recording of satisfaction has been mandated to be made before or at the time of completion of assessment proceedings of searched person; since after assessment has been completed of the searched person, the Assessing Officer becomes ex-officio of searched person.*

*11. The Hon'ble Supreme Court in the case of M/s. Calcutta Knitwears (supra) have laid down the proposition for section 158BD of the Act that recording of satisfaction note is pre-requisite and satisfaction note must be prepared by Assessing Officer before he transmits the record to the other Assessing Officer, who has jurisdiction over ‘other person’ under section 158BD of the Act. The Apex Court held that the satisfaction note could be prepared at any of the following stages:*

*(a) at the time of or along with the initiation of proceedings against the searched person under section 158BC of the Act; or*

*(b) in the course of the assessment proceedings under section 158BC of the Act; or*

*(c) immediately after the assessment proceedings are completed under section 158BC of the Act of the searched person.*

*12. The Hon'ble High Courts have also held that provisions of section 153C of the Act are substantially similar / para-materia to the provisions of section 158BD of the Act. The CBDT recognizing the above said position has issued circular No.24/2015, dated 31.12.2015 in respect of proceedings under section 153C of the Act i.e. for the purpose of*

*assessment of income of 'other person' other than searched person. The CBDT has issued circular to the effect that guidelines of the Hon'ble Supreme Court with regard to recording of satisfaction note, may be brought to the notice of all for strict compliance. It is further clarified by the CBDT that even if the Assessing Officer of searched person and the other person are one and the same, then also he was required to record his satisfaction as has been held by the Courts.*

*13. Applying the ratio laid down by the Hon'ble Supreme Court, satisfaction note has to be prepared by the Assessing Officer of searched person at the time of or along with the initiation of proceedings against searched person; or in the course of the assessment proceedings of searched person; or immediately after the assessment proceedings of the searched person. This view of the Hon'ble Supreme Court though in the context of proceedings under section 158BD of the Act has to be applied even for the proceedings to be initiated under section 153C of the Act. In other words, where any document is found or requisitioned or books of account are found and / or any other asset or valuable article or thing is found, which belongs to a person other than searched person, then the Assessing Officer of searched person has to record satisfaction in this regard before handing over the documents to Assessing Officer having jurisdiction over 'other person', other than searched person. In such scenario, where provisions of the Act have been made clear by Hon'ble Supreme Court, no other view is sustainable.*

*14. Now, coming to the facts of present case. We make reference to sequence of events as noted by CIT(A) at page 5 of appellate order. On 29.07.2003, search action was carried out at the office and residential premises of search party. On 27.03.2006 order under section 143(3) r.w.s. 153A of the Act was passed in the case of searched party. Further, on 15.06.2007, the Assessing Officer of searched party passed on information / seized documents to the jurisdictional Assessing Officer of assessee. On 18.02.2008, notice under section 153C of the Act was served upon the assessee. On 25.02.2008, letter was filed by assessee stating that original return of income filed be treated as return filed in response to notice issued under section 153C r.w.s. 153A of the Act. Thereafter, assessment proceedings were taken up on various occasions and assessment order under section 143(3) r.w.s. 153C of the Act was passed on 30.12.2008. In such scenario, where assessment of searched person was completed on 27.03.2006, then the handing over of seized documents by Assessing Officer of searched person to the jurisdictional Assessing Officer of assessee on 15.06.2007 is belated and is beyond the period prescribed in section 153C of the Act for initiation of proceedings under section 153C of the Act. Accordingly, we hold so. Even the Circular issued by CBDT dated*

*31.12.2015 lays down such proposition, in turn, applying the ratio laid down by the Hon'ble Supreme Court in the case of M/s. Calcutta Knitwears (supra). Accordingly, we hold that proceedings initiated under section 153C of the Act are beyond the time prescribed and hence, are invalid and consequently, assessment order passed under section 143(3) r.w.s. 153C of the Act stands annulled. The grounds of appeal No.4 and 5 raised by assessee are thus, allowed and all other grounds of appeal raised by assessee become academic in nature."*

