आयकर अपीलीय अधिकरण, हैदराबाद पीठ

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

श्री विजय पाल राव, उपाध्यक्ष एवं श्री मधुसूदन सावडिया, लेखा सदस्य के समक्ष ।

BEFORE SHRI VIJAY PAL RAO, VICE PRESIDENT
AND
SHRI MADHUSUDAN SAWDIA, ACCOUNTANT MEMBER

(In आयकर अपीलसं./I.T.A. No.1559/Hyd/2025

(निर्धारणवर्ष**/ Assessment Year:2023-24)**

Nagalakshmi Devineni, Hyderabad. PAN: AFNPD6112N	*VS.*	DCIT, Central Circle-1(2), Hyderabad.
(अपीलार्थी/ Appellant)		**(प्रत्यर्थी/ Respondent)**

(In आयकर अपीलसं./I.T.A. No.1563/Hyd/2025

(निर्धारणवर्ष**/ Assessment Year:2021-22)**

Sri Venkat Devineni, Hyderabad. PAN: ALIPD6384R	*VS.*	DCIT, Central Circle-1(2), Hyderabad.
(अपीलार्थी/ Appellant)		**(प्रत्यर्थी/ Respondent)**

(In आयकर अपीलसं./I.T.A. No.1573/Hyd/2025

(निर्धारणवर्ष**/ Assessment Year:2022-23)**

Sricharan Devineni, Hyderabad. PAN: BGJPD6383B	*VS.*	DCIT, Central Circle-1(2), Hyderabad.
(अपीलार्थी/ Appellant)		**(प्रत्यर्थी/ Respondent)**

करदाताकाप्रतिनिधित्व/ Assessee Represented by	:	Shri H. Srinivasulu, Advocate
राजस्वकाप्रतिनिधित्व/ Department Represented by	:	Dr. Sachin Kumar, Sr. AR

सुनवाईसमाप्तहोनेकीतिथि/ Date of Conclusion of Hearing	:	03/02/2026
घोषणा की तारीख/ Date of Pronouncement	:	11/02/2026

ORDER

PER MADHUSUDAN SAWDIA, A.M.:

The captioned three appeals are filed by Ms Nagalakshmi Devineni, Sri Venkat Devineni and Sricharan Devineni ("the assessees"), feeling aggrieved by the separate orders passed by the Learned Commissioner of Income Tax (Appeals)-11, Hyderabad ("Ld. CIT(A)"), all dated 16.06.2025 for the A.Y.2023-24, A.Y.2021-22 and A.Y.2022-23 respectively. Since the issues involved in these appeals are identical, they are heard together and one consolidated order is being passed for the sake of brevity.

2. At the outset, we notice that there is a delay of 29 days in filing each of the three appeals before this Tribunal. The appeals pertain to three different assessees. In respect of the said delay, each assessee has filed a separate petition seeking condonation of delay, duly supported by separate affidavits of their common counsel, Shri Suresh Gannamani, Partner of M/s NSVR & Associates LLP. In the respective condonation petitions, a common explanation has been furnished for the delay in filing the appeals. It has been explained that the delay occurred due to two independent and bona fide reasons. Firstly, the files relating to the respective assessees inadvertently got mixed up with the files of other clients in the office of the counsel, and considerable time was consumed in tracing and segregating the correct files. Secondly, it has been explained that during the relevant period, the counsel was heavily preoccupied with statutory professional commitments, particularly the filing of income-tax returns, which further contributed to the delay in filing the appeals within the prescribed time. Therefore, the Learned Authorised Representative ("Ld. AR")

submitted that the delay in filing the appeals was neither intentional nor deliberate, but occurred due to the aforesaid bona fide circumstances. Accordingly, a prayer has been made in each of the cases to condone the delay and admit the appeals for adjudication on merits.

3. Per contra, the Learned Departmental Representative ("Ld. DR") fairly submitted that the Revenue has no objection to the condonation of the minor delay of 29 days in filing the present appeals.

