



Karnataka HC dismissed the applicability of Section 153C where no satisfactory reasons were recorded by the AO

Gali Janardhana Reddy [TS-287-HC-2023(KAR)]

New Delhi, May 31st, 2023

The present appeal was filed by the revenue to set aside the impugned order of the Hon'ble ITAT of Bengaluru which stated that the Assessment proceedings held u/s 153C were invalid as there was no satisfaction note found for the searched person and only one satisfaction note was discovered from the Assessee who comes under the category of "other than searched person". The order was challenged by the revenue before the Hon'ble HC of Karnataka on the basis that the Hon'ble ITAT erred in passing the said order and does not take into account that the assessment order was passed after recording all the satisfaction.

The Hon'ble HC of Karnatka held that:

- The hon'ble HC upheld the order of the Hon'ble ITAT. It stated that according to section 153C recording of satisfaction note is a necessary requirement which was not fulfilled by the revenue before passing the assessment order against the Assessee.
- It also stated that with regard to the facts and circumstances of the present case, the appeal filed by the revenue is rejected and the order passed by the Hon'ble ITAT Bangalore are confirmend.

