

**आयकर अपीलीय अधिकरण, विशाखापटणम पीठ, विशाखापटणम**

**IN THE INCOME TAX APPELLATE TRIBUNAL  
VISA KHAPATNAM "DIVISION" BENCH, VISA KHAPATNAM**

**(HYBRID HEARING)**

**श्री.रवीश सूद ,न्यायिक सदस्य एवं श्री.एस.बालाकृष्णन, लेखा सदस्य के समक्ष  
BEFORE SHRI RAVISH SOOD, HON'BLE JUDICIAL MEMBER**

**&**

**SHRI S BALAKRISHNAN, HON'BLE ACCOUNTANT MEMBER**

**आईटीए. नं. / ITA No. 66/VIZ/2025  
(A.Y.2019-20)**

<b>Ganga Devi</b> D.No. 21-12-58 Nunevari Street, Chowtra Guntur – 522003 Andhra Pradesh  [PAN:ADPPD4339M]	v.	<b>Dy. CIT – Central Circle – 1</b> Income Tax Office Lakshmipuram Main Road Guntur – 522006 Andhra Pradesh
<b>(अपीलार्थी/ Appellant)</b>		<b>(प्रत्यर्थी/ Respondent)</b>

**आईटीए. नं. / ITA Nos. 72 & 73/VIZ/2025  
(A.Ys.2018-19 & 2019-20)**

<b>Ranaram</b> D.No. 21-4-15, Opp. Chalamaiah College Sangadigunta, Guntur – 522003 Andhra Pradesh  [PAN:ADVPR4787P]	v.	<b>Dy. CIT – Central Circle – 1</b> Income Tax Office Lakshmipuram Main Road Guntur – 522006 Andhra Pradesh
<b>(अपीलार्थी/ Appellant)</b>		<b>(प्रत्यर्थी/ Respondent)</b>

करदाता का प्रतिनिधित्व/ Assessee Represented by	:	Shri GVN Hari, Advocate
राजस्व का प्रतिनिधित्व/ Department Represented by	:	Shri Badicala Yadagiri, CIT(DR)
सुनवाई समाप्त होने की तिथि/ Date of Conclusion of Hearing	:	08.10.2025
घोषणा की तारीख/Date of Pronouncement	:	31.10.2025

## आदेश / O R D E R

### PER SHRI S BALAKRISHNAN, ACCOUNTANT MEMBER:

1. These appeals are filed by the different assessees against different orders of Learned Commissioner of Income Tax (Appeals), Visakhapatnam-3 [hereinafter in short “Ld.CIT(A)”] vide respective DIN & Order No.& dated as stated below: -

<b>ITA No. (A.Y.)</b>	<b>Name of the Assessee</b>	<b>DIN &amp; Order No.</b>	<b>Dated</b>
ITA No. 66/VIZ/2025 (A.Y. 2019-20)	Ganga Devi	ITBA/APL/S/250/2024-25/1070544591(1)	22.11.2024
ITA No. 72/VIZ/2025 (A.Y. 2018-19)	Ranaram	ITBA/APL/S/250/2024-25/1070561291(1)	22.11.2024
ITA No. 73/VIZ/2025 (A.Y. 2019-20)		ITBA/APL/S/250/2024-25/1070561466(1)	22.11.2024

2. Since the appeals are belonging to same family group and grounds raised by the assessee in all appeals are common and identical, all these appeals are clubbed and heard together and a consolidated order being passed. Firstly, we take up the appeal in ITA No.66/VIZ/2025 for the A.Y. 2019-20 in the case of Ganga Devi and brief facts are culled out therefrom.

### ITA No. 66/VIZ/2025 (A.Y. 2019-20)

3. Brief facts of the case are that, assessee is an individual and proprietor of “Chandanmal Javerchand Tobacco Dealers” filed her return of income for the

