Chennamaneni Mithun Chand,Hyderabad vs Acit Central Circle-1(1), Hyderabad on 15 May, 2026

,
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'B' Bench, Hyderabad

BEFORE SHRI VIJAY PAL RAO, VICE PRESIDENT
AND
SHRI MANJUNATHA G. ACCOUNTANT MEMBER

. . /ITA Nos.979 & 980/Hyd./2026
Assessment Years 2022-2023 & 2023-2024

Chennamaneni Mithun Chand, Hyderabad - 500 059. Telangana. PAN AFRPC8969E	vs.	The ACIT, Central Circle-1(1), Hyderabad - 500 004.
(Appellant)		(Respondent)

For Assessee : Sri MV Prasad, CA
Sri Narender Kumar Naik, CIT-DR
For Revenue : And
Dr. Sachin Kumar, Sr. AR

Date of Hearing : 29.04.2026
Date of Pronouncement : 15.05.2026

/ORDER

PER VIJAY PAL RAO, VICE PRESIDENT :

These two appeals by the Assessee are directed against two separate Orders of the learned CIT(A)-11, Hyderabad dated 23.03.2026 and dated 25.03.2026 for the assessment years 2022-2023 and 2023-2024, respectively.

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2. For the assessment year 2022-2023 the assessee has raised the following grounds of appeal:

1. "On the facts and circumstance of the case and in law, Learned CIT(A) is not justified in dismissing the appeal.

2. On the facts and circumstances of the case and in law, issue of notice U/s 143(2) is bad in law and consequent Assessment U/s 143(3) is void-abinitio.

3. On the facts and circumstance of the case and in law, the Assessment order passed by the Assessing Officer is barred by limitation as per the Provisions of Section 153 of Income Tax Act.

4. On the facts and circumstance of the case and in law, Learned CIT(A) is not justified in sustaining the addition of Rs.287,00,00,000/- under section 56(2)(x) of the Act.

5. On the facts and circumstance of the case and in law, the addition made by the AO which was sustained by Learned CIT(A) is not justified without observing the fact that whether to treat the pen drive as admissible evidence the certificate under section 65B of the evidence act shall reflect the conditions prescribed under section 65B.

6. On the facts and circumstance of the case and in law, Learned CIT(A) is not justified in sustaining the addition made by the AO without observing the fact that data relied upon is found in the premises and possession of third party without Corroborative evidence.

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7. On the facts and circumstance of the case and in law, Learned CIT(A) is not justified in sustaining the addition under Section 56(2)(x) as the appellant has not sold any land for which the alleged consideration has been received as suspected by revenue authorities.

8. On the facts and circumstance of the case, the Learned CIT(A) is not justified in sustaining the addition made by the AO as addition is made based on surmises and conjectures.

9. On the facts and circumstance of the case, the Assessing Officer failed to prove the nexus between the notings in the seized material and the nature of transaction.

10. On the facts and circumstance of the case, the presumption under Section 132(4A) is not applicable in the case of appellant.

11. Without prejudice to the above grounds, On the facts and circumstance of the case, there is undisputed fact that the Investigation department or the Assessing Officer neither any undisclosed cash nor any unaccounted investment or unaccounted assets were found which clearly militates against the finding of the AO of receipt of unaccounted cash to the tune of Rs.405 crores by the assessee during the period from September 2021 to August, 2022 based on unilateral entries made in the name of the Appellant.

12. On the facts and circumstance of the case, the Assessing Officer failed to prove with evidence to corroborate actual passing of cash between the parties in respect of cash ITA.Nos.979 & 980/Hyd./2026 entries in the seized document other than the presumptions.

13. On the facts and circumstance of the case, the Learned CIT(A) is not Justified in sustaining the addition without appreciating that third party material cannot be relied upon to draw any adverse inference against the appellant in the absence of unearthing of independent corroborative evidence to authenticate the contents which were made unilaterally.

14. On the facts and circumstance of the case, the addition made is not justifiable purely by relying on the statement of third person which is not binding on the appellant.

15. On the facts and circumstance of the case, the case laws quoted by the Assessing officer which were followed by Learned CIT(A) is distinguishable to the present facts of the case.

16. Any other legal ground or factual grounds that may be urged at the time of hearing of the appeal."

3. Ground no.1 is general in nature and does not require any specific adjudication.

4. Ground no.2 is regarding validity of notice issued u/sec.143(2) of the Income Tax Act [in short "the Act"], 1961.

5. At the time of hearing, the learned Authorised Representative of the Assessee has stated at Bar that the ITA.Nos.979 & 980/Hyd./2026 assessee does not press ground no.2 and the same may be dismissed as not pressed.

6. On the other hand, the learned DR has no objection if ground no.2 of assessee's appeal is dismissed as not pressed.

7. We, therefore, dismiss ground no.2 of assessee's appeal being not pressed.

8. Ground no.3 the assessee has challenged the validity of assessment order passed by the Assessing Officer being barred by limitation as provided u/sec.153 of the Act.

9. The assessee is an individual and filed the return of income for the year under consideration on 30.12.2022 admitting total income of Rs.2,01,70,360/-. There was a search and seizure operation u/sec.132 of the Act carried out on 31.10.2022 in the case of the assessee. The case of the assessee was selected for scrutiny under "Compulsory Manual Selection" by issuing a notice u/sec.143(2) of the Act on 28.06.2023. The Assessing Officer has completed the assessment u/sec.143(3) of the Act on 27.09.2024 at a total ITA.Nos.979 & 980/Hyd./2026 income of Rs.289,01,70,360/-. The assessee challenged the assessment order by filing an appeal before the learned CIT(A) but could not succeed.

10. Before the Tribunal, the learned Authorised Representative of the Assessee has submitted that the assessment order passed by the Assessing Officer u/sec.143(3) dated 27.09.2024 is barred by limitation as per the limitation provided u/sec.153(1) of the Act read with fourth proviso. The learned Authorised Representative of the Assessee has submitted that though the Assessing Officer

vide letter dated 25.03.2024 has stated the extension of period of limitation from 31.03.2024 to 27.09.2024 however, the said extension of time limit is permitted only to the extent of time consumed for handing-over of the seized material to the Assessing Officer from the end of assessment year and not the time period before the starting period of limitation i.e., prior to 01.04.2023. He has thus contended that the time period for completion of the assessment as extended under Clause-(xii) of Explanation-1 of Sec.153 of the Act can be excluded which is wasted from reckoning the limitation ITA.Nos.979 & 980/Hyd./2026 period till the end of the limitation period subject to maximum of 180 days. The Assessing Officer has extended the limitation up to 27.09.2024 by calculating time period from the date of search till the handing-over of the seized material subject to maximum period of 180 days. The learned Authorised Representative of the Assessee has thus submitted that as per the letter dated 25.03.2024 the search material was handed-over to the Assessing Officer on 11.05.2023 and therefore, the exclusion of time period has to be calculated from 01.04.2023 to 11.05.2023 which comes to 41 days and therefore, the limitation for completion of the assessment gets extended from 31.03,.2024 to 11.05.2024. Thus, the learned Authorised Representative of the Assessee has submitted that the time period which the Assessing Officer lost in receiving the books of account has to be excluded from the period of limitation i.e., 12 months from the end of the relevant assessment year 2022-2023 and therefore, the 12 months period has to be reckoned from 11.05.2023 and will expire on 11.05.2024. The intention of the legislature for inserting exclusion Clause is to ITA.Nos.979 & 980/Hyd./2026 compensate the time period for completion of the assessment proceedings in a smooth manner. The Assessing Officer has excluded the time period which was not included in the limitation period reckoning from 01.04.2023 and completing on 31.03.2024. Thus, the learned Authorised Representative of the Assessee has submitted that the assessment order passed by the Assessing Officer on 27.09.2024 is invalid being barred by limitation and liable to be set aside. In support of his contention, he has relied upon the decision of this Tribunal dated 18.02.2026 in case of Shri Srinivasa Reddy Yeturu, Hyderabad vs. DCIT, Central Circle-1(2), Hyderabad in ITA.No.1898/Hyd./2025 and submitted that on identical facts arising from the same search and seizure action, the Tribunal has decided this issue in favour of the assessee and against the Revenue.

11. On the other hand, the learned DR has submitted that the language of sec.153 read with Clause-(xii) of Explanation-1 contemplates the exclusion of the time period wasted in receiving the books of account or seized material by the Assessing Officer up to 180 days. Therefore, the ITA.Nos.979 & 980/Hyd./2026 exclusion period up to 180 days has to be calculated from the date of search till the receipt of books of account/seized material. He has relied upon the Orders of the authorities below.

12. We have considered the rival submissions as well as relevant material on record. There is no dispute that the assessee was subjected to search and seizure action u/sec.132 of the Act on 31.10.2022 and thereafter, the assessee filed the return of income on 30.12.2022 for the year under consideration. The limitation for completion of the assessment as per the provisions of sec.153(1) read with 4 th proviso is 12 months from the end of the assessment year under consideration. For the sake of ready reference, sec.153C(1) with 4th proviso is quoted as under:

"153. Time limit for completion of assessment, reassessment and recomputation.

(1) No order of assessment shall be made under section 143 or section 144 at any time after the expiry of twenty-

one months from the end of the assessment year in which the income was first assessable.

xxxxx xxxxx xxxxx ITA.Nos.979 & 980/Hyd./2026 Provided also that in respect of an order of assessment relating to the assessment year commencing on or after the 1st day of April, 2022, the provisions of this sub- section shall have effect, as if for the words "twenty-one months", the words "twelve months" had been substituted.

xxxxx xxxxx xxxxx

12.1. Thus, in normal course, the limitation for

completion of the assessment reckons from 01.04.2023 and expires on 31.03.2024. Since there was a search and seizure action and Clause-(xii) of Explanation-1 to sec.153 provides exclusion of time period in computation of period of limitation commencing from the date on which the search is initiated or requisition is made and ending on the date of which books of account or other documents etc., are handed-over to the Assessing Officer having jurisdiction over the assessee not exceeding 180 days. Thus, the time period which is lost in receiving the books of account or other seized material by the Assessing Officer having jurisdiction over the assessee up to the maximum limit of 180 days will be excluded from the computation of limitation. The limitation period is provided ITA.Nos.979 & 980/Hyd./2026 as 12 months from the end of the assessment year i.e., the limitation reckoning from 01.04.2023 and ending on 31.03.2024. The time period which is lost in receiving books of account will be excluded not more than 180 days. In the case in hand, undisputedly the Assessing Officer received the books of account on 11.05.2023 and therefore, the Assessing Officer will get the clear 12 months limitation period for completion of the assessment from the date of receipt of books of account and other seized material. In otherwords, the limitation after exclusion of the time period lost in receiving the books of account/seized material will reckoned from the date when the Assessing Officer has received the books of account subject to the condition that the said period cannot be more than 180 days. In the case in hand, the books of account were received on 11.05.2023 and therefore, only 41 days were lost by the Assessing Officer out of the limitation period of 12 months reckoning from 01.04.2023 and ending on 31.03.2024. Thus, after giving the benefit of Clause-(xii) of Explanation-1 to Sec.153 of the Act, if the clear 12 months period is available with the Assessing Officer reckoning from ITA.Nos.979 & 980/Hyd./2026 11.05.2023 then, the limitation will expire will expire on 11.05.2024. In otherwords, if 41 days are excluded from the limitation period reckoning from 01.04.2023 then, the clear 12 months limitation would expire on 11.05.2024. Even otherwise Clause-(xii) of Explanation-1 to Sec.153 compensate the time period lost by Assessing Officer in recovery of books of account or other seized material and not to provide more than 12 months after receiving the seized material. An identical issue has been considered by this Tribunal in the case of Shri Srinivasa Reddy Yeturu, Hyderabad vs. DCIT, Central Circle-1(2), Hyderabad (supra), in Para nos.10 and 11 as under:

