The Pr. Commissioner of Income-Tax, Central & Anr. v. Global Tech Park Pvt. Ltd.

Income Tax Appeal No. 2 of 2026

2026:KHC:49258-DB | 2026-09-10

Section 153A search assessment: addition of Rs. 10 crore based solely on uncorroborated figures scribbled by CFO on loose sheets (explained as loan-eligibility calculations for property acquisition) deleted; loose sheets are not books of account under V.C. Shukla and Sunil Kumar Sharma.

Income-tax Act, 1961: sections 153A, 250 and 260A; evidentiary value of uncorroborated loose sheets

High Court of Karnataka | 2-judge bench (Division Bench) | Vibhu Bakhru, CJ. | K. S. Hemalekha, J.

Assessment years: 2016-17

Separate Rs. 1,09,97,172 accrued-interest addition conceded by assessee before ITAT; appeal confined to Rs. 10 crore loose-sheet addition

As recorded in paragraph 5 (PDF pp. 3-4), the assessee had conceded the separate addition of Rs. 1,09,97,172 relating to interest accrued on loans and advances before the ITAT; the High Court's ruling pertains exclusively to the Rs. 10 crore addition based on uncorroborated loose sheets.

01 FACTS OF THE CASE

Following a search on 01.02.2018, assessment proceedings under section 153A were initiated against Global Tech Park Pvt. Ltd. for AY 2016-17. During the search, certain loose sheets containing figures scribbled by the assessee's Chief Financial Officer (Sri B.V. Vijendra) were found. When confronted, the CFO explained that the scribblings represented hypothetical loan calculations prepared to inflate the valuation of a property (acquired on 28.12.2015 for a registered consideration of Rs. 92 crores, funded by a Rs. 65 crore loan from M/s. Aditya Birla Finance Limited) so as to obtain a higher loan sanction. Although no corroborative material or evidence of cash payment beyond the registered sale deed was found, the AO added Rs. 10 crores on the basis of the loose sheets, which the CIT(A) confirmed on 30.09.2024. By order dated 31.07.2025, the ITAT Bengaluru deleted the Rs. 10 crore addition.

Source: Paragraphs 1-11; PDF pp. 2-5

02 DISCUSSION BY THE HON'BLE COURT

Affirming the Tribunal's decision, the Division Bench held that the figures scribbled on the seized loose sheets were completely uncorroborated by any independent evidence indicating that any consideration over and above the registered sale deed price of Rs. 92 crores had actually been paid. Loose sheets do not constitute 'books of account', and uncorroborated scribblings on loose sheets cannot form the sole basis for an assessment addition—a legal position settled by the Supreme Court in Central Bureau of Investigation v. V.C. Shukla & Ors., AIR 1998 SC 1406 and the coordinate Division Bench decision in Deputy Commissioner of Income-Tax v. Sunil Kumar Sharma, [2024] 159 taxmann.com 179 (Karnataka).

Source: Paragraphs 8-14; PDF pp. 4-6

03 JUDICIAL DECISION

Holding that in view of the settled law no substantial question of law arose for consideration, the High Court dismissed Income Tax Appeal No. 2 of 2026 at the admission stage.

Source: Paragraph 14; PDF p. 6

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee (Global Tech Park Pvt. Ltd.). The Revenue's appeal was dismissed, affirming the deletion of the Rs. 10 crore loose-sheet search addition for AY 2016-17.

Source: Paragraphs 11-14; PDF pp. 5-6

05 EXPERT COMMENTS

Distinguish authorship from proof of payment — Revenue relied on admitted document ownership, a matching cheque component and an alleged admission of contents. The Court nevertheless found no corroboration of additional consideration. Analyse precisely what was admitted: identifying a working paper or its author is different from admitting an actual cash payment. Preserve the full statement and context.

Reconcile the proposed transaction with the completed one — The CFO explained the sheet as a calculation to obtain a larger loan. Assemble the sale deed, loan and payment trail when testing whether a projected figure became actual consideration. The decision does not endorse inflated loan valuations or decide their separate consequences.

Avoid a rule that every loose paper is worthless — The Court treated these scribblings as neither books of account nor a sufficient standalone basis for the addition. Examine whether other evidence connects its figures to a real transaction; that factual link is what this record lacked.

Keep the relief and the assessment year precise — The Tribunal order covered several years, but this appeal arose from ITA 2319/Bang/2024 for AY 2016–17. The separate Rs.1,09,97,172 accrued-interest addition was conceded before the Tribunal. Relief on the Rs.10 crore loose-sheet issue must therefore not be described as annulment of the entire assessment or success on every addition in the consolidated proceedings.

Source: Editorial analysis; own paras.1–14; PDF pp.2–6

SOURCE & VERIFICATION

High Court of Karnataka official digital judgment PDF - AKHB Cloud Repository

Six-page judgment; own paragraphs 1–14 on PDF pp.2–6. This High Court appeal concerns only AY 2016–17 within the Tribunal's wider consolidated order.

All 6 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

Sections 153A,250 and 260A are expressly identified. The judgment does not specify sections 69/69B as the charging basis or reproduce Evidence Act section 34.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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