15. In so far as the case law relied upon by the Ld. DR in the case of **Indian National Congress Vs. DCIT** (supra), in our considered opinion, the facts of the above case are entirely different and not related to the limitation provided for recording satisfaction u/s.153C of the Act and issue of notice u/s.153C of the Act and therefore above case is not applicable to the present case. In any case, even if the decision relied upon by the Ld. DR is applicable to the facts of the present case, but fact remains that since there are divergent views on the issue, in view of the decision of Hon'ble Supreme Court in the case of **CIT Vs. Vegetable Products Ltd.** (1973) 88 ITR 192 (SC), in our considered view, the view which is favourable to the assessee should be considered. Since the Hon'ble Supreme Court and majority of Hon'ble High Courts have taken a view that notice issued u/s.153C of the Act after a period of 10 months to 1 ½ year is barred by limitation and in our considered view by applying the above case laws in the present case, notice issued u/s.153C of the Act dated 03/08/2022 after a period of 10 months is not a valid notice and consequently, the assessment order passed by the Assessing Officer u/s.153C of the Act dated 12.03.2024 is invalid, void ab initio and liable to be quashed. We, order accordingly.

16. The assessee has raised various grounds on the additions made by the Assessing Officer towards consideration paid in cash for purchase of property as per the agreement of sale and documents seized at the time of search and claimed that the additions made by the Assessing Officer is not made on any material found during the course of search but on the basis of dumb documents which cannot be upheld. The learned Department Representative also argued that the additions made by the Assessing Officer is based on incriminating material found in the search. Although both the parties have argued their case based on the incriminating material found during search and consideration paid in cash as unexplained investment u/s. 69A of the Act, but in our considered opinion, the issue becomes academic in nature because, the assessee has got relief on legal grounds where we hold that the assessment order passed by the Assessing Officer u/s. 153C of the Act is bad in law and accordingly quashed. Since, the assessee got relief on legal grounds, in our considered view, the other grounds taken on merit in respect of the additions made towards cash consideration as unexplained investment u/s.69 of the Act become infructuous. Thus, the other grounds taken by the assessee are dismissed as infructuous.

17. In the result, the appeal of the assessee is allowed.

**ITA No1672/Hyd/2025 A.Y 2018-19**

18. The facts and issues involved in this appeal filed by the assessee are identical to the facts and issues, which, we had

considered in assessee's own case for the A.Y 2017-18 in ITA No.1671/Hyd/2025. The reasons given by us in preceding para-Nos. 8 to 15 shall mutatis mutandis applies to this appeal, as well. Therefore, for similar reasons, we are of the considered view that the notice issued by the A.O under section 153C of the Act on 3/8/2022 after a period of 10 months is not a valid notice and consequently, the assessment order passed by the A.O under section 153C of the Act dated 12/03/2024, is invalid, void ab initio and liable to be quashed. We, order accordingly.

19. In the result, appeal filed by the assessee in ITA No.1672/Hyd/2025 is also allowed.

20. To sum up, both the appeals of the assessee are allowed.

Order pronounced in the Open Court on 25<sup>th</sup> February 2026.

Sd/-

Sd/-

<b>(VIJAY PAL RAO) VICE PRESIDENT</b>	<b>(MANJUNATHA, G.) ACCOUNTANT MEMBER</b>
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Hyderabad, dated 25<sup>th</sup> February 2026.

**VBPsp**

Copy to:

S.No	Addresses
1	Shri Fayaz Ahmed, C/o P Murali & Co. CAs, 6-3-655/2/3 Somajiguda, Hyderabad 500082
2	Dy. CIT, Central Circle 2(4), Hyderabad
3	Pr. CIT – Central, Hyderabad
4	DR, ITAT Hyderabad Benches
5	Guard File

*By Order*