"10. We have heard both the parties, perused the material available on record and had gone through the orders of the authorities below. It is an admitted fact that a search & seizure operation under section 132 of the I.T. Act was carried out in the case of the assessee on 4/1/2023. It is also an admitted fact that the seized material is handed over to the A.O on 22/08/2023, which is evident from the letter of the A.O dated 22/03/2024. The normal time limit for completion of the ITA.Nos.979 & 980/Hyd./2026 assessment under section 153(1) of the Act is 21 months from the end of the A.Y in which the income was first assessable. Fourth proviso to section 153 inserted by the Finance Act, 2021 reduced the time limit from 21 months to 12 months in respect of an order of assessment relating to the A.Y commencing on or after 1/4/2022. In other words, as per section 153 and 4th proviso provided thereon, the time limit for completion of the assessment for the A.Y 2022-23 is 12 months from the end of the A.Y, in which the income is first assessable. In the present case, the Asst. Year involved is Asst. Year 2022-23 and time limit for completion of assessment is 12 months from the end of the A.Y 2022-23 i.c. up to 31/03/2024. However, the case of the assessee falls under clause (xii) of Explanation (1) to section 153 of the Act, because a search and seizure operation was conducted under section 132 of the Act on 4/1/2023 and as per clause (xii) of Explanation (1) to section 153, the period (not exceeding 180 days) commencing from the date of search initiated under section 132 of the Act and ending on the date on which the books of account or other document are handed over to the A.O having jurisdiction over the assessee shall be excluded. Therefore, from clause (xii) of Exp. (1) to section 153 of the Act, the A.O gets exclusion of 180 days for the purpose of computing the limitation provided under section 153(1) of the Act, towards the time taken by the A.O of the searched person to hand over the ITA.Nos.979 & 980/Hyd./2026 books of account or any other valuable articles or things to the A.O of the assessee up to a maximum of 180 days, even if the time taken by the A.O of the searched person is more than 180 days. If we carefully read clause (xii) of Exp. (1) to section 153 of the Act, it is not an extension of limitation provided for completion of assessment, but it is only exclusion of time taken by the A.O of the searched person which was lost by the A.O of the assessee for assessing the income of the assessee up to a maximum of 180 days. Therefore, while computing the limitation period, the period of 180 days starting from the date of search to ending on the date of handing over books of accounts should be excluded for computing period of limitation. Therefore, in our considered view, if the time taken by the A.O of the searched person covered during the limitation period, then the entire time taken by the A.O for handing over the books of account not exceeding 180 days can be excluded. In case, the time taken by the A.O for handing over the seized material partially goes under the limitation period and partially goes under the other financial year or non-limitation period, then only the time lapsed by the A.O during the limitation period alone should be excluded, because clause (xii) of explanation (1) to section 153 of the Act is only excludes the period taken by the A.O for handing over the books of account but, it shall not extend the period up to 180 days.

Therefore, it is necessary for us to examine the argument ITA.Nos.979 & 980/Hyd./2026 of the learned Counsel for the assessee, in the light of date of initiation of search and date of handing over of the books of account and other valuable materials and the date of the assessment order in light of clause (xii) of explanation (1) of section 153 of the Act.

11. In the present case, search was conducted on 4/1/2023. The A.O of the assessee received seized material on 22/08/2023. As per clause (xii) of Exp. (1) to section 153 of the Act, the period commencing from 4/1/2023 to 22/08/2023 shall be excluded for the purpose of computing the limitation period. Admittedly, the period starting from 4/1/2023 and up to 22/08/2023 falls in two financial years i.e. (i) from 4/1/2023 to 31/03/2023 falls under financial year 2022-23 and (ii) date commencing from 1/4/2023 to 22/08/2023 falls in financial year 2023-24. In the present case, admittedly, the limitation period for completing the assessment starts from 1/4/2023 and in fact the A.O had issued notice under section 143(2) of the Act on 20/06/2023. The time taken by the A.O for handing over the books of account and other materials from 4/1/2023 to 22/08/2023 is 231 days. As per clause (xii) of explanation (I) of section 153, the period taken by the A.O shall not exceed 180 days. As we have already noted in the earlier paragraphs of this order, Exp.(1) of clause (xii) is only an exclusion clause and ITA.Nos.979 & 980/Hyd./2026 therefore, whatever time lost by the A.O in the limitation period alone can be excluded for the purpose of computation of limitation period. In other words, if the time taken by the A.O from the date of search to the handing over of the books of account does not fall under the limitation period, then obviously there is no inconvenience is caused to the A.O because of such proceeding and consequent handing over of the books of account and consequently, there is no question of exclusion of the period which is not covered in the limitation period. For example, if the search is conducted on 04/01/2022 and the books of account and other materials are handed over to the A.O on 22/08/2022, in such a situation, the A.O has lost the period from 04/01/2022 to 22/08/2022 and the entire period is not covered in the limitation period and therefore, the question of excluding the period not exceeding 180 days shall not arise. Suppose if the search is conducted on 25/03/2023 and the books of account are handed over on 30/09/2023, then the period not exceeding 180 days shall be excluded, because the entire period is covered under limitation period for the Assessment. Year 2022-

23. However, in a situation like in the present case, if search is initiated on 4/1/2023 and the books of accounts are handed over on 22/08/2023, although the A.O had taken more than 180 days for handing over the books of accounts, but in view of clause (xii) of ITA.Nos.979 & 980/Hyd./2026 explanation (1) of section 153, the period not exceeding 180 days shall be excluded for the purpose of computing the limitation period. However, the fact remains that, in the present case, the period taken by the AO for handing over books of account is covered in two financial years, i.e. (1) from 4-1-2023 to 31-03-2023 in financial year 2022-23 and (ii) the period from 1-4-2023 to 22-08-2023 in financial year 2023-24. Further, in the present case, for the Assessment. Year 2022-23, limitation period starts from 1-4-2023. The time taken by the AO for handing over books of accounts to the AO of the assessee starting from 4/1/2023 to 31/03/2023 is not included in the above limitation period. Since, in the present case, the time taken by the A.O for handing over the books of account is not fully included in the limitation period, in our considered view, the period lost by the A.O in the process of receiving the books of account from the A.O and included in the limitation period alone should be excluded. Therefore, if we exclude the period lost by the A.O in the process of search and

handing over the books of account, which is covered in the limitation period, then only the period starting from 1/4/2023 and up to 22/08/2023 shall alone be excluded for computing the limitation period. In the present case, the time limit for completion of the assessment is up to 31/03/2024 and the time lost by the A.O in the process of handing over the books of account by the A.O is 144 days from 1/4/2023 ITA.Nos.979 & 980/Hyd./2026 to 22/08/2023 and if we add 144 days from 31/03/2024, then the A.O shall get the time limit for passing the assessment order up to 22/08/2024, whereas the AO passed Assessment order on 27-09- 2024. Since the A.O passed the assessment order on 27/09/2024, in our considered view, the assessment order passed by the A.O is clearly barred by limitation in view of specific provisions of clause (xii) of Explanation (1) to section 153 of the Act. Thus, we quash the assessment order passed by the A.O under section 143(3) of the I.T. Act, 1961 dated 27/09/2024. We order accordingly."

12.2. Accordingly, in the facts and circumstances of the case as discussed above and in view of the earlier Order of this Tribunal dated 18.02.2026 (supra), we are of the considered view that the assessment order passed by the Assessing Officer on 27.09.2024 is barred by limitation and consequently, the same is invalid and liable to be set aside. Ground no.3 of the assessee is allowed. We Order accordingly.

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13. On ground nos.4 to 13, the learned Authorised Representative of the Assessee has submitted that the Assessing Officer has made the addition on the basis of the evidence gathered during the search and seizure operation in the case of third party i.e., M/s. Phoenix and M/s. Sreenidhi Group and therefore, in the absence of any corroborative evidence the addition made by the Assessing Officer by invoking the provisions of sec.56(2)(x) of the Act is unsustainable on facts as well as on law. He has submitted that the Assessing Officer has mis-applied the said provision based on an erroneous application of fact and interpretation of law. The evidences which was relied upon by the Assessing Officer was discovered during the course of search of the premises of M/s. Phoenix and M/s. Sreenidhi Group on 23.08.2022. Further even the notings in the said material which is an excel sheet saved in a pendrive and two registers maintained by these third parties found and seized from the custody of the employees of these third parties reflecting the transactions relating to these third parties. Therefore, the excel sheet found and seized during the search and seizure ITA.Nos.979 & 980/Hyd./2026 action of the third parties as well as from the possession of the third parties cannot be regarded as an incriminating material for making an addition in the hand of the assessee as the assessee was neither a signatory of the seized material nor the same was prepared by the assessee or acknowledged any transaction of alleged cash receipt by the assessee. The learned Authorised Representative of the Assessee has thus contended that the entries made unilaterally by third party in the excel sheet/loose sheet without the knowledge of the assessee or without authentication of the assessee, has no evidentiary value in the case of the assessee in the absence of any independent corroborative evidence either found during the course of search and seizure or brought by the Assessing Officer on record. There is no corroborative material showing the cash receipts or any agreement signed by the assessee or any other document acknowledged or signed by the assessee to authenticate the veracity of the entries of cash payment in such material found and seized from the possession of the third party to make an addition in the hand of the assessee. The learned

Authorised ITA.Nos.979 & 980/Hyd./2026 Representative of the Assessee has thus contended that there is a separate search and seizure action in the case of assessee on 31.10.2022 whereas these material relied upon by the Assessing Officer was found and seized in the search and seizure action on 23.08.2022 in the case of M/s. Phoenix and M/s. Sreenidhi Group. He has pointed out that during the course of assessment as well as search and seizure proceedings, the statement of the assessee was recorded wherein the assessee has clearly explained that he has no connection with the alleged transactions in the seized material or any transaction of sale of land of 60 acres. The assessee has also explained that he has no financial or any transaction with M/s. Phoenix and M/s. Sreenidhi Group. The Assessing Officer has placed reliance on the statement of the employees of the M/s. Phoenix and M/s. Sreenidhi Group. However, the statement of the employees lacks evidentiary value because those statements were retracted subsequently. Further there is no specific question or any statement about the payment made to the assessee. A general statement cannot be considered to be attributable to the ITA.Nos.979 & 980/Hyd./2026 assessee. In support of his contention he has relied upon the Judgment of Hon'ble Delhi High Court in the case of CIT vs. Sant Lal [2020] 423 ITR 1 (Del.HC) as well as Judgment of Hon'ble Allahabad High Court in the case of CIT, Kanpur vs. Shadiram and Others [2011] 9 taxmann.com 193 (All.HC). The learned Authorised Representative of the Assessee has submitted that the addition made by the Assessing Officer on the basis of the excel sheets seized from the third party without any independent corroborative evidence is not sustainable in law. He has also relied upon the following Judgments:

i. Judgment of Hon'ble Patna High Court in the case of Dharmaraj Prasad Bibhuti vs. ITAT, Patna [2019] 109 taxmann.com 388 (Patna-HC);

ii. Order of ITAT, Ahmedabad in the case of Sheth Akshay Pushpavadan vs. DCIT [2010] 130 TTJ 42 (Ahmedabad-Tribu.);

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14. The learned Authorised Representative of the Assessee has further contended that the provisions of sec.132(4A) r.w.s.292C of the Act are not applicable in respect of the said seized documents in relation to the assessee because the said document was not found and seized from the possession of the assessee but it was seized during the course of a separate search in the case of third party. Therefore, no presumption can be raised that the seized documents belongs to the assessee under the provisions of sec.132(4A) r.w.s.292C of the Act. In support of his contention, he has relied upon the Judgment of Hon'ble Gujarat High Court in the case of Pr. CIT, Surat-1 vs. Gaurang Bhai Pramod Chandra Upadhyay in R/Tax Appeal No.98 of 2020 with R/Tax Appeal Nos.100,103 and 104 of 2020, dated 25.02.2020. He has also relied upon Judgment of Hon'ble Patna High Court in the case of Dharmaraj Prasad Bibhuti vs. ITAT, Patna [2019] 109 taxmann.com 388 (Patna-HC) and submitted that presumption u/sec.292C can be drawn only on such person from whose possession or control any books of account or ITA.Nos.979 & 980/Hyd./2026 other documents, money, bullion, jewellery or other valuable article or things are found during the search.

15. The learned Authorised Representative of the Assessee then also questioned the excel sheet taken from the pendrive/computer as an admissible evidence in the absence of Certificate u/sec.65B of the Evidence Act. He has contended that even the CBDT has issued instructions regarding digital evidence investigation manual which suggest that the evidence collected from the electronic media must be authenticated as per the provisions of sec.65A and 65B of the Evidence Act. In support of his contention, he has relied upon the decision of ITAT, Visakhapatnam Bench in the case of M/s. Polisetty Somasundaram, Guntur vs. The DCIT, Guntur in ITA.Nos.172 to 180/Viz./2023, dated 18.08.2023. Thus, the learned Authorised Representative of the Assessee has submitted that the said seized material is not admissible evidence in the absence of a Certificate u/sec.65B of the Indian Evidence Act.