4. We have carefully considered the facts of the cases and perused the respective condonation petitions and affidavits filed by the assessees. We find that the delay in each appeal is short, the reasons explained are reasonable and plausible, and there is nothing on record to suggest any mala fide intention or deliberate negligence on the part of any of the assessees. It is well settled that when substantial justice and technical considerations are pitted against each other, the cause of substantial justice deserves to be preferred. In the present cases, we are satisfied that the assessees have shown sufficient cause for the delay in filing the appeals. Accordingly, the delay of 29 days in filing each of the three appeals is condoned, and all the appeals are admitted for adjudication on merits.

ITA No. 1559/Hyd/2025 for A.Y. 2023-24 :

5. The brief facts of the case are that the assessee is an individual who filed her return of income for the Assessment Year 2023–24 on 31.07.2023, declaring a total income of Rs.1,52,94,030/-. A search and seizure operation under section 132 of the Income Tax Act, 1961 ("the Act") was carried out on 08.05.2023 in the group cases including Tenet Medcorp Private Limited and Tenet Diagnostics. The search was also conducted in the case of Shri Charan Devineni, son of the assessee, on the same date, and his statement was recorded under section 132(4) of the Act. Subsequently, the case of the assessee was selected for scrutiny and a notice under section 143(2) of the Act

dated 24.06.2024 was issued. During the year under consideration, the assessee had purchased agricultural land admeasuring 3 acres and 14 guntas situated at Somann Gurthy Village, Vikarabad, for a registered consideration of Rs.12,57,000/-. Based solely on the statement recorded under section 132(4) of the assessee's son, the Learned Assessing Officer ("Ld. AO") treated the purchase price of the land at Rs.10 lakhs per acre, thereby estimating the total purchase cost of the land at Rs.33,50,000/-. Accordingly, the Ld. AO made an addition of Rs.20,93,000/- being the difference between the estimated purchase cost and the registered consideration, under section 69A of the Act. The Ld. AO also made an addition of Rs.50,000/- by disallowing the deduction claimed under section 80D of the Act. Accordingly, the assessment was completed by the Ld. AO under section 143(3) of the Act on 19.03.2025, determining the total income of the assessee at Rs.1,74,37,030/-.

6. Aggrieved with the order of the Ld. AO, the assessee filed an appeal before the Ld. Commissioner of Income Tax (Appeals), who dismissed the appeal the assessee.

7. Aggrieved with the order of the Ld. CIT(A), the assessee is now in appeal before this Tribunal. At the outset, the Ld. AR submitted that the only surviving issue in the present appeal relates to the addition of Rs.20,93,000/- made by the Ld. AO under section 69A of the Act. He submitted that the addition has been made solely on the basis of the statement of the assessee's son, who is admittedly a third party in the assessee's case. It was contended that no incriminating material whatsoever was found or seized from the possession of the assessee during the course of the search. The Ld. AO has also failed to substantiate the third-party statement with any corroborative evidence. Further, the assessee was never confronted with the statement of his son during the assessment proceedings, thereby violating the principles of natural justice. The Ld. AR invited our attention to questions Nos.10 to 21 of the statement of the assessee's son recorded under section 132(4) of the Act placed at page nos.

45 to 52 of the paper book, and submitted that the son had merely stated that the land was purchased at a price ranging between Rs.5 lakhs to Rs.10 lakhs per acre, and had also categorically stated that he would verify the records and submit the exact consideration paid. Thus, the statement itself was uncertain and inconclusive. Accordingly, it was submitted that an addition made only on the basis of an uncorroborated statement of a third party is unsustainable in law. In support of this contention, the Ld. AR relied upon various judicial precedents.

8. Per contra, the Ld. DR relied upon the orders of the lower authorities. With regard to the contention relating to non-confrontation of the statement of the assessee's son, the Ld. DR submitted that the assessee never sought such confrontation during the assessment proceedings, and therefore, no infirmity can be attributed to the Ld. AO on this count. The Ld. DR further invited our attention to questions nos.10 to 21 of the statement of the assessee's son placed at page nos. 45 to 52 of the paper book and submitted that WhatsApp messages related to the purchase of the impugned land were found from the mobile phone of the assessee's son. According to the Ld. DR, these WhatsApp messages constitute corroborative evidence, and therefore, the contention of the assessee that no corroborative material was brought on record is factually incorrect. In support, reliance was placed on the decisions of the Hon'ble Supreme Court in the cases of Anvar PV Vs. P.K. Basheer & Ors, Civil Appeal no. 4226 of 2012 and Arjun Panditrao Khotkar vs Kailash Kushanrao Gorantyal, Civil Appeal nos. 20825-20826 of 2017, to contend that electronic evidence such as WhatsApp messages can be relied upon as corroborative evidence. Accordingly, the Ld. DR prayed that the addition made by the Ld. AO be sustained.

