IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO.1020 OF 2016

Principal Commissioner of Income Tax-
(Central)-4 ... Appellant
V/s.
M/s Natraj Finance & Services Ltd. ... Respondent

Mr.Tejveer Singh for the Appellant.

CORAM : AKIL KURESHI AND
B.P.COLABAWALLA, JJ.
DATE : JANUARY 08, 2019.

P.C.:-

1. This appeal is filed by the revenue to challenge the judgment of the Income Tax Appellate Tribunal. Following question has been presented for our consideration:-

> "Whether on the facts and in the circumstances of the case and in law, the ITAT was justified in upholding the order of the CIT(A) annulling the assessment u/s 143(3) r.w.s. 153C as the AO had not recorded the satisfaction note before issue of notice u/s 153C without appreciating the fact that the Assessing Officer assessing the searched persons u/s 153A and the Assessing Officer assessing the assessee company u/s 153C were one and the same and in the orders u/s 153A in the case of the searched persons, the AO had brought the fact that the assessee

> company was one of the companies floated by the searched persons to launder the ill-gotten money of Mr.Madhu Koda and associates which clearly showed the satisfaction of the Assessing Officer in issuing the notice u/s 153C of the I.T.Act?"

2. The question as framed by the revenue does not bring about the real controversy at a first glance. However, having heard learned counsel for the revenue and having perused the documents on record, we gather that the issue involved is of validity of the notice under Section 153C of the Income Tax Act, 1961 and consequential assessment carried out by the Assessing Officer.

3. The CIT (Appeals) and the Tribunal concurrently held that the Assessing Officer had not recorded any satisfaction that any money, bullion, jewellery or books of accounts of documents seized or requisition belong to the person other than the searched person. The Tribunal referred to and relied upon the decision of the Supreme Court in case of **Manish Maheshwari V. Asstt. CIT**[1] holding that recording of such satisfaction was

1 (2007) 289 ITR 341(SC)

mandatory. Learned counsel for the revenue however argued that the Assessing Officer was common both for the searched person and the present assessee i.e. a person other than the searched person. However, this by itself would not make nay difference in so far as requirements of satisfaction is concerned. No order, noting, document or even part of the assessment order of the searched person was produced before the Tribunal, despite opportunity being granted to the revenue to demonstrate that the Assessing Officer had recorded such a satisfaction. In the result, we find no error in the view of the Tribunal. Tax Appeal is dismissed.

(B.P.COLABAWALLA,J.) **(AKIL KURESHI,J.)**

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