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16. The next contention of the learned Authorised Representative of the Assessee is that the assessee cross examined the person whose statement is relied upon by the Assessing Officer and during the cross examination the witnesses has denied having paid any cash to the assessee. Further, the Assessing Officer has added two zeros to the amount which are recorded in the alleged seized material that too without any corroborative evidence. The two zeros to the figure are added by the Assessing Officer based on the statement and confession obtained by the department during the search and seizure action. Thus, the seized material itself does not reflect the alleged amount of cash payment to the assessee. During the course of appellate proceedings before the learned CIT(A), the assessee was given an opportunity to cross examine Sri Naresh Girisala. In the cross examination as recorded on 03.03.2026 Sri Naresh Girisala has denied the fact of any cash payment to the assessee. He has further contended that apart from the cross examination the said witness also retracted his statement by filing an affidavit on 09.09.2022 before the DDIT, Mumbai and therefore, the said ITA.Nos.979 & 980/Hyd./2026 statement as relied upon by the Assessing Officer has no evidentiary value particularly when it was retracted and further when the assessee has cross examined the witness wherein the witness has denied any transaction or cash payment to the assessee. Though the search was conducted in the case of the assessee on 31.10.2022 however, neither any undisclosed cash nor any unaccounted investment or unaccounted assets were found during the search and seizure action in the case of the assessee. Thus, the addition made by the Assessing Officer based on the inadmissible evidence militates the facts of any undisclosed cash or unaccounted investment detected during the search in the case of the assessee. Thus, the learned Authorised Representative of the Assessee has submitted that the provisions of sec.56(2)(x) are not attracted in the facts and circumstances of the case when the transaction itself is not proved and disputed by the assessee. He has relied upon the decision of ITAT, Visakhapatnam in the case of P Koteswara Rao vs. DCIT, Central Circle in ITA.Nos.251 and 252/ Viz./2012 and submitted that the Tribunal has passed the ITA.Nos.979 & 980/Hyd./2026 said order by relying on earlier decision of ITAT, Hyderabad Bench in the case of K.V. Lakshmi Savitri Devi vs. ACIT [2012] 148 TTJ 157 which has been affirmed by the Hon'ble Andhra Pradesh High Court in ITTA No.563 of 2011. Thus, the learned Authorised Representative of the Assessee has submitted that it has been held that maker of the statement can bind himself but cannot bind on others without there being any further evidence on record. In the case of the assessee the Assessing Officer has not conducted any independent enquiry and therefore,

the additions made by the Assessing Officer in the absence of any corroborative evidence is not sustainable in law.

17. On the other hand, the learned DR has submitted that there is a clear evidence found during the course of search and seizure showing various entries of cash payment to the assessee as per the excel sheet taken from the pendrive found during the course of search and seizure action in the case of M/s. Phoenix and M/s. Sreenidhi Group. The said seized material was confronted with the assessee during the course of search and seizure action in the case of the assessee ITA.Nos.979 & 980/Hyd./2026 and therefore, once the material was confronted with the assessee and manifest the transactions of cash payment recorded in the name of the assessee, then the said evidence itself goes to prove that the assessee received the payment in cash which is unaccounted and undisclosed. He has further submitted that during the course of search and seizure in the case of M/s. Phoenix and M/s. Sreenidhi Group the entries in the seized material were confronted to the concerned persons of the said group to explain the nature of transaction and also admitted the fact that these payments are made in cash in respect of 60 acres of land parcel located at Moosapet, Hyderabad. The learned DR has further contended that the buyer has admitted the payment of cash as recorded in the seized material and therefore, the admission on the part of the buyer of the land is corroborative evidence of the transactions recorded in the seized material. Thus, the substantial evidence clearly proves beyond doubt that in the transaction of sale of land the assessee has received the amount of cash as recorded in the seized material. He has relied upon the Orders of the authorities below.

ITA.Nos.979 & 980/Hyd./2026

18. We have considered the rival submissions as well as relevant material on record. The Assessing Officer has made the addition on account of cash receipt transactions found in the seized material during the course of search and seizure action in the case of M/s. Phoenix and M/s. Sreenidhi Group conducted on 23.08.2022. The relevant facts and findings recorded by the Assessing Officer in Para nos.6.6 to 8.3 are as under:

> "6.6. All the above cash transactions mentioned in the material seized during the course of Search action in the case of M/s Phoenix Group & M/s Sreenidhi Group on 23.08.2022 vide annexure DSM/A/06 and annexure DSM/A/09 corroborate the fact that M/s Sreenidhi & M/s. Phoenix group of entities have made cash payments to the tune of Rs. 405,00,00,000/- to Sri Chennamaneni Mithun Chand as found from the excel workbook, "Receipts & Payments 11.04.2022". Further, the correctness of the above excel workbook "Receipts & Payments11.04.2022" was confirmed by Sri Naresh Girisala who is the cash handler of M/s Phoenix Group ITA.Nos.979 & 980/Hyd./2026 and M/s Sreenidhi Group of entities. Sri KUVSS Srihari, key Director of M/s Phoenix Group and M/s Sreenidhi Group has not only confirmed the correctness of the above excel workbook but also could explain various columns of the workbook. This shows the importance attributed to the excel workbook "Receipts & Payments 11.04.2022" and also the fact that the workbook is monitored at the highest level. Further, the assessee, Sri Chennamaneni Mithun Chand admitted his acquaintance with Sri KUVSS Srihari, Key Director of M/s Phoenix Group and M/s

Sreenidhi Group entities. Sri Chennamaneni Mithun Chand is a Whole time Director of a reputed company, M/s Kaveri Seeds Company Limited and his acquaintance with Sri KUVSS Srihari, Key Director of M/s Phoenix Group and M/s Sreenidhi Group entities is not a surprise, but his acquaintance with Sri Naresh Girisala and Sri Balakrishna Bogineni, who are low level employees and designated cash handlers of M/s Phoenix Group and M/s Sreenidhi Group entities is something uncommon. While Sri Naresh Girisala deposed ITA.Nos.979 & 980/Hyd./2026 that he is an Accountant who looks after cash handling matters of M/s Phoenix Group and M/s Sreenidhi Group entities, the version of the assessee Sri Chennamaneni Mithun Chand that he met Sri Naresh Girisala at least 14 recorded occasions at his residence to discuss "Plans, diagrams, floor designs and other matters" of upcoming projects is found to be hollow, illogical and far from truth.

7. On perusal of the excel sheet Receipts & Payments 11.04.2022.xlsx' (Naresh Cash Book), maintained by Sri Naresh Girisala recording all the cash transactions handled by him on behalf of Phoenix and Sreenidhi Group of entities, several amounts of cash receipts from one person name "NHR Rajendra" were found recorded during the same period in which the cash payments were made to Sri Ch Mithunchand, the assessee. Sri Naresh Girisala identified "NHR Rajendra as an employee of Honer Group. On verification, it was found that "NHR Rajendra" is Sri Nandipati Rajendra Prasad, Admn. Manager of Honer Developers of Private Limited. Sri Naresh Girisala deposed that the cash ITA.Nos.979 & 980/Hyd./2026 receipts from "NHR Rajendra of Honer Group were received in 2021 and 2022 and were related to Kukatpally project land. The narration against such receipts was noted as "Land GCL", "GCL Land", etc., by Sri Naresh Girisala. Total Receipts from Honer Group in the names of "NHR Rajendra", Rajendra NHR", "Nalam Srinu NHR ac", and "NHR/Kasinath Land" by Sri Naresh Girisala were reconciled and quantified at Rs.345,29,32,500/-, and the same was confirmed by Sri Naresh Girisala. The receipt of cash from Honer Group was confirmed by Sri KUVSS Srihari in his statement recorded u/s.132(4) on 28.08.2022, and by Sri Gopikrishna Patibanda, CMD of Phoenix Group in his statement recorded u/s. 132(4) on 27.08.2022. They also confirmed the payments to Sri Ch Mithunchand, the assessee.

7.1. Statement of Sri Nandipati Rajendra Prasad was recorded by the DDIT(Inv.), Unit-l(1), Mumbai during the search on Honer Group, and further a statement of Sri Nandipati Rajendra Prasad was also recorded ITA.Nos.979 & 980/Hyd./2026 u/s.131 by the DDIT(Inv.), Unit-1(3), Hyderabad on 19.10.2022 with regard to the cash payments made on behalf of Honer Group to Sri Naresh Girisala of Phonenix/Sreenidhi Group. When confronted with the entries found in the excel sheet 'Receipts & Payments 11.04.2022.xlsx' maintained by Sri Naresh Girisala, Sri Nandipati Rajendra Prasad deposed that the transactions shown to me are mostly cash payments made by Honer Group to Sri Naresh Girisala. But, it is seen that Naresh Girisala has maintained these transactions in coded format by reducing the amounts by a factor of 100. The same transactions are also maintained by me in the

form of pocket diaries indicating actual amounts of cash payments. As seen in the extract, I have delivered cash totalling to Rs.345.29 Crores to Sri Naresh Girisala on behalf of Honer Group as per directions received from my boss Sri Swapna Kumar".

The relevant extract from the statement recorded is reproduced as under:

ITA.Nos.979 & 980/Hyd./2026 Please state about the transactions and 'payments' mentioned in the table extracted from pendrive possession by M/s. Naresh Girisala.

Ans: Sir, I have carefully read the extract from the excel sheet Receipts & Payments 11.04.2022 xlsx found in the pendrive recovered from personal possession of Shri Naresh Girisala in the course of search proceedings u/s 132 of the Act. But I am not aware of the format in which he was maintained these transactions. As per the knowledge, these transactions in the extract shown to me are mostly cash payments made by Honer group to Shri Naresh Girisala. But, it is seen that Naresh Girisala has maintained these transactions in coded format by reducing the amounts by a factor of 100. The same transactions are also maintained by me in the form of pocket diaries indicating actual amounts of cash payments. As seen in the extract, I have delivered cash totalling to Rs.345.29 crores to Shri Naresh Girisala on behalf of Honer group as per directions received from my boss Sri Swapna Kumar.

ITA.Nos.979 & 980/Hyd./2026 Please state about your relationship with Shri Naresh Girisala. Please elaborate to Q.11 whom Shri Naresh Girisala reports to and also explain the purpose of making these payments ?

Sir, the contact of Shri Naresh Girisala was Ans:

shared with me by my boss Shri Swapna Kumar for making cash payments time to time. I know that Shri Naresh Girisala is an employee associated with Sreenidhi group of companies.

However, I am not aware to whom Shri Naresh Girisala further reports to. Subsequently, I learnt that he is receiving payments in cash from Honer Group on behalf of Square Space Infracity LLP.

These are cash payments by Honer group made to Shri Naresh Girisala in the form of cash advances for purchase of lands at Moosapet.

ITA.Nos.979 & 980/Hyd./2026 Q.13 Please mention the names of final recipients of such cash advances through Naresh Girisala?

Ans: Sir, as stated earlier, Honer group has made payments in cash for purchasing lands to different parties. I am not aware of the parties with whom such cash payments finally reached.

I have merely delivered the cash time to time to shri Naresh Girisala and Shri Balakrishna Bhogineni on the directions of my boss Shri Swapna Kumar.

Sri Nandipati Rajendra Prasad deposed that the cash payments were made by Honer Group to Sri Naresh Girisala and his assistant Sri Balakrishna Bhogineni with respect to cash advances for purchase of land at Moosapet. Further, during the search in Honer Group and excel sheet named "NHR Amounts.xisx" was found. Sri Nandipati Rajendra Prasad confirmed the contents of the excel sheet as details of the cash handed over by him to Sri Naresh Girisala.

ITA.Nos.979 & 980/Hyd./2026 7.2. On reconciliation of the cash receipts by Sri Naresh Girisala from Honer Group, as per the excel sheet and registers maintained by Sri Naresh Girisala and entries in the pocket diaries and excel sheet maintained by Sri Nandipati Rajendra Prasad, it is seen that the cash payments of Rs.358.49 Crores was made by Honer Group to Sri Naresh Girisala during the period 07.09.2021 to 21.08.2022. During the same period, i.e., from 06.09.2021 to 02.08.2021, cash payments of Rs.405 Crores was made by Sri Naresh Girisala to the assessee, Sri Ch. Mithunchand. As per the depositions of key personnel of Honer Group, the payments were made for the purchase of land at Moosapet by Honer Group.

Further, as per narrations noted against payments made to the assessee, it is clearly shown as paid towards Land Advance/60, Land Payment/60, etc. Sri Naresh Girisala has deposed that the cash payments were made to the assessee towards the purchase of land at Moosapet.

ITA.Nos.979 & 980/Hyd./2026 7.3. The mention of "Land GCL" and "GCL Land"

mentioned by Sri Naresh Girisala refers to land sold by Gulf Oil Company Limited (GOCL) to Honer Group. As per information in public domain, GOCL originally announced sale of the 60 acre land parcel located at Moosapet.