9. In rejoinder, the Ld. AR invited our attention to para nos. 6.1 to 6.3 of the order of the Ld. CIT(A) and demonstrated that the Ld. CIT(A) has categorically recorded that the Ld. AO has not relied upon the WhatsApp chats, but has relied only on the statement of the son of the assessee recorded under section 132(4)

of the Act. Therefore, the argument advanced by the Ld. DR that WhatsApp messages were relied upon by the lower authorities is factually incorrect. It was further submitted that, even otherwise, the Revenue has failed to obtain a certificate under section 65B of the Evidence Act in respect of the alleged WhatsApp messages. In the absence of such certification, the WhatsApp messages cannot be treated as admissible evidence. Accordingly, it was reiterated that an addition made only on the basis of an uncorroborated statement of a third party is unsustainable in law.

10. We have carefully considered the rival submissions and perused the material available on record, including the case laws relied upon. At the outset, we have gone through paras 6.1 to 6.3 of the order of the Ld. CIT(A), which is to the following effect :

> "6.1. Appellant filed Return of Income for the impugned A.Y. 2023-24 on 31.07.2023 admitting Total Income of Rs. 1,52,94,030/-, A Search and Seizure was carried out on 08.05.2023 in the group case of Ternet Medcorp Pvt. Ltd and Mis. Tenet Diagnostics The case of the appellant was centralized for Compulsory scrutiny and the case was selected for scrutiny under Compulsory scrutiny selection guidelines issued by the CBDT. Notice u/s 143(2) of the Act dated 24.06.2024 was issued and duly served on the appellant. Subsequently, notices u/s 142(1) were issued calling for certain Information. AD after verification of the information submitted, concluded the assessment by making addition of Rs 20,93.000 an account of unexplained investment u/s 69 of the Act and addition of Rs.50,000/- on account of disallowance of deduction claimed u/s 800. Aggrieved by the additions made, appellant filed the present appeal.
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> 6.2. Appellant raised 10 Grounds of Appeal, out of which Grounds of Appeal No 1, 7 & 10 are general in nature and Grounds of Appeal 8 & 9 are consequential in nature and therefore need no separate adjudication. In Ground of Appeal No. 2. it was contended that addition of Rs.20,93,000/- was made without bringing any cogent direct of corroborative evidence, In Ground of Appeal No.3. ii was contended that AC relied on statement made by the Appellant wherein it was mentioned that the estimated land value at Vikarabad District is approximately between Rs.5,00,000/-and Rs.10,00,000/- per Acre, the said statement was merely broad approximation and not definitive. In Ground of Appeal No. 4, it was submitted that the land at Somanagurthy village, Vikarabad District admeasuring 3 Acres and 14 Guntas was purchased for sale consideration of Rs. 12,57,000/- paid through banking channel and reflected in registered sale deed. In Ground of Appeal No.5, appellant submitted that AO overlooked the clarification submitted relating to the Whatsapp conversation which was pertaining to a distinct transaction at Yennepally village (Vikarabad District) and same was backed by a valid Memorandum of Understanding and other

supporting documents. In Ground of Appeal No. 6, appellant submitted that he along with his elder brother Sri Venkat Devineni entered into a MOU for purchase of land at Yennepallty Village for a total consideration of Rs.2,39,06,250/- (22.5 lakhs per Acre)

