



CNR: KAHC010000512026

NC: 2026:KHC:49258-DB
ITA No. 2 of 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 10TH DAY OF SEPTEMBER, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MRS. JUSTICE K.S. HEMALEKHA

INCOME TAX APPEAL NO.2 OF 2026

BETWEEN:

1. THE PR. COMMISSIONER OF INCOME-TAX,
CENTRAL,
3RD FLOOR, C.R. BUILDING,
QUEEN'S ROAD,
BENGALURU-560 001.
2. THE DEPUTY COMMISSIONER OF INCOME-TAX,
CENTRAL CIRCLE-1(1),
3RD FLOOR, C.R. BUILDING,
QUEEN'S ROAD,
BENGALURU-560 001.

...APPELLANTS

(BY SRI. RAVI RAJ Y.V., ADVOCATE)

AND:

GLOBAL TECH PARK PVT. LTD.,
NO.11, 'B' WING,
DIVYASHREE CHAMBERS,
LANGFORD ROAD,
BENGALURU-560 025.
REP. BY ITS MANAGING DIRECTOR.

...RESPONDENT

(BY SRI. SHREEHARI KUTSA, ADVOCATE)



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THIS ITA IS FILED UNDER SECTION 260A OF THE INCOME TAX ACT, 1961, PRAYING TO ALLOW THE APPEAL AND SET ASIDE THE ORDERS PASSED BY THE INCOME-TAX APPELLATE TRIBUNAL, BENGALURU IN ITA NO.2319/BANG/2024 DATED 31.07.2025 FOR ASSESSMENT YEAR 2016-2017 ANNEXURE-A AND CONFIRM THE ORDER OF THE APPELLATE COMMISSIONER CONFIRMING THE ORDER PASSED BY THE DEPUTY COMMISSIONER OF INCOME TAX, CENTRAL CIRCLE-1(1), BENGALURU.

THIS APPEAL, COMING ON FOR ADMISSION, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MRS. JUSTICE K.S. HEMALEKHA

ORAL JUDGMENT