Hyderabad to Square Infra City Private Limited, a group entity of Honer Group at an average price of Rs.10 Crores per acre. The actual realisable price of the said land, as per market information, ranges between Rs.25 to 30 Crores per acre, thus giving rise to speculation that there is huge on-money component involved in the sale of the Moosapet land by GOCL to Honer Group. The moosapet land was finally registered at an average sale price of around Rs. 13.30 Crores as tabulated below:

ITA.Nos.979 & 980/Hyd./2026 The depositions of the key personnel of Honer Group, Phoenix & Sreenidhi clearly confirm that the payments to Sri Naresh Girisala were regarding the purchase of land at Moosapet, le., land of 60 acres at Moosapet from GOCL. Further, the narrations recorded against payments to the assessee, viz., "Land Payment/60", "Land Advance/60", etc., clearly establish the link that the payments were made to the assessee towards the purpose of purchase of 60 acres of land by Honer Group from GOCL.

7.4. Summons u/s.131 were issued to the assessee and the above findings were confronted to the assessee. The statement recorded from the assessee is reproduced as under:

ITA.Nos.979 & 980/Hyd./2026 ITA.Nos.979 & 980/Hyd./2026 ITA.Nos.979 & 980/Hyd./2026 ITA.Nos.979 & 980/Hyd./2026 7.5. Though the assessee denied having received any cash from Sri Naresh Girisala or from Honer Group and Phoenix and Sreenidhi Group of entities, the above findings in the searches conducted in Phoenix and Sreenidhi Group, Honer Group, and in the case of assessee, ie, record of entries of cash payments in favour of the assessee, the corroborative evidence of the visits/meetings of Sri Naresh Girisala with the assessee at his residence, etc., the details of cash receipts by Sri Naresh Girisala during the same period from Honer Group for purchase of 60 acres of land at Moosapet, the narration of "Land Advance/60", Land Payment/60"

mentioned against payments made to the assessee, clearly confirm the fact of cash payments to the assessee, and the receipt of the same by the assessee at his residence, etc., on the said dates. Further, the purpose for which the cash payments were made to the assessee is also absolutely clear, ie., for the purchase of land by Honer Group from GOCL. The dates of registration of the lands in favour of Honer Group by GOCL during the same ITA.Nos.979 & 980/Hyd./2026 period during which the amounts were paid in cash to the assessee also reiterates the fact that the payments to the assesee was for the purpose of facilitation of purchase of moosapet land by Honer Group.

7.6. In view of the foregoing discussion, it is clear that the assessee, Sri Cherinamaneni Mithun Chand was in receipt of cash to the tune of Rs.405,00,00,000/- on various dates during the F.Y.2021-22 and F.Y.2022-23 from M/s Phoenix group and M/s Sreenidhi group of entities, on behalf of Honer Group. The cash received by the assessee during the F.Y.2021-22 relevant to A.Y.2022-23 is Rs.287,00,00,000/- and the cash received by the assessee during the F.Y.2022-23 relevant to A.Y.2023-24 is Rs.118,00,00,000/- totalling to Rs.405,00,00,000/-.

8. The assessee has denied having received any cash and has not filed any submissions disclosing the nature of receipts. As the assessee has failed to provide details of the nature of receipts, and as the assessee is not the Seller of 60 acres of land at Moosapet, the receipts ITA.Nos.979 & 980/Hyd./2026 by the assessee are clearly in the nature of payments received without any consideration. It is very pertinent to note that assessee never produced any substantiating evidence regarding the utilization of the cash received by him in spite of strong proof of receipt of cash by him. In the absence of any cogent evidence regarding utilization of the said amount of Rs.287 Crores received by the assessee during the relevant financial year, the end user of the said cash receipts is clearly established as the "assessee", Srn Ch Mithunchand, himself. Considering the facts and circumstances of the case narrated

in the foregoing paras, submissions of the assessee and evidences gathered during the course of various search operations, it is safely concluded that Sri Ch Mithunchand has received a sum of Rs.287 Crores during the relevant period without any consideration.

8.1. As per the provisions of Sec.56(2)(x), where any person receives, in any previous year, from any person or persons on or after the 1st day of April, 2017, any sum of money, without consideration, the aggregate ITA.Nos.979 & 980/Hyd./2026 value of which exceeds fifty thousand rupees, the whole of the aggregate value of such sum, is chargeable to income-tax under the head "Income from Other Sources". Sec.56(2)(x) provides certain exceptions to the above, viz., if the amount is received from a relative, or on the occasion of marriage, under a will or by way of inheritance, etc. The payments received by the assessee do not fall under any of the exceptions provided in Sec.56(2)(x).

8.2. As the said monies are received by the assessee from Honer Group through Phoenix/Sreenidha groups, as evidenced by the incriminating material found and seized, and as tabulated in the earlier paragraphs, the aggregate value of which exceeds fifty thousand rupees, and the same are received without any consideration, the aggregate value of such sum is chargeable to income-tax under the head "Income from Other Sources". The aggregate value of such sums amount to Rs.287,00,00,000/- for the Asst. Year 2022- 23 and Rs 118,00,00,000/- for the Asst. Year 2023-24.

ITA.Nos.979 & 980/Hyd./2026 8.3. In view of the above, the sum of Rs.287,00,00,000/- being the cash amounts received by the assessee during the relevant financial year 2021-22 is brought to tax as income chargeable under the head "Income from Other Sources as per the provisions of Sec.56(2)(x) of the Act for Asst. Year 2022-23. (Addition:

Rs.287,00,00,000/-)"

18.1. Thus, undisputedly the seized material was found from the possession of M/s. Phoenix and M/s. Sreenidhi Group in a search carried out on 23.08.2022 and not from the possession of the assessee in a subsequent search and seizure action carried out in the case of the assessee on 31.10.2022. The Assessing Officer has referred to the statements of Sri Naresh Girisala which was recorded u/sec.132(4) of the Act on 27.08.2022. The Assessing Officer in Para no.7.3 of the assessment order stated that the transactions of cash payment as recorded in the seized material are in respect of the land sold by Gulf Oil Company Limited [in short "GOCL"] to Honer Group measuring 60 acres of land situated at Moosapet, Hyderabad. Thus, the ITA.Nos.979 & 980/Hyd./2026 transactions of cash payment as per the excel sheet is taken out from the pendrive found from the possession of the employees of the M/s. Phoenix and M/s. Sreenidhi Groups.

There is no dispute that Sri Naresh Girisala who initially explained the nature of transactions as found recorded in the seized material being cash payment in respect of the transfer of land measuring 60 acres at Moosapet has subsequently retracted the statement by filing an affidavit dated

09.09.2022 before the DDIT (Inv.). The said statement was confronted with the assessee during the search and post- search enquiry however, the assessee denied having received any cash from Sri Naresh Girisala or from Honer group or M/s. Phoenix and M/s. Sreenidhi Group of entities which is also manifest from the statement which are reproduced in the assessment order at Page nos.43 to 45. Thus, once the statement which was initially recorded u/sec.132(4) of the Act of Sri Naresh Girisala was retracted then, the only material with the Assessing Officer was the seized material found and seized from the possession of M/s. Phoenix and M/s. Sreenidhi Group. Though the name of the assessee is ITA.Nos.979 & 980/Hyd./2026 mentioned in the seized material against the entries of the cash payment however, it is clear from the facts recorded by the Assessing Officer that all these transactions were in relation to the purchase and sale of 60 acres of land located at Moosapet, Hyderabad which was between the Honer Group and GOCL. Neither the assessee is a party to the transaction of purchase or sale nor the M/s. Phoenix and M/s. Sreenidhi Group is a party to the purchase and sale of the said land. Thus, even if any transaction of cash payment happened in the sale and purchase of the said land the same must be given by the buyer to the seller and assessee being a stranger to the transaction has no locus or right to receive the alleged payment of cash. It is for the parties to the transaction of sale and purchase of the land in question to explain the true facts about the said alleged cash payment involved in the land deal. Thus, when the assessee is not a seller of the land as it does not own the said land then, the question of huge amount of cash received by the assessee in respect the said land transaction without the role of the assessee does not arise. The Assessing Officer has given the details of various sale ITA.Nos.979 & 980/Hyd./2026 deeds and consideration as recorded in the sale deeds which are undisputedly between the Honer Group and GOCL. The Assessing Officer has not brought any material on record to show how the assessee has any right to receive the alleged cash as per the transactions in the seized material. 18.2. Further during the proceedings before the learned CIT(A) a remand report was called from the Assessing Officer and the in the remand proceedings the assessee was allowed to cross examine Sri Naresh Girisala on 03.03.2026. In the cross examination statement Sri Naresh Girisala has denied any cash payment to the assessee. Even he has explained that the statement recorded on 27.08.2022 during the course of search and seizure proceedings was given under duress, fear and due to constant question from the search party. He has reiterated his stand that he brought this fact to the notice of the DDIT (Inv.) by filing a retraction affidavit dated 09.09.2022 and dated 09.01.2023. He has also referred to his statement given on 17.02.2025 before ACIT, Central Circle- 2(3), Hyderabad. The entire statement recorded on 03.03.2026 is placed at Page nos.789 to 801 of the paper ITA.Nos.979 & 980/Hyd./2026 book. The relevant part of the statement of Sri Naresh Girisala recorded during the remand proceedings on 03.03.2026 are as under:

> "Please go through the above and offer your comments.
>
> Ans: Sri Naresh Girisala: I have already explained earlier regarding my retraction affidavit and my statement dated 17.02.2025. I am unable to remembering anything more regarding the material shown to me.
>
> Q.no.3. DCIT, Central Circle-1(1), Hyderabad: It is noticed that your answers In the cross examination and re- examination are found to be inconsistent with your replles given by you in the sworn statement dated 27.08.2022. Please clarify?

Ans: Sri Naresh Girisala: As I already explained earlier, the sworn statement replies given on 27.08.2022 are not correct. I was not in a proper frame of mind when that statement was recorded. I have already filed retraction affidavit dated 09.09.2022 before the DDIT(Inv), Unit- 1(1), Mumbai on 09.01.2023. Further, my sworn statement was also recorded by the ACIT, Central Circle-2(3), Hyderabad on 17.02.2025. I am submitting herewith copies of my retraction letter and sworn statement for your kind perusal.

Sd/-Naresh Girisala Sd/-Prathyush Sarasa (Deponent) (DCIT, Central Circle-1(1), Hyderabad)"

ITA.Nos.979 & 980/Hyd./2026 xxxxx xxxxx xxxxx Q5) Sri Chennamaneni Mithun Chand: Did you ever make payment of any cash to me on the instructions of Phoenix/Sreehidhi Group?

Ans: Sri Naresh Girisala: No. I am freelancer and I never involved myself with cash transactions. I have never pald any cash to you in any capacity or under the Instructions of any other person or entity. Q6) Sri Chennamaneni Mithun Chand: Did you ever discuss any matter regarding any transaction of purchase of 60 acres property at Kukatpally/Moosapet by the Honer Group with me? Ans: Sri Naresh Girisala: I am unaware of what you are saying. I have never Involved myself in any land transactions. I am only a freelancer helping the Marketing unit of Phoenix group. I have never discussed any matter regarding any transaction of purchase of 60 acres property at Kukatpally/Moosapet.

Q7) Sri Chennamaneni Mithun Chand: I am showing you an extract of the assessment order in my own case for AY 2022-23, wherein It was mentioned that some excel entries were allegedly recorded by you. Did you record any of these entries in the excel sheet ITA.Nos.979 & 980/Hyd./2026 maintained by you showing cash payments made in the name of Mithun Chand?

Ans: Sri Naresh Girisala: I don't remember having maintained any such excel sheet. I am unaware of the entries.

Q8) Sri Chennamaneni Mithun Chand: On what basis did you record the remarks column against the cash payments made to Mithun Chand Land? Did you personally know that the said payments are towards purchase of land of 60 acres at Kukatpally/Moosapet by the Honer Group?

Ans: Sri Naresh Girisala: I do not remember and I don't have any idea of the cash payment. Further, I also bring to the notice that I have filed a retraction affidavit dated 09.09.2022 before the DDIT(Inv), Unit- 1(1), Mumbai on 09.01.2023 regarding the same. I have also given a statement on 17.02.2025 before the ACIT, Central Circle-2(3), Hyderabad. Sd/-MITHUN CHAND Sd/-PRATHYUSH SARASA Sd/- NARESH GIRISALA Assessee DCIT, Central Circle-1(1), Hyd. (Deponent) VERIFICATION I confirm that above statement given by me are true and correct to the best of my knowledge and bellef. The statements are given by me voluntarily without any threat, coercion and undue influence. I have gone through the statements and confirm that the statements are recorded correctly as deposed by me.

DEPONENT."