6.3. The assessment order, Grounds of Appeal and written submissions made by the appellant have been carefully examined. Appellant had purchased land admeasuring 3 Acres 14 Guntas at Somangurthy Village, Viakarabad District for a recorded sale consideration of Rs.12,57,000/- (which works out to Rs.9,380/- per Gunta), Apart from that, appellant's sons Sri Sricharan Devineni and Sri Venkat Devineni entered into a MOU dated 11.10.2021 for acquiring land admeasuring 10 Acres 25 Guntas al Yennepally Village, Vikarabad District. At this juncture, it is relevant to highlight that the addition made by the AO is in relation with purchase of land at Somangurthy Village. During assessment proceedings, AO noticed that the recorded sale consideration for purchase of lands admeasuring 3 Acres 14 Guntas at Somangurthy Village was Rs.12,57,000/-. However, AO also noticed from the Whatsapp chals of the appellant's son (Sri Sricharan Devineni) found and seized during the Search at residence of Sricharan Devineni that there were conversations indicating purchase of certain land for Rs.22.5 Lakhs per Acre. In response to the query raised by the AD τη this regard, appellant submitted that the Whatsapp chats were related to purchase of land at Yennepally Village for which a MOU was entered by her sons, according to which the consideration per Acre was around Rs.22.5 Lakhs. Further. AD on examining the statement recorded of Sricharan Devineni u/s 132(4) of the Act. observed that the lands at Somanagurthy Village were purchased for a consideration between Rs.5,00,000/- and Rs.10,00,000/- per Acre by him and family members over a period of 3 years from F.Y.2020-21 to 2022-23. Since the appellant purchased land during F.Y.2022-23 (being the last year of period F.Y.2020-21 to 2022-23), AO adopted price of Rs.10,00,000/- per Acre and arrived to a total land price of Rs.33,50.000/- for purchase of 3. Acres 14 Guntas instead of Rs.12.57.000/- as submitted by the appellant. In view of above facts and circumstance, the statement deposed by Sricharan Devineni (son of Appellant) u/s 132(4) of the Act dated 08.05.2023 (resumed on 09.05.2023) was examined. The relevant queries are Q.No.14 to 21 of the statement, on close examination of the responses given by the appellant's son during the course of Search it is noticed that the reference was made to certain lands which have been already purchased and amounts paid to the sellers. There is no reference of any MOU dated 11.10.2021 in the responses of the appellant's son recorded on 08/09.05.2023. Therefore, a strong inference can be drawn that the lands referred in statement were already purchased and for which amounts were paid. As discussed above and as admitted by the appellant's son in the statement u/s 132(4), the lands at Somangurthy Village were already purchased and lands at Yennepally Village were yet to be registered / purchased. AO relied upon the statement recorded u/s 132(4) while concluding that the price of 3 Acres 14 Guntas at Somangurthy Village as Rs.33,50.000/-, AO's reliance was not on Whatspp chat but on the statement recorded u/s 132(4) which provided basis for his presumption that the deposition given by the appellant's son were in connection with the lands already purchased ie, lands at Somangurthy Village. Appellant son in his statement at multiple instances mentioned that the price of the purchased lands were between Rs.5,00,000/- and Rs. 10,00,000/- per Acre. Even the reason for variation in prices was given by the appellant's son as location of the land and procurement on various dates. Sricharan Devineni, Appellant's son in his full knowledge had stated that lands at Somanagurthy village were purchased by