A.Y. 2019-20 admitting a total income of Rs.8,70,500/-. A search and seizure operation was conducted in “M/s. Polisetty Somasundaram” Group of cases on 28.01.2020. During the course of search and seizure operation proceedings conducted in the business premises of M/s. Polisetty Somasundaram on 28.01.2020 a pendrive was found and the contents of the pendrive was seized vide Annexure A/PSS/CORP/18 which contained the details of unaccounted cash transactions made by M/s. Polisetty Somasundaram. Basing on the above seized material, notice under section 153C of the Act was issued on 17.02.2022 on the assessee and was served on the same date. In response, assessee filed return of income by declaring the income as declared in the original return of income filed by the assessee. Subsequently, statutory notices under section 143(2) and 142(1) of the Act were issued to the assessee in connection with the re-assessment proceedings. In response to the notices, assessee did not furnish any information and therefore the Ld. AO issued another notice under section 142(1) of the Act on 12.03.2022 for furnishing the documentary evidences in respect of the cash payments made to M/s. Polisetty Somasundaram amounting to Rs.15,38,678/- on various dates. The assessee in response denied the transactions with M/s. Polisetty Somasundaram. Thereafter a show-cause notice was issued to the assessee which was not complied. In response to summons issued under section 131 of the Act, assessee appeared before the Ld. Assessing

Officer [hereinafter in short "Ld. AO"] and a sworn statement under section 131 was recorded. Assessee reiterated that his proprietary concern is a regular buyer of Tobacco Scrap from M/s. Polisetty Somasundaram and have done all transactions through bank account only. Assessee was confronted with the copies of vouchers seized vide Annexure A/PSS/CORP/18 and Annexure A/PSS/CORP/4 containing evidence with regard to receipt of cash from the assessee. The assessee denied the cash transaction made with M/s. Polisetty Somasundaram. However, Ld. AO on being not satisfied with the explanation given by the assessee proceeded to treat an amount of Rs.15,38,678/- as unexplained expenditure in the hands of the assessee.

4. On being aggrieved by the order of the Ld. AO, assessee carried the matter before the Ld. CIT(A). The assessee reiterated the submissions made before the Ld. AO. The Ld. CIT(A) relying on the decision of Jurisdictional Bench of the ITAT in the case of M/s. Polisetty Somasundaram v. DCIT, Central Circle-1, Guntur in ITA No. 172 to 180/VIZ/2020-23 dated 18.08.2023 considered the data extracted from the pendrive seized vide Annexure A/PSS/CORP/18 as invalid digital evidence and thereby deleted the addition of Rs.8,47,127/- made by the Ld. AO. However, the Ld. CIT(A) upheld the addition of Rs.6,91,551/- [i.e., Rs.5,61,671/- + Rs.1,29,880/-] seized vide Annexure A/PSS/CORP/4 in the hands of the assessee.

5. On being aggrieved by the order of the Ld. CIT(A), assessee is in appeal before us by raising following grounds of appeal: -

*“1. The order of Learned Commissioner of Income Tax (Appeals) is contrary to the facts and also the law applicable to the facts of the case.*

*2. The learned Commissioner of Income Tax (Appeals) is not justified in sustaining a sum of Rs.6,91,551 out of total addition of Rs.15,38,678 made by the assessing officer towards alleged unexplained payments made to M/s. Polisetty Somasundaram.*

*3. Any other ground that may be urged at the time of appeal hearing.”*

6. Ground Nos. 1 & 3 are general in nature and needs no adjudication.

7. Ground No.2 is agitated against sustaining the addition of Rs.6,91,551/- by Ld. CIT(A). On this issue, Ld. Authorised Representative [hereinafter “Ld.AR”] submitted that the cash vouchers seized does not contain the signatures of the assessee and it is a consolidated receipt for various multiple parties, hence, it cannot be considered as valid evidence against the assessee. Further, he submitted that the cash vouchers seized in searched party premises was not corroborated with any of the documents in the hands of the assessee and hence the evidences seized from the searched party cannot be relied upon. He therefore pleaded that the addition made may be deleted.

8. Per contra, Ld. Departmental Representative [hereinafter in short “Ld.DR”] relied on the orders of the Ld. CIT(A).

9. We have heard both the sides and perused the material available on record. Ld. AO relied on the seized material and the statement recorded by Shri P. Shyam Sundar admitting the fact that there are transactions entered into by the M/s.Polisetty Somasundaram outside the books of accounts by way of short invoicing while collecting the excess amount by way of cash from various parties. However, these evidences were not corroborated with any of the documents in the hands of the assessee. Ld. CIT(A) while relying on the decision of the Jurisdictional ITAT in the case of M/s. Polisetty Somasundaram v. DCIT, Central Circle-1, Guntur (supra) wherein it was held that the digital evidence (pendrive) seized is invalid digital evidence as the conditions specified in section 65B(2) and 65B(4) of the Indian Evidence Act was not followed by the Revenue in the case of M/s. Polisetty Somasundaram. However, the Ld.CIT(A) upheld the order of the Ld. AO to the extent of Rs.6,91,551/- wherein the Ld. AO had relied upon the vouchers seized vide Annexure A/PSS/CORP/4 from the search premises. These evidences were not disputed by the assessee. Various judicial pronouncements have repeatedly held that the documents seized in the searched party premises should be corroborated with other evidences for making the addition in the hands of the third party or enquiry has to be made by the Ld. AO while substantiating the additions in the hands of the third party. In the instant case, Ld. AO found the said vouchers is