ITA.Nos.979 & 980/Hyd./2026 18.3. Thus, it is manifest that after retraction of the statement by filing the affidavit dated 09.09.2022 and thereafter, statement dated 03.03.2026 recorded during the remand proceedings, the original statement recorded u/sec.132(4) of the Act lost the evidentiary value as the witness himself has denied the facts of any payment of cash to the assessee in respect of the land transaction measuring 60 acres at Moosapet, Hyderabad between Honer Group and GOCL. Therefore, the alleged incriminating material found and seized from the third party cannot be the basis of an addition in the hand of the assessee in the absence of any corroborative evidence. The learned DR has submitted that the statement of Shri Naresh Girisala recorded u/sec.132(4) of the Act is a corroborative evidence, which, in our considered view, is no more an admissible evidence once it was retracted by the witness himself and thereafter he has clarified the correct facts during the cross examination recorded in the remand proceedings. Hence, the addition made by the Assessing Officer based on the excel sheet taken from the pendrive of M/s. Phoenix and M/s. Sreenidhi Group ITA.Nos.979 & 980/Hyd./2026 during the course of search without corroborative evidence or without conducting any further enquiry is not sustainable in law. The learned Authorised Representative of the Assessee has relied upon various Judgments on this point. We note this Tribunal in the case of Bharath Kumar Kondareddy vs. DCIT, Central Circle-1(1), Hyderabad in ITA.Nos.310 to 312/Hyd./2026 and ITA.Nos.940 and 941/Hyd./2026 vide Order dated 30.04.2026 has considered an identical issue of addition made by the Assessing Officer found and seized from third party in Para nos.26 to 31 as under:

> "26. We have heard both parties, perused the material available on record and had gone through the orders passed by the authorities below. We have also carefully considered the relevant evidences considered by the A.O. for making additions towards unexplained cash payments. Admittedly, during the course of search proceedings under section 132 of the Act, in the case of M/s. Vamsiram Group, incriminating evidence in the form of diary and pen drive was found and seized which contains various cash transactions. It is also an admitted fact that during the course of survey under section 133A of the Act, nothing was found or impounded from the premises of the assessee, which relates to the additions ITA.Nos.979 & 980/Hyd./2026 made by the A.O. towards unexplained cash payments. The A.O. made additions towards cash payments by adding two zeros to the amounts recorded in the diary on the basis of statements recorded from Shri A. Chandrasekhar and Shri Regu Venkata Vara Prasad, wherein they have deposed that the entries in the diary were recorded by truncating last two zeros. According to the A.O., M/s. Vamsiram Group indulged in cash transactions and the same has been recorded by truncating last two zeros and therefore, the amounts recorded in the incriminating evidence have been arrived at by adding two zeros. The A.O. took support from the fact that an unregistered sale agreement for purchase of commercial space was found during the course of search and from the above, the A.O. inferred that the assessee has paid on-money for purchase of commercial space from M/s. Vamsiram Group. Therefore, the entire amount of cash payments culled out from the seized diary has been treated as unexplained cash payments of the assessee and added back to the total income. On

appeal, the Ld. CIT(A) accepted the reasons given by the A.O. to treat the unexplained cash payments.

27. We have gone through the relevant arguments of the learned counsel for the assessee and we found that, the additions made by the A.O. are on the basis of documents found from the premises of a third ITA.Nos.979 & 980/Hyd./2026 party. It is a well-established principle of law by the decisions of various Courts that the documents found from the premises of a third party, the rebuttable presumption as per section 132(4A) and section 292C of the Act, is not applicable. Therefore, it is necessary for the A.O. to support the addition with further corroborative evidence in cases, where any addition is made on the basis of third party information. In case there is no corroborative evidence, then there is no scope for making addition on the basis of third party evidence, because the presumption under section 132(4A) is not applicable and the assessee is not required to explain the said documents. This principle is supported by the decision of the Hon'ble Gujarat High Court in the case of PCIT Vs. Gaurang Bhai Pramod Chandra Upadhyay (supra), wherein the Hon'ble High Court clearly held that since the documents were not found or recovered from the premises of the assessee, no presumption under section 132(4A) r.w.s. section 292C of the Act, could be drawn against the assessee in such circumstances. A similar view has been taken by the Hon'ble High Court of Patna in the case of Dharmaraj Prasad Bibhuti Vs. ITAT, Patna reported in (2019) 109 taxmann.com 388 (Patna), wherein it was held that the presumption under section 292C of the Act, can only be drawn against such person from whose possession or control any books of accounts or other documents, money, etc. are found during the ITA.Nos.979 & 980/Hyd./2026 course of search. The sum and substance of the ratio laid down by various Courts is that the rebuttable presumption under section 132(4A) r.w.s. section 292C of the Act, cannot be pressed into service against the assessee with regard to material seized during the course of search from the premises of a third party, unless there is corroborative evidence. Therefore, in our considered view, the addition made by the A.O. on the basis of third party evidence without any corroborative evidence cannot be sustained.

28. Further, the documents found during the course of search are claimed to have been recorded by M/s. Vamsiram Group by truncating last two zeros. The A.O. has arrived at the above conclusion from the statements recorded from Shri Chandrasekhar Atla and Shri Regu Venkata Vara Prasad, who during the course of search recorded statements under section 132(4) of the Act, wherein they deposed that the entries contained in the diary have been recorded by truncating last two zeros. The A.O., on the basis of statements recorded from two individuals, has reached a conclusion that the entries in the diary have been recorded by truncating last two zeros and accordingly added two zeros to the amounts recorded therein and arrived at total cash payments alleged to have been made by the assessee to M/s. Vamsiram Group Builders. Once again, we do not ITA.Nos.979 & 980/Hyd./2026 subscribe to the reasons given by the A.O. for the simple reason that, the loose sheets

found during the course of search from third party premises were neither in the handwriting of the assessee nor containing any signature of the assessee. Once the documents are neither in the handwriting of the assessee nor bearing any signature of the assessee, then on the basis of third party statements without any confrontation to the assessee for its rebuttal, the additions cannot be made. In the present case, no such corroborative documentary evidence by way of signed receipts or otherwise was unearthed during the course of search and there is no reference to any corroborative evidence in the assessment order. Although, the A.O. tried to establish that the entries contained in the Excel sheet found in the pen drive are recorded by truncating two zeros by conducting enquiries in the case of certain payments made by the assessee group for rendering certain services and claimed that in many cases, the bills submitted by the service providers and payments made by the assessee for rendering such services are in lakhs, whereas the payments recorded in the seized Excel sheets are in thousands, and from the above, it is very clear that the assessee has recorded all entries in the Excel sheets by truncating two zeros. We, once again, do not agree with the reasons given by the A.O. for the simple reason that the A.O. has examined various third parties with reference to payments made to ITA.Nos.979 & 980/Hyd./2026 them and linked the said payments to the entries recorded in the Excel sheets found from the pen drive and claimed that these entries are recorded after truncating two zeros. However, the A.O. has not made any attempt to examine the assessee with reference to the entries recorded in his name so as to ascertain whether the payments made by the assessee are exactly what is recorded in the Excel sheet after truncating two zeros. Since the A.O. has not examined the assessee with reference to the said entries and solely relied upon the enquiry conducted in the case of the third party, in our considered view, the conclusion drawn by the A.O. on the basis of third party enquiries that the assessee has also received the amount from M/s. Vamsiram Group and the same has been recorded after truncating two zeros is only a suspicion and is not backed by any evidence and cannot be accepted. Further, the A.O. sought to rely upon the statements of the employees of M/s. Vamsiram Group as corroborative oral evidence, but said statements lack any evidentiary value, because these statements were retracted subsequently. Further, there is no specific question about the payment made by the assessee was put to the Managing Director of M/s. Vamsiram Group or to the employees of M/s. Vamsiram Group Builders, therefore, the generalized statements recorded from the employees cannot be considered as conclusive evidence to allege cash payments made by the assessee.

ITA.Nos.979 & 980/Hyd./2026 Therefore, in our considered view, in the absence of any corroborative evidence and merely on the basis of statements of two individuals, additions cannot be made.

29. We further note that, the maker of the statement is answerable to the contents, however, unless the said documents are found in the premises of the assessee, the assessee need not to explain the said documents and is also not answerable to the statements of third parties. In the present case, neither the A.O. has brought on

record any corroborative evidence to support the statements of the third parties nor confronted the said statements of the third party to the assessee for its rebuttal. Since the assessee denied any cash payments to M/s. Vamsiram Group and further, the A.O. does not have any evidence to support the finding that the entries contained in the diary represent unaccounted cash payment of the assessee, in our considered view, merely on the basis of statements of third parties, no addition can be made. This legal position has been laid down by the Hon'ble Delhi High Court in the case of CIT Vs. Sant Lal (supra) wherein it has been held that where the diary was found from the premises of a third party allegedly containing entries including the assessee, no addition can be made based on the said entries, since the diary was neither found from the premises of the assessee nor was in the handwriting of the assessee and the Revenue ITA.Nos.979 & 980/Hyd./2026 failed to produce cogent evidence to link the assessee to the diary. A similar view has been taken by the Hon'ble Allahabad High Court in the case of CIT Vs. Shadiram Ganga Prasad Charitable Trust, Smt. Prema Lata Kanodia and Shri S.P. Kanodia reported in (2011) 9 taxmann.com 119, wherein it was clearly held that in the absence of corroborative evidence, no adverse inference can be drawn from the entries against the assessee. Therefore, in our considered view, the additions made by the A.O. and sustained by the Ld. CIT(A) cannot be sustained.

30. Coming back to another argument of the Ld. counsel for the assessee. The Ld. counsel for the assessee submitted that, the evidence relied upon by the A.O. for making addition does not have any evidentiary value unless it is supported by corroborative evidence. It is an admitted fact that the sole basis for the A.O. to make addition is the documents found from the premises of M/s. Vamsiram Group. The A.O. has not referred to any independent corroborative documentary evidence in support of his conclusions in the assessment order. The Hon'ble Bombay High Court in the case of PCIT Vs. Umesh Ishrani (supra) considered an identical issue and held that the additions made by the A.O. on the basis of entries found in loose sheets without any corroborative evidence are not sustainable. In the present case, it is an ITA.Nos.979 & 980/Hyd./2026 admitted fact that the A.O. during the course of assessment proceedings neither carried out any further enquiries to ascertain the nature of entries contained in the diary nor brought on record any independent corroborative evidence like cash receipts or bills submitted by the assessee so as to conclude that M/s. Vamsiram Builders has received cash payments for purchase of commercial space. The A.O. has not brought on record any evidence to prove that there is exchange of cash between the parties. It is very important for the A.O. to bring further evidence, including cash receipts, to support the entries contained in the seized documents, as held by the Hon'ble Bombay High Court in the case of CIT Vs. Lavanya Land Pvt. Ltd. (supra), wherein it was held that the addition made under section 69C of the Act, towards cash payments based on the contents of seized documents is not sustainable where there is no material to conclusively show that huge amounts revealed from seized documents were actually transferred from one side to another. This decision was further fortified by the decision of the Hon'ble

> Supreme Court in the case of Pr. Commissioner of Income-tax Vs. Krutika Land (P.) Ltd. reported in [2019] 103 taxmann.com 9 (SC). The ITAT, Visakhapatnam in the case of P. Koteswara Rao Vs. DCIT (supra) has also considered an identical issue and held that the maker of a statement can bind himself with the said statement, but it cannot bind others without there ITA.Nos.979 & 980/Hyd./2026 being any further evidence on record. The Tribunal further noted that, the A.O. failed to note that admission of other parties cannot be considered as conclusive evidence against the assessee unless there is corroborative evidence on record. In the present case, the addition made by the A.O. is only on the basis of loose sheets found during the course of search from the premises of a third party without any corroborative evidence. The assessee denied the documents found during the course of search and also denied having made any cash payments to M/s. Vamsiram Group Builders.

Since the assessee has denied such payments and there is no conclusive proof brought on record by the A.O. to establish that there were cash transactions between the assessee and M/s. Vamsiram Group Builders, in our considered view, the additions made by the A.O. on the basis of evidence found from the third party cannot be sustained.

31. Coming back to the findings of the Ld. CIT(A). The Ld. CIT(A) approved the findings recorded by the A.O. to treat the cash payments as unexplained money of the assessee under section 69A of the Act, on the basis of evidence found during the course of search and statements recorded from the employees of M/s. Vamsiram Group and observed that the evidence clearly shows the date of transactions, particulars of payments ITA.Nos.979 & 980/Hyd./2026 and the same has been admitted by the employees. We once again do not agree with the findings recorded by the Ld. CIT(A) for the simple reason that, the Ld. CIT(A) has not brought on record any supporting evidence to reach to the above conclusion that the documents found during the course of search show clear transactions between the assessee and M/s. Vamsiram Group. Further, the Ld. CIT(A) has relied upon the statements of Shri Chandrasekhar Atla and Shri Regu Venkata Vara Prasad, but fact remains that the above two persons have retracted their statements and filed retraction statements before the Investigating Officer. Once the initial statements recorded have been subsequently retracted by filing affidavits, then there is no evidentiary value for the initial statements unless the statements recorded at the time of search are further corroborated by any independent evidence. Since there is no corroborative evidence before the A.O. and the Ld. CIT(A) to support the finding of cash payments by the assessee, in our considered view, the conclusion drawn by the Ld. CIT(A) that there is clear evidence of cash payments is contrary to the material available on record and cannot be accepted. Therefore, for the above reasons, addition made by the A.O. for cash payments cannot be sustained."