him and his family members for a price ranging between Rs.5,00,000/- and Rs. 10,00,000/- per Acre. During appellate proceedings, appellant attempted to prove that the lands at Somanagurthy were purchased only for Rs.12,57,000/- basing upon arguments relating to land at Yennepally Village and related Whatsapp chats. It is pertinent to note that the addition made by the AO is on difference in pricing of Somanagurthy land and not Yennepally land. AO correctly relied upon the statement made u/s 132(4) of the Act during Search proceedings in which appellant's son has mentioned that the purchased lands that is of Somanagurthy land were ranging between Rs.5,00,000/-and Rs. 10,00,000/- per Acre. Appellant during appellate proceedings also merely stated that the Somangurthy land was purchased for Rs.12,57,000/- which is in contradiction to the statement u/s 132(4) of the Act. In order to prove the statement given was wrong appellant has to produce relevant evidences / proof which is not the case of the appellant. The MOU entered for Yennepally land would not come to rescue of the appellant since these lands were yet to be purchased and deposition given was for certain lands purchased already, which were indeed Somanagurthy land. It is also equally important to note that the deposition u/ 132(4) was given by appellant's son who had also purchased the land in Somanagurthy Village. Therefore, it cannot be said that Sricharan Devineni, appellant's son was not aware about the land transaction entered by appellant and relevant prices. Further, AO had logically taken the higher value of Rs.10,00,000/- of the said price range of lands between Rs.5 to 10 Lakhs mentioned by the appellant's son, since the recorded price of the land was also increasing from year to year i.e.Rs.1,25,040 per Acre in FY.2020-21 (the year in which appellant's son Sri Venka Devineni had purchased land) to Rs.3,75,200 per Acre in F.Y.2022-23 (the year in which appellant had purchased the land). AO rightfully relied upon the statement recorded u/s 132(4) in absence of any other material evidence produced by the appellant to prove that the statement made was incorrect. In view of this, the arguments of the appellant that the AO had overlooked the clarification submitted by the appellant, the addition was based upon vague submission made during statement u/s 132(4) are baseless and devoid of merit. In such circumstances, the view taken by the AO that the price of the land admeasuring 3 Acres 14 Guntas works out to Rs.33,50,000/-(Rs.10,00,000/- per Acre) cannot be questioned. AO made addition of Rs.20,93,000/- i.e. Difference between Rs.33,50,000/- and Rs. 12,57,000/-. The addition made by the AO is upheld. In view of the above discussion, the Grounds of Appeal No. 2 to 6 dismissed."

11. On perusal of above, it is evident that the Ld. CIT(A) has categorically recorded that the Ld. AO has not relied upon the WhatsApp chats, but has relied solely on the statement recorded under section 132(4) of the Act. Therefore, the contention of the Revenue that WhatsApp messages constitute corroborative evidence and were relied upon by the lower authorities is contrary to the record. Otherwise also we have gone through the reliance placed by the Ld. DR on the decisions of the Hon'ble Supreme Court in the cases of Anvar PV Vs. P.K.Basheer & Ors (supra) and Arjun Panditrao Khotkar Vs. Kailash Kushanrao Gorantyal (supra). We observed that the Hon'ble Apex court has dealt with

findings in Anvar PV Vs. P.K.Basheer & Ors (supra) in Arjun Panditrao Khotkar Vs. Kailash Kushanrao Gorantyal (supra), wherein at para no. 72 of the order in the case of Arjun Panditrao Khotkar vs Kailash Kushanrao Gorantyal (supra), the Hon'ble Apex court has held as under :

> *"72. The reference is thus answered by stating that:*
>
> *(a) Anvar P.V. (supra), as clarified by us hereinabove, is the law declared by this Court on Section 65B of the Evidence Act. The judgment in Tomaso Bruno (supra), being per incuriam, does not lay down the law correctly. Also, the judgment in SLP (Crl.) No. 9431 of 2011 reported as Shafhi Mohammad (supra) and the judgment dated 03.04.2018 reported as (2018) 5 SCC 311, do not lay down the law correctly and are therefore overruled.*
>
> *(b) The clarification referred to above is that the required certificate under Section 65B(4) is unnecessary if the original document itself is produced. This can be done by the owner of a laptop computer, computer tablet or even a mobile phone, by stepping into the witness box and proving that the concerned device, on which the original information is first stored, is owned and/or operated by him. In cases where the "computer" happens to be a part of a "computer system" or "computer network" and it becomes impossible to physically bring such system or network to the Court, then the only means of providing information contained in such electronic record can be in accordance with Section 65B(1), together with the requisite certificate under Section 65B(4). The last sentence in Anvar P.V. (supra) which reads as "…if an electronic record as such is used as primary evidence under Section 62 of the Evidence Act…" is thus clarified; it is to be read without the words "under Section 62 of the Evidence Act,…" With this clarification, the law stated in paragraph 24 of Anvar P.V. (supra) does not need to be revisited.*
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> *(c) The general directions issued in paragraph 62 (supra) shall hereafter be followed by courts that deal with electronic evidence, to ensure their preservation, and production of certificate at the appropriate stage. These directions shall apply in all proceedings, till rules and directions under Section 67C of the Information Technology Act and data retention conditions are formulated for compliance by telecom and internet service providers.*
>
> *(d) Appropriate rules and directions should be framed in exercise of the Information Technology Act, by exercising powers such as in Section 67C, and also framing suitable rules for the retention of data involved in trial of offences, their segregation, rules of chain of custody, stamping and record maintenance, for the entire duration of trials and appeals, and also in regard to preservation of the meta data to avoid corruption. Likewise, appropriate rules for preservation, retrieval and production of electronic record, should be framed as indicated earlier, after considering the report of the Committee constituted by the Chief Justice's Conference in April, 2016."*