incriminating nature containing the unaccounted transactions. Ld. CIT(A) in his findings has observed that the Ld. AO has conducted independent examination of the evidences that has been seized. Further, Shri P. Shyam Sundar in his sworn statement has confirmed about the unaccounted cash receipts due to under invoicing which was not retracted by him. In these circumstances, we find no infirmity in the order of the Ld. CIT(A) and we do not wish to interfere in the decision of the Ld. CIT(A). Accordingly ground raised by the assessee is dismissed.

**10.** In the result, appeal of the assessee is dismissed.

**ITA No.72/VIZ/2025 (A.Y. 2018-19)**

**ITA No. 73/VIZ/2025 (A.Y. 2019-20)**

**11.** Assessee has raised following grounds of appeal: -

**Grounds raised in ITA No. 72/VIZ/2025**

*“1. The order of Learned Commissioner of Income Tax (Appeals) is contrary to the facts and also the law applicable to the facts of the case.*

*2. The learned Commissioner of Income Tax (Appeals) is not justified in sustaining a sum of Rs.8,59,715 out of total addition of Rs.42,30,970 made by the assessing officer towards alleged unexplained payments made to M/s. Polisetty Somasundaram.*

*3. Any other ground that may be urged at the time of appeal hearing.”*

**Grounds raised in ITA No. 73/VIZ/2025**

*“1. The order of Learned Commissioner of Income Tax (Appeals) is contrary to the facts and also the law applicable to the facts of the case.*

2. *The learned Commissioner of Income Tax (Appeals) is not justified in sustaining a sum of Rs.39,22,912 out of total addition of Rs.81,54,876 made by the assessing officer towards alleged unexplained payments made to M/s. Polisetty Somasundaram.*

3. *Any other ground that may be urged at the time of appeal hearing.”*

12. In both these appeals, since the issue is exactly similar and grounds as well as the facts are also identical to grounds raised in ITA No.66/VIZ/2025 (A.Y.2019-20) in the case of Ganga Devi, therefore, the decision taken in ITA No.66/VIZ/2025 (A.Y. 2019-20) in the aforesaid paragraph shall apply mutatis mutandis to these appeals also. Accordingly, appeals filed by the assessee are dismissed.

13. In the result, appeals filed by the assessee are dismissed.

14. To sum-up, appeals filed by both the assesseees are dismissed.

Order pronounced in the open court on 31<sup>st</sup> October, 2025.

Sd/-

(रवीश सूद)

(RAVISH SOOD)

न्यायिक सदस्य/JUDICIAL MEMBER

Dated.31.10.2025

Giridhar, Sr.PS

Sd/-

(एस.बालाकृष्णन)

(S. BALAKRISHNAN)

लेखा सदस्य/ACCOUNTANT MEMBER

आदेश की प्रतिलिपि अग्रेषित/ Copy of the order forwarded to:-

1. निर्धारिती/ The Assessee : **(i)Ganga Devi**  
D.No. 21-12-58  
Nunevari Street, Chowtra  
Guntur – 522003  
Andhra Pradesh  
  
**(ii) Ranaram**  
D.No. 21-4-15, Opp. Chalamaiah College  
Sangadigunta, Guntur – 522003  
Andhra Pradesh
2. राजस्व/ The Revenue : **Dy. CIT – Central Circle – 1**  
Income Tax Office  
Lakshmipuram main Road  
Guntur – 522006  
Andhra Pradesh
3. The Principal Commissioner of Income Tax
4. विभागीयप्रतिनिधि, आयकरअपीलीयअधिकरण, विशाखापटणम /DR,ITAT, Visakhapatnam
5. The Commissioner of Income Tax
6. गार्डफ़ाईल / Guard file

आदेशानुसार / BY ORDER

Sr. Private Secretary  
ITAT, Visakhapatnam