ITA.Nos.979 & 980/Hyd./2026 18.4. The Hon'ble Bombay High Court in the case of ACIT vs. Miss Lata Mangeshkar [1974] 97 ITR 696 (Bom.) has also dealt with the issue of inadmissible evidence and held as under:

> "The assessee who is an acknowledged play-back singer, submitted her returns of income for the assessment years 1962-63, 1963-64 and 1964-65, disclosing

professional receipts of Rs.1,43,650, Rs.1,38,251 and Rs.1,19850, respectively. The returns were principally based upon the diaries which were maintained by the assessee in which proper entries were made in respect of receipts received by her for the professional work done by her as a playback singer. From the diaries, M/s Ghanekar & Co., a firm of Chartered Accountants, used to write regular accounts. The assessee had produced confirmatory letters from all the producers regarding the correctness of payments shown to have been made by them. The Income-tax Officer came across a sort of a ledger maintained by the firm known as Vasu Films of Madras containing certain entries, which had been seized by the income-tax authorities from the premises of that firm at Madras, and relying on those entries he took the view that the assessee must have concealed her real income by not showing certain payments for which no receipts were ITA.Nos.979 & 980/Hyd./2026 passed by her and he made the additions of Rs. 60,550, Rs. 75,000 and Rs. 75,000 to the income returned in each of the three assessment years respectively. For drawing the inference that she must have received income without passing receipts the Income-tax Officer relied upon the two entries which appeared on one page of that ledger of Vasu Films, which read as follows :

"20-9-1962 16/8 To Lata Mangeshkar 800 W plus L.F. Rs.

			700 B	102	1,500
11-6-1963	16/5	To Lata		123	2,000

		B		123	2,000".

3. In the statements recorded of one N. Vasudev Menon, the managing partner of Vasu Films, and one C. S. Kumar, the firm's Bombay manager, the entries were explained by them by stating that the letter "W" put against the figures mentioned in the entries represented payment in "white" while the letter "B" put against some items indicated payment in "back". The assessee was given an opportunity to cross-examine these persons. The Income-tax Officer accepted the entries as showing that payment had been received by the assessee for which receipts had not been passed by her and these payments were outside the books of account and he also relied upon the statements made by these two persons. The Appellate Assistant Commissioner confirmed the additions made by the Income-tax Officer. Before the Tribunal it was contended on behalf of the assessee that ITA.Nos.979 & 980/Hyd./2026 the entire evidence on which the lower authorities had relied merely created suspicion that the assessee might have accepted the payments in "black" but it did not take the place of proof. The Tribunal after appreciating all the pieces of evidence that were relied upon by the department in support of its case came to the conclusion that the evidence was not sufficient to prove even a single instance where the assessee could be said to have received money in "black" for which she did not pass a receipt. The other evidence was of a general character suggesting that the

practice of receiving part remuneration in black was prevalent among cine stars which was of no avail to prove any specific instance against the assessee. The only specific evidence which required scrutiny was that furnished by the two entries and the statements of N. Vasudev Menon and C. S. Kumar. On a scrutiny of the two entries as well as the evidence of the two witnesses the Tribunal took the view that even that evidence did not carry the department's case any further and in that view of the matter the Tribunal deleted the additions made by the Income-tax Officer. The department has sought the reference to this court on three questions of law which are said to arise out of the Tribunal's order and out of the three questions which appear at page 6 of the application and in respect whereof rule has been issued, questions Nos. 2 and 3 are really dependent upon the answer to the first question as ITA.Nos.979 & 980/Hyd./2026 to whether on the facts and circumstances of the case the Tribunal was justified in ignoring the entries in the ledger of Vasu Films relating to the payment made by the said firm to the assessee.

4. In our view, the question has been framed by the department so as to give it a colour of a question of law, for, in our view, having regard to the manner in which the Tribunal has dealt with the said entries, it cannot be said that the Tribunal has ignored the entries in the ledger of Vasu Films relating to the so-called payments made by the firm to the assessee. In fact, the Tribunal has discussed these entries appearing in the ledger of Vasu Films and has given substantial reasons as to why it was not inclined to accept the entries as reliable entries for accepting the case of the department. Inter alia, it pointed out that the ledger containing the said entries had not been produced before it, that no corresponding entries were there in the day-book of the relevant period and that Vasu Films did not rely on this ledger in the course of its own assessment proceedings but for its own assessment proceedings different set of books had been relied upon as genuine set of books. As regards the evidence of the two witnesses on which reliance was placed by the department, the Tribunal has pointed out that so far as N. Vasudev Menon was concerned, he had no personal knowledge of the actual ITA.Nos.979 & 980/Hyd./2026 payments made to the assessee and, therefore, his evidence could not carry the case of the department any further and so far as the Bombay manager, C. S. Kumar, was concerned it came to the conclusion that though he purported to say that he had made the payments in "black" to the assessee-payments corresponding to the entries to be found in the ledger-his evidence suffered from serious infirmities, which have been pointed out by the Tribunal in its reasons. It pointed out that as the Bombay manager he used to receive amounts from Madras from out of which he used to made disbursements in Bombay but he maintained no account in respect of the same which made it difficult to rely on his evidence. The other serious infirmities in his evidence are to be found in paragraph 7 of the Tribunal's order. Mr. Joshi for the department had also mainly relied upon this evidence and did not press the other evidence which was of a general character. However, having regard to the reasons which have been given by the Tribunal for disbelieving the two witnesses and for rejecting the entries that were found in the ledger of Vasu Films, we feel that the conclusion reached by the Tribunal

purely rests on the appreciation of evidence and no questions of law arise.

5. Mr. Joshi tried to urge before us that in paragraph 5 of its order the Tribunal has found fault with ITA.Nos.979 & 980/Hyd./2026 the entries appearing in the ledger on the ground that there were no corresponding entries in the day-book of the firm covering there same period and the Tribunal further observed that no attempt was made to explain the absence of relevant entries in the day-book and for that reason the Tribunal rejected the entries in the ledger on which reliance was placed. Mr. Joshi tried to urge that, after all, the entries in the ledger were the entries in a book which was not meant for being disclosed to the income-tax authorities because it contained the entries pertaining to the payment in "black" and the day-book for the relevant period that was available was a day-book meant for being produced before the taxing authorities as it contained entries pertaining to all legal and white payments and naturally in such day-book no corresponding entries would be found. So no importance should have been attached by the Tribunal to the absence of a day-book containing the corresponding entries. In the first place it must be pointed out that this is not the only reason for rejecting the entries but the Tribunal has given other sufficient reasons for rejecting the same. But even with regard to this reason which has been given by the Tribunal, though it may be contended that since the entries in the ledger pertained to the payments in "black" no corresponding entries could be found in the day-book which was meant to be produced before the income-tax authorities, still the fact remained ITA.Nos.979 & 980/Hyd./2026 that the day-book from out of the other set of books (not intended to be produced) which must have contained the corresponding entries was not available and, in the absence of that, mere production of ledger entries would be of no avail, as there would be no guarantee about the truthfulness or genuineness of the entries in the ledger. Moreover, entries in books of account-whether in day- book or in the ledger - are merely corroborative evidence and in the absence of proper corroborative evidence the primary direct evidence would alone be required to be scrutinized and that evidence in this case consisted of the testimony of C. S. Kumar and the evidence of that witness was found to be thoroughly unreliable by the Tribunal. After all, the entries in the day-book or the ledger would be a corroborative piece of evidence land once the direct evidence of the person who is said to have made payments in "black" to the assessee is disbelieved, we do not think that any value could be attached to the entries in the ledger or to the entries in the day-book even if one had been produced. In the circumstances, we feel that the questions which are sought to be referred arise out of a finding of fact recorded by the Tribunal on pure appreciation of evidence.

6. The other three questions which are sought to be referred for the assessment years 1963-64 and 1964- 65 pertain to the imposition of penalty levied by the ITA.Nos.979 & 980/Hyd./2026 Income-tax Officer on the assessee which depended upon the additions made by him and, in our view, the Tribunal was justified in refusing to refer those questions to this court because in its view the additions were wrongly made. Since we are upholding the Tribunal's view on the additions, no question of levying

penalty can arise."

18.5. Thus, the Tribunal has considered the seized material found and seized from the third party in the shape of diary and pendrive is not an admissible evidence for the addition in the hand of the assessee in the absence of any corroborative evidence or any further enquiry/verification conducted by the Assessing Officer. Hence, in the facts and circumstances of the case as discussed above we hold that the addition made by the Assessing Officer based on the excel sheet taken from the pendrive seized from the third party in the absence of any corroborative evidence as well as in the absence of any connection of the assessee with the transaction of sale and purchase of the land in question and role of the assessee to receive the alleged cash is not sustainable and liable to be deleted.

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19. As regards the objection raised by the assessee regarding the evidentiary value of the said seized material as taken from the pendrive in the absence of Certificate u/sec.65B of Indian Evidence Act, 1872 is concerned, there is no dispute that the said document was taken from the pendirve which is a digital mode of record and therefore, the admissibility of the digital evidence is subject to the provisions of sec.65B of the Evidence Act. In the case in and, when no such Certificate is taken or brought on record then, such material which is taken from the pendrive/computer system is having no evidentiary value in the absence of the Certificate to the effect of the information and contents of electronic record to be true and correct. The Visakhapatnam Bench of this Tribunal in the case of M/s. Polisetty Somasundaram, Guntur vs. The DCIT, Guntur in ITA.Nos. 172 to 180/Viz./2023, dated 18.08.2023 has considered this issue in Para nos.45 and 46 as under:

> "45. On careful perusal of the case laws cited above, we are of the considered view that the Revenue Authorities should mandatorily and scrupulously follow ITA.Nos.979 & 980/Hyd./2026 the conditions laid down under section 65B(2) and (4) of the Indian Evidence Act to render any documents to be valid in the 43 eyes of law. In the instant case, the investigation agency obtained a Certificate about the details of the pen drive and the person in whose custody it was seized. Except these details nothing was there in the Certificate and also the said Certificate was not completely filled up by the Ld. Revenue Authorities.
>
> Further, from the Certificate obtained under Indian Evidence Act which is placed in Page-11 of Paper Book-
>
> 2, we find force in the arguments of the Ld. AR that it is not as per the conditions laid down U/s. 65B of the Indian Evidence Act. For the sake of reference, the Certificate is reproduced here in below:
>
> ITA.Nos.979 & 980/Hyd./2026 ITA.Nos.979 & 980/Hyd./2026 ITA.Nos.979 & 980/Hyd./2026

> 46. After considering the decisions of the Hon'ble Supreme Court in the case of Anvar P.V vs. P.K. Basheer and Others (supra); Arjun Pandit Rao Khotkar vs. Kailash Kushan Rao Gorantyal and Ors (supra) and the judgment of the Hon'ble Madras High Court in the case of Vetrivel Mineral vs. ACIT (supra) as well as on perusal of the facts and circumstances of the case, we are of the considered we that the four conditions stipulated in section 65B(2) ie., (a) to (d) along with section 65B(4) were not followed while obtaining the Certificate U/s. 65B of the Indian Evidence Act 1872 in the case of the assessee which are to be followed mandatorily. Therefore, we have no hesitation to hold that this Certificate is not a valid Certificate as prescribed under the Indian Evidence Act 1872 and hence cannot be enforced. Therefore, the Certificate obtained in the case of the assessee cannot be regarded as a legally valid certificate U/s. 65B of the Indian Evidence Act and the same has no recognition in the eyes of law. The information contained in the seized pendrive is could not be considered as admissible evidence as per the provisions of section 65B of Indian Evidence Act. Therefore, we are of the considered view that such inadmissible seized material is not sustainable in the eyes of law. Thus, the assessment order passed in the case of the assessee on 31/3/2022 is not a valid assessment order in the eyes of law and it deserves to be set aside."