12. On perusal of above, it is evident that the Apex court have categorically held that in the absence of the corresponding device in which the original digital evidence was first recorded, the certificate under section 65B of the Evidence Act is must with regards to the digital evidence relied upon. However, no such certificate under section 65B of the Evidence Act qua the WhatsApp messages has been produced by the Revenue. Accordingly, the reliance of Revenue on the decisions of the Hon'ble Supreme Court in the cases of Anvar PV vs P.K.Basheer & Ors (supra) and Arjun Panditrao Khotkar vs Kailash Kushanrao Gorantyal (supra) can't come to their rescue.

13. We also observe that no corroborative material or independent evidence has been brought on record by the Revenue to substantiate the alleged on-money payment. The addition has been made solely on the basis of the statement of a third party, which itself is uncertain and tentative, as the deponent had stated that he would verify the records and submit the correct figures later. It is a settled proposition of law, as held by various courts, that a statement of a third party, in the absence of any corroborative evidence, cannot be the sole basis for making an addition in the hands of the assessee. Even the courts have held that the statement of the assessee recorded under section 132(4) of the Act, in the absence of any corroborative evidence, cannot be the sole basis for making an addition in the hands of the assessee. In this regards, we have gone through para no. 38 of the decision of Hon'ble Delhi High Court in the case of PCIT vs. Best Infrastructure (India) Pvt. Ltd., (2017) 397 ITR 82 (Delhi), which is to the following effect :

> *"38. Fifthly, statements recorded under Section 132 (4) of the Act of the Act do not by themselves constitute incriminating material as has been explained by this Court in Commissioner of Income Tax v. Harjeev Aggarwal (supra). Lastly, as already pointed out hereinbefore, the facts in the present case are different from the facts in Smt. Dayawanti Gupta v. CIT (supra) where the admission by the Assessees themselves on critical ITA No.1355/Hyd/2024 8 aspects, of failure to maintain accounts and admission that the seized documents reflected transactions of unaccounted sales and purchases, is non-existent in the present case. In the said case, there was a factual finding to the effect that the Assessees were habitual offenders, indulging in clandestine operations whereas there is nothing in the present case, whatsoever, to suggest that any*

statement made by Mr. Anu Aggarwal or Mr. Harjeet Singh contained any such admission."

14. On perusal of above, we found that, the Hon'ble Delhi High Court held that statements recorded under Section 132(4) of the Act do not, by themselves, serve as incriminating material. The court emphasized that these statements must be supported by independent evidence to be admissible for making assessments. Therefore, in view of the decisions of the Hon'ble Delhi High Courts, it is evident that, a statement of assessee at the time of search on standalone basis has no evidentiary value and cannot be acted upon to fasten any liability on the assessee. Respectfully following the judgement of Hon'ble Delhi High court, we hold that a statement of a third party recorded under section 132(4) of the Act, in the absence of any corroborative evidence, cannot be the sole basis for making an addition in the hands of the assessee. In view of the present facts and circumstances, we hold that the addition of Rs.20,93,000/- made under section 69A of the Act is unsustainable in law and is liable to be deleted.

15. In the result, the appeal of the assessee in ITA no. 1559/Hyd/2025 for A.Y. 2023-24 is allowed.

ITA No. 1563/Hyd/2025 for A.Y. 2021-22 :

16. At the outset, the Ld. AR submitted that the facts and issues involved in this appeal is similar to the facts and issues involved in ITA No.1559/Hyd/2025 for Assessment Year 2023–24. Accordingly, it was submitted that the findings of the Tribunal in ITA No.1559/Hyd/2025 for Assessment Year 2023–24 can be mutatis mutandis applied to the present appeal also. Further, there was no objection from the Revenue regarding the similarity of facts and issues involved in this appeal with those involved in ITA No.1559/Hyd/2025 for Assessment Year 2023–24. Therefore, in our considered view, the findings and observations recorded by us in ITA No.1559/Hyd/2025 for Assessment Year 2023–24 shall mutatis mutandis apply to the present appeal also. We have deleted the addition

made by the Ld. AO in ITA No.1559/Hyd/2025 for Assessment Year 2023–24. Accordingly, in this appeal also the addition made by the Ld. AO is directed to be deleted.

17. In the result, the appeal of the assessee in ITA no. 1563/Hyd/2025 for A.Y. 2021-22 is allowed.

ITA No. 1573/Hyd/2025 for A.Y. 2022-23 :

18. At the outset, the Ld. AR submitted that the facts and issues involved in the present appeal are similar to the facts and issues involved in ITA No.1559/Hyd/2025 for the Assessment Year 2023–24. It was submitted that the only distinguishing feature in the present appeal is that, whereas in ITA No.1559/Hyd/2025 the Ld. AO had relied upon the statement of a third party, in the present case, the Ld. AO has relied upon the statement of the assessee himself recorded under section 132(4) of the Act.

19. The Ld. AR, however, reiterated that no addition can be sustained merely on the basis of a statement recorded under section 132(4) of the Act, in the absence of any corroborative evidence brought on record by the Revenue. It was submitted that the legal principle remains the same, irrespective of whether the statement is of a third party or of the assessee himself, and that a statement simpliciter, without supporting material, has no evidentiary value for making an addition.

20. Per contra, the Ld. DR relied upon the same submissions as were advanced by the Revenue in ITA No.1559/Hyd/2025 for the Assessment Year 2023–24.

21. We have considered the rival submissions and perused the material available on record. There is no dispute about the factual position that, in the present case also, the Ld. AO has relied solely on the statement of the assessee

recorded under section 132(4) of the Act and has failed to bring on record any corroborative evidence in support of the addition made. In ITA No.1559/Hyd/2025 for the Assessment Year 2023–24 relying on the decision of Hon'ble Delhi High Court in the case of PCIT vs. Best Infrastructure (India) Pvt. Ltd., (supra), we have already held that a statement of any assessee recorded under section 132(4) of the Act, in the absence of any corroborative evidence, cannot be the sole basis for making an addition in the hands of the assessee. Since the basic facts and issue involved in the present appeal are identical, and there being no distinguishing material brought on record by the Revenue, we respectfully follow the findings of the Tribunal in ITA No.1559/Hyd/2025 for the Assessment Year 2023–24. Accordingly, we direct the Ld. AO to delete the addition made in the hands of the assessee.

22. In the result, the appeal of the assessee in ITA no. 1573/Hyd/2025 for A.Y. 2022-23 is allowed.

23. To sum up, all the appeals filed by the assessees are allowed.

Order pronounced in the Open Court on 11th February, 2026.

Sd/- **(VIJAY PAL RAO)** **VICE PRESIDENT**	**Sd/-** **(MADHUSUDAN SAWDIA)** **ACCOUNTANT MEMBER**

Hyderabad, dated 11th February, 2026
Okk, Sr. PS
Copy to:

S.No	Addresses
1	(i) Nagalakshmi Devineni, 8-2-401/C/1, Plot No.20, Road No.4, Banjara Hills, Hyderabad-500034. (ii) Sri Venkat Devineni, 8-2-401/C/1, Plot No.20, Road No.4, Banjara Hills, Hyderabad-500034, Telangana. (iii) Sricharan Devineni, 8-2-401/C/1, Plot No.20, Road No.4, Banjara Hills, Hyderabad-500034.
2	DCIT, Central Circle-1(2), Aayakar Bhawan, Opp. LB Stadium, Basheer Bagh, Hyderabad-500004, Telangana.

3	Pr. CIT, Central Circle, Hyderabad.
4	DR, ITAT Hyderabad Benches
5	Guard File

By Order

KAMALA KUMAR ORUGANTI

Digitally signed by KAMALA KUMAR ORUGANTI
Date: 2026.02.12 15:03:55 +05'30'