ITA.Nos.979 & 980/Hyd./2026 19.1. Accordingly, in the absence of the satisfaction of the conditions as provided u/sec.65B of the Indian Evidence Act the extract taken from the pendrive is not an admissible evidence and hence, the addition made by the Assessing Officer on the basis of such inadmissible evidence is not sustainable in law. Thus, when the evidence relied upon by the Assessing Officer suffers from infirmities and inadmissibility then, the entries in such material are not sufficient to prove that the assessee has received the cash. Similarly, the Hon'ble Bombay High Court in the case of PCIT, Central-2 vs. Umesh Ishrani [2019] 108 taxmann.com 437 (Bom.HC) in Para nos.1 to 3 held as under:

> "1. This Appeal is filed by the revenue to challenge the judgment of Income Tax Appellate Tribunal. Following question is presented for our consideration;
>
> "Whether on the facts and in the circumstances of the case and in law, the Hon'ble ITAT was justified in deleting the addition on account of cash payment for purchase of shops by holding that the seized papers were not found from the premises of the assessee and hence presumption u/s. 132(4A), u/s. 292C of the IT Act, 1961 are not applicable, without appreciating that the seized papers were ITA.Nos.979 & 980/Hyd./2026 found during search in the premises of one of the partners Sri Laxmichand Rohira of the same firm for purchase of shops by the firm and in the said seized documents, amounts of cash paid by all the partners are noted and assessments made in the case of the said partner Shri Laxmichand Rohira relating to his share of cash payment has become final, and therefore, that evidence is also relevant for assessment of other partners, including the assessee?"

2. The Respondent-Assessee is an individual. He was the partner of the firm. The Income Tax Department had carried out search and seizure operation during which certain loose papers were collected. On the basis of loose papers additions were made in the hands of the individual partners and on protective basis on the hand of the firm. While deleting such addition in case of the present assessee the Tribunal noted that the documents nowhere show that any payments were made by same persons, no enquiry or verification was made with the seller of the shops or the developer. Tribunal therefore concluded that entries of the loose papers were not corroborated with any other evidence on record.

3. It can thus be seen that the entire issue is based on appreciation of evidence on record. The Tribunal noted that the loose papers entries were not clear and not corroborated by any independent evidence. No question of law therefore arises. Income Tax Appeal is dismissed."

ITA.Nos.979 & 980/Hyd./2026

20. The next objection of the assessee is regarding no presumption u/sec.132(4A) of the Act as well as sec.292C of the Act cannot be drawn against the assessee when the document was neither found nor seized from the possession of the assessee.

21. Undisputedly, the document relied upon by the Assessing Officer for making the addition in question is found and seized from M/s. Phoenix and M/s. Sreenidhi Group in a separate search and seizure action. Therefore, the said document cannot be regarded as found from the possession or in the control of the assessee and consequently, the presumption u/sec.132(4A) and sec.292C of the Act cannot be raised against the assessee. The deeming fiction provided u/sec.132(4A) and 292C of the Act cannot be extended beyond the prescribed situation and facts. The Hon'ble Gujarat High Court in the case of PCIT, Surat-1 vs. Gaurangbhai Pramodchandra Upadhyay in R/Tax Appeal No.98 of 2020 with R/Tax Appeal Nos.100, 103 and 104 of 2020, dated 25.02.2020 has considered this issue in Para nos.3 to 9 as under:

> ITA.Nos.979 & 980/Hyd./2026 "3. This Tax Appeal under Section 260A of the Income Tax Act, 1961 (for short the "Act-1961") is at the instance of the Revenue and is directed against the order dated 12.07.2019 passed by the Income Tax Appellate Tribunal, Ahmedabad in ITA No.216/SRT/2017 for the Assessment Year 2013-14.
>
> 4. The facts giving rise to this appeal may be summarized as under:-
>
> 4.1. A search action under Section 132 of the Act-

1961 was carried out on 18.02.2014 in the group cases of Creative Trendz Group of Surat.

4.2. During the course of the search action few incriminating documents were recovered and seized from the residence of one Shri Piyush Ghanshyam Modi, Residing at: Surat. The documents seized were found to be linked with Mr.Gaurangbhai P Upadhyay. 4.3. In such circumstances, after recording the reasons, the case of the assessee was selected for scrutiny by issuing notice under

Section 153C read with Section 153A of the Act-1961 for the Assessment Years 2012-13 and 2014-15, 2009-10, 2010-11, respectively. Later, the penalty under Section 271D and 2718 was levied in the Assessment Years 2009-10, 2010-11, 2011- 12, 2012-13, 2013-14. It appears that the Assessing Officer noticed from the materials seized from the ITA.Nos.979 & 980/Hyd./2026 residence of Shri Piyush Ghanshyam Modi that the assessee had obtained loan in cash from one Dilip C Sojitra and the said loan was repaid with interest in cash. The total amount repaid in cash was to the tune of RS.2,18,00,000/- and the interest paid on the same was to the tune of Rs.19,64,400/- for the year under consideration.

4.4. While finalizing the assessment, the interest paid in cash of Rs.19,64,400/- was added to the total income the asseessee for the year under consideration under Section 69C of the Act-1961 treating the same as unexplained. Ultimately, the assessment under Section 143(3) read with Section 153(C) of the Act was made on 28.03.2016 determining the total income of Rs.42,35,560/-.

4.5. The assessee being dissatisfied with the assessment order preferred an appeal before the CIT(A). The CIT(A) allowed the appeal of the assessee for the Assessment Years 2009-10, 2010-11, 2012-13 and 2014-15, respectively.

4.6. The Revenue being dissatisfied with the order passed by the CIT(A) went in appeal before the Appellate Tribunal. The appellate Tribunal dismissed the appeal preferred by the Revenue on the ground of low tax effect without going into the merits of the matter. It appears that the JCIT, Central Range, Surat took the view that the ITA.Nos.979 & 980/Hyd./2026 assessee had repaid the loan amounting to Rs.2,18,00,000/- in contravention of the provisions of Section 269T read with Section 271 of the Act-1961. In such circumstances, the JCIT, Central Range, Surat, levied penalty under Section 271E of the Act. 4.7. Being aggrieved by the penalty order made under Section 271E of the Act-1961, the assessee preferred an appeal before the CIT(A). The CIT(A) allowed the appeal of the assessee.

4.8. Being dissatisfied with the order passed by the CIT(A), the Revenue preferred an appeal before the ITAT. The ITAT, its impugned order, dismissed the appeal preferred by the Revenue.

4.9. Being dissatisfied with the order passed by the Appellate Tribunal, the Revenue is here before this Court with the present appeal.

5. The Revenue has proposed the following questions of law for the consideration of this Court.

> "5(1) Whether on the facts and circumstances of the case and in aw, the Hon'ble ITAT is right in upholding the order of Ld CIT(A) in deleting the penalty under Section 271E of the IT Act ignoring that penalty under Section 271E has been levied after considering material seized in the course of search under Section 132 of the IT Act on 18.02.2014 and based on statement recorded?
>
> ITA.Nos.979 & 980/Hyd./2026

(ii) Whether on the facts and circumstances of the case in law, the Hon'ble ITAT is right in upholding the order of Ld. CIT(A) in deleting the penalty under Section 271E of the IT Act holding that presumption of Section 132(4A) as well as Section 292 of the IT Act is not available in the case of the assessee ignoring that material seized in the case of Shri Piyush Modi and statement recorded of Shri Dilip C Sojithra, who categorically explained the manner in which cash loan transactions were recorded in the seized material?

(iii) Whether on the facts and circumstances of the case in law, the Hon'ble ITAT is right in upholding the order of Ld CIT(A) in deleting the penalty under Section 271E of the IT Act holding that presumption of Section 132(4A) as well as Section 292C of the IT Act is not available in the case of the assessee ignoring the corroborative evidence seized from third party?

6. We straightway go to the findings of the fact recorded by the Appellate Tribunal in its impugned order:-

"8. We have heard the rival submissions and perused the material available on record. We have gone through the assessment order and penalty order in the assessment years under consideration. It is observed that the addition of interest payment under Section 69C was made on account of documents seized from third party which were reflected some ITA.Nos.979 & 980/Hyd./2026 cash loans transactions i.e. receipts and payments. However, these documents found from the possession of the assessee. Therefore, presumption under Section 132 (4A) as well as under Section 292C is not available in the case of assessee. Further, the statement on which the Assessing Officer has based his findings has not found to be acceptable due to changing stand of the parties concern which were also third party. Further, the transactions were not found to be true as these were not deciphered by persons from whose possession these were recovered, DCIT, Circle-1(3), Surat Vs. Shri Gauranghai Upadhyay / ITA No.'s 208 TO 216/SRT/2017 that loans were rightly taken and repaid in cash has not been established. The Ld. CIT(A) has given this clear cut findings in quantum appeal in the case of assessee against which the appeal is also dismissed at the level of ITAT. Hence, Ld. CIT(A)'s order has attained finality in the quantum proceedings. Therefore, just because the assessee has business relations with a persons (not even the person from whom the documents were recovered) nor it is proved that unsubstantiated entry found recorded in the simlar name is true and belongs to the assessee. We are therefore inclined to agree with the findings recorded by the ld.CIT(A) in penalty proceedings that no corroborative or substantive evidence has been brought on record to suggest that he assessee has taken any loan in cash or repaid any loan in cash and done the ITA.Nos.979 & 980/Hyd./2026 transactions reflected in the seized material recovered from third party. Therefore, considering the totality of the facts, we find no reason to deviate from findings recorded by the Ld.CIT(A). Accordingly, the appeal of the Revenue in respect of penalty under Section 271D and 271E is dismissed. Consequently, all the grounds of appeal of the

Revenue as reproduced above are dismissed."

7. Thus, the learned Tribunal consideration the following aspects:-

A. The addition of interest payment under Section 69C on the basis of the of the Act-1961 was made documents seized from a third party.

B. Such documents seized from the third party reflected loan transactions in cash.

8. The Tribunal took notice of the fact that such documents were not found or recovered from the possession of the assessee. In such circumstances, no presumption under Section 132(4A) as well as under

Section 292C of the Act-1961 could be drawn. The Tribunal also took notice of the fact that the Assessing Officer had based his findings on the basis of a statement, but the statement has not been found to be acceptable in view of the conflicting stance. The Tribunal concurred with the findings recorded by the CIT(A) that it is not established that the loans were obtained and ITA.Nos.979 & 980/Hyd./2026 repaid in cash. The Tribunal also took notice of the fact that the quantum proceedings had attained finality. In short, in view of the concurrent findings of the fact recorded by the two authorities, there is nothing to substantiate the case of the Revenue that the assessee had obtained the loan in cash and the same was also repaid in cash.

9. In view of the aforesaid findings of fact recorded by the Tribunal, we are of the view that none of the questions, as proposed by the Revenue, could be termed as substantial questions of law. In the result, all the captioned Tax Appeals fail and are hereby dismissed."

21.1. The Hon'ble Gujarat High Court has held that if the documents were not found or recovered from the possession of the assessee then, no presumption u/sec.132(4A) of the Act as well as sec.292C of the Act could be drawn against eh assessee in such circumstances. Similar view has been taken by the Hon'ble Patna High Court in the case of Dharmraj Prasad Bibuhti vs. ITAT [2020] 421 ITR 497 (Patna-HC) has held in Para nos.23 to 29 as under:

ITA.Nos.979 & 980/Hyd./2026 "23. In view of the above as also in view of the substantial question of law framed, it would be relevant to quote section 292C herein below for ready reference:-

"Presumption as to assets, books of account, etc. 292C. [(1)] Where any books of account, other documents, money, bullion, jewellery or other valuable article or thing are or is found in the possession or control of any person in the course of a search under section 132 or survey under section 133A, it may, in any proceeding under this Act, be presumed-

(i) that such books of account, other documents, money, bullion, jewellery or other valuable article or thing belong or belongs to such person:

(ii) that the contents of such books of account and other documents are true; and

(iii) that the signature and every other part of such books of account and other documents which purport to be in the handwriting of any particular person or which may reasonably be assumed to have been signed by, or to be in the handwriting of, any particular person, are in that person's handwriting, and in the case of a document stamped, executed or attested, that it was duly stamped and executed or ITA.Nos.979 & 980/Hyd./2026 attested by the person by whom it purports to have been so executed or attested.

(2) Where any books of account, other documents or assets have been delivered to the requisitioning officer in accordance with the provisions of section 132A, then, the provisions of sub-section (1) shall apply as if such books of account, other documents or assets which had been taken into custody from the person referred to in clause (a) or clause (b) or clause (c), as the case may be, of sub-section (1) of section 132A, had been found in the possession or control of that person in the course of a search under section 132.

24. Submissions of learned Sr. Standing Counsel for the Income Tax Department is that the seized cash was unexplained money in terms of section 69A of the IT Act and the same had not been explained either by the appellant or his father-in-law. It was further submitted that in terms of section 15888(3) of the IT Act, the burden of proving to the satisfaction of the Assessing Officer that any undisclosed income had already been disclosed in any return of income filed by the assessee before the commencement of search was on the assessee.

25. These two objections are answered in the written submission filed by Deo Lal Sah before the Assessing Officer in which, not only he accepted that the ITA.Nos.979 & 980/Hyd./2026 cash recovered in the search on 29.01.2002 at his residential premises in Lohanipur belonged to him but also filed his return of income for block assessment in form 2(b) (Annexure 10), showing the aforesaid seized amount and enclosing with his return, the cash flow statement explaining the seized cash. Thus, in so far as Section 69A of the IT Act is concerned, in view of the facts explained, it was not a case where the assessee offered no explanation, in stead Deo Lal Sah, from whose house the said cash was seized, accepted the same to be his cash and the assessee who is the appellant herein also categorically stated that the said cash was of his father- in-law Deo Lal Sah.

26. In so far as section 158(3) is concerned, the undisclosed income had already been disclosed in the return of income filed by Deo Lal Sah who also accepted it in his written. submissions, in our opinion thus, this section 158BB(3) has no applicability in the present case.

27. Section 132 (4A) of the I.T. Act provides that where any books of Accounts, other documents, money etc. is found in possession or control of any person in course of search, it may be presumed

that the same belongs to such person. It is apparent from the facts of the present case that not only has the seized cash been found from the house of Deo Lal Sah, father-in-law of the appellant, the said Deo Lal Sah in his written statement ITA.Nos.979 & 980/Hyd./2026 has also claimed ownership of the said cash. Thus, even in law as per section 132 (4A) of the I.T. Act the cash seized at the Lohanipur residence would be presumed to belong to Deo Lal Sah and not the appellant.

28. The judgments cited by the respondents are being dealt with herein below:-

> (1) Daya Chand (supra) :-In this case the cash credit were found in the books of account seized under section 132. It was held that the requirement of section 68 has to be fulfilled by the assessee, even where cash credit are found in the books seized under section 132 (4A). The facts of the said case and the case in hand being absolutely different and distinguishable, the ratio of the said judgment has no applicability here.
>
> (2) Sukh Ram (supra): In this case large amount of cash was recovered from the residential premises of the assessee. The tribunal noted that the books of account did not show any connection with the cash recovered from the assessee. The tribunal held that the assessee had not been able to rebut the presumption under section 132 (4A) of the I.T. Act and held that the addition made under section 69A of the Act was justified. It was held that when ITA.Nos.979 & 980/Hyd./2026 an assessee is found in possession of currency, it is for him to prove that he is not the owner of the currency and it is not for the revenue to prove that the assessee is the owner of the currency found in his possession.

his possession.

In our opinion, the position settled in case of Sukh Rom (supra), in fact supports the case of the appellant because in the present case it is Deo Lal Sah, from whose residential premises the cash was seized who is also claiming to be the owner of the said seized cash but is not being believed by the Revenue.

(3) Chuharmal (supra): This case was cited with reference to pages 254 and 255 by the learned Sr. Standing Counsel for the Income Tax Department dealing with the section 110 of the Evidence Act. From perusal of the relevant pages it would transpire that section 110 of the Evidence Act stipulates that when the question is whether any person is owner of anything of which he is shown to be in possession, onus of proving that he is not the owner is on the person who affirms that he is not the owner. It was observed that it is well settled principles of law, unless contrary is ITA.Nos.979 & 980/Hyd./2026 established, that title always follows possession.

In our opinion this judgment also is of no assistance to the respondents as the seizure of the cash has taken place in the house of Deo Lal Sah, who happens to be the father-in-law of the appellant and resides at Lohanipur, whereas the appellant resides at Machuatoli. Thus, even with the assistance of the said section 110 of the Evidence Act, the seized cash cannot be presumed to be that

of the appellant as he was not in possession thereof, and as such the onus of proving that he is not the owner would also not be on the appellant.

29. Having considered the submissions made on behalf of the appellant and the respondents and on going through the materials available on the record of the case, we, in absence of any evidence present connecting the money seized with the appellant, come to the following conclusions:

> (i) The cash found and seized in course of search on 29.01.2002 at the East Lohanipur residential premises of Deo Lal Sah (father-in-law of the appellant) belongs to Deo Lal Sah alone and not the appellant.

ITA.Nos.979 & 980/Hyd./2026

(ii) The respondent authorities in drawing presumption in terms of section 292C of the IT Act that the cash found and seized belongs to the appellant, have committed serious error in law as section 292C provides that if money is found in possession of any person in course of search under section 132, it may in any proceeding under the Act be presumed that such money belongs to such person and thus in the instant case since the money/seized cash was found in possession of Deo Lal Sah, it could not have been presumed to belong to the appellant.

(iii) The cash was found at the residence where not only Deo Lal Sah was residing but he also claimed the said cash and thus it will necessarily have to be presumed to be his undisclosed income in terms of section 292C of the IT Act.

(iv) In view of the fact that Deo Lal Sah filed return of income for block assessment along with the cash flow statement explaining the seized cash, there remains no doubt that the refusal of the respondents to not accept the entire cash found in course of search to be the undisclosed income of Deo Lal Sah, in absence of any material to the contrary. is illegal."

ITA.Nos.979 & 980/Hyd./2026 21.2. Therefore, it is held by the Hon'ble Patna High Court that the presumption u/sec.132(4A) and 292C can be raised only when the document is found from the possession of the assessee during the course of search and seizure action and no adverse inference can be drawn against the assessee on the basis of the document found and seized from the possession of the third party. Hence, the said seized material found and seized from the possession of the third party cannot be considered as belonging to the assessee even by application of the provisions of sec.132(4A) as well as sec.292C of the Act.

22. The assessee has also objection against the addition made u/sec.56(2)(x) of the Act when the transaction itself is disputed by the assessee. For ready reference, the provisions of sec.56(2)(x) is quoted as under:

> "Sec.56(2) - In particular, and without prejudice to the generality of the provisions of sub-section (1), the following incomes, shall be chargeable to income-tax under the head "Income from other sources", namely :--

xxxxx xxxxx xxxxx ITA.Nos.979 & 980/Hyd./2026

> (x) where any person receives, in any previous year, from any person or persons on or after the 1st day of April, 2017,--
>
> (a) any sum of money, without consideration, the aggregate value of which exceeds fifty thousand rupees, the whole of the aggregate value of such sum;

23. From the plain language of clause-(x) of sec.56(2) it is clear that when a sum of money exceeding 50 thousand rupees is received by assessee without any consideration the same shall be assessed as income under the head "Income from Other Sources". The essential characteristics of this provision is that there should not be any dispute about the fact of receipt of money whether it is for consideration or without consideration or nature of transaction can be a matter of decision by the Assessing Officer but if the transaction itself is in dispute and not an admitted transaction then, the provisions of sec.56(2)(x) of the Act cannot be pressed into service to assess the income only on the basis of allegation and suspicion. Further when the alleged amount of cash is relating to a transaction of ITA.Nos.979 & 980/Hyd./2026 purchase and sale of land and assessee is not party to the said transaction then, without bringing any fact or material on record to show much less to establish that the assessee has a role and right to receive the alleged amount in the said transaction of transfer of purchase and sale of land, the allegation of receipt of money cannot be brought to tax u/sec.56(2)(x) of the Act. In view of our elaborate discussion on the merits of the addition, the addition made by the Assessing Officer is not sustainable in law and the same is liable to be deleted. We, therefore, delete the addition made by the Assessing Officer.

24. In the result, ITA.No.979/Hyd./2026 of the assessee for the assessment year 2022-2023 is allowed.

24. For the assessment year 2023-2024 [ITA.No.980/Hyd./2026] the assessee has raised the following grounds of appeal:

> 1. "On the facts and circumstance of the case and in law, Learned CIT(A) is not justified in dismissing the appeal.

ITA.Nos.979 & 980/Hyd./2026

2. On the facts and circumstances of the case and in law, issue of notice U/s 143(2) is bad in law and consequent Assessment U/s 143(3) is void-abinitio.

3. On the facts and circumstance of the case and in law, Learned CIT(A) is not justified in sustaining the addition of Rs.118,00,00,000/- under section 56(2)(x) of the Act.

4. On the facts and circumstance of the case and in law, the addition made by the AO which was sustained by Learned CIT(A) is not justified without observing the fact that whether to treat the pen drive as admissible evidence the certificate under section 65B of the evidence act shall reflect the

conditions prescribed under section 65B.

5. On the facts and circumstance of the case and in law, Learned CIT(A) is not justified in sustaining the addition made by the AD without observing the fact that data relied upon is found in the premises and possession of third party without Corroborative evidence.

6. On the facts and circumstance of the case and in law, Learned CIT(A) is not Justified in sustaining the addition ITA.Nos.979 & 980/Hyd./2026 under Section 56(2)(x) as the appellant has not sold any land for which the alleged consideration has been received as suspected by revenue authorities.

7. On the facts and circumstance of the case, the Learned CIT(A) is not justified in sustaining the addition made by the AO as addition is made based on surmises and conjectures.

8. On the facts and circumstance of the case, the Assessing Officer failed to prove the nexus between the notings in the seized material and the nature of transaction.

9. On the facts and circumstance of the case, the presumption under Section 132(4A) is not applicable in the case of appellant.

10. Without prejudice to the above grounds, On the facts and circumstance of the case, there is undisputed fact that the Investigation department or the Assessing Officer neither any undisclosed cash nor any unaccounted investment or unaccounted assets were found which clearly militates against the finding of the AO of receipt of unaccounted cash to the tune of Rs.405 crores by the assessee during ITA.Nos.979 & 980/Hyd./2026 the period from September 2021 to August, 2022 based on unilateral entries made in the name of the Appellant.

11. On the facts and circumstance of the case, the Assessing Officer failed to prove with evidence to corroborate actual passing of cash between the parties in respect of cash entries in the seized document other than the presumptions.

12. On the facts and circumstance of the case, the Learned CIT(A) is not justified in sustaining the addition without appreciating that third party material cannot be relied upon to draw any adverse inference against the appellant in the absence of unearthing of independent corroborative evidence to authenticate the contents which were made unilaterally.

13. On the facts and circumstance of the case, the addition made is not justifiable purely by relying on the statement of third person which is not binding on the appellant.

14. On the facts and circumstance of the case, the case laws quoted by the Assessing officer which were followed by ITA.Nos.979 & 980/Hyd./2026 Learned CIT(A) is distinguishable to the present facts of the case.

15. Any other legal ground or factual grounds that may be urged at the time of hearing of the appeal."

25. Ground no.1 is general in nature and does not require any specific adjudication.

26. Ground no.2 is regarding validity of the notice issued u/sec.143(2) of the Act and consequently, the assessment order passed by the Assessing Officer which is not pressed at the time of hearing and therefore, ground no.2 of the assessee's appeal is dismissed being not pressed.

27. The rest of the grounds are regarding the merits of the addition made by the Assessing Officer based on the seized material found and seized from the third party in a separate search. The addition is made by the Assessing Officer based on the same seized material and statements as relied upon by the Assessing Officer for the assessment year 2022-2023. We have already considered the issue on merits for the assessment year 2022-2023 on all the aspects of the ITA.Nos.979 & 980/Hyd./2026 matter and our findings for the assessment year 2022-2023 shall follow mutatis mutandis for the assessment year 2023- 2024. Therefore, the addition made by the Assessing Officer for the assessment year 2023-2024 is deleted. We Order accordingly.

28. In the result, appeal ITA.No.980/Hyd./2026 of the assessee for the assessment year 2023-2024 is allowed.

29. To sum-up, both the appeals of the Assessee are allowed. A copy of this common order be placed in the respective case files Order pronounced in the open Court on 15.05.2026.

Sd/-	Sd/-
[MANJUNATHA G.]	[VIJAY PAL RAO]
ACCOUNTANT MEMBER	VICE PRESIDENT

Hyderabad, Dated 15th May, 2026.

VBP

ITA.Nos.979 & 980/Hyd./2026

Copy to :

Chennamaneni Mithun Chand, 13-B, Santhosh

1. Nagar Colony, Saidabad, Hyderabad - 500 059.

Telangana.

The ACIT, Central Circle-1(1), Aayakar Bhavan,

2. Basheerbagh, Hyderabad - 500 004. Telangana. The Pr. CIT(A)-11, 6 th Floor, Aayakar Bhavan,

3. Basheerbagh, Hyderabad - 500 004. Telangana.

4. The Pr. CIT-(Central), Hyderabad.

5. The DR, ITAT, "B" Bench, Hyderabad.

6. Guard file.

BY ORDER VADREVU Digitally by VADREVU signed PRASADA PRASADA RAO Date: 2026.05.15 RAO 10:52:29 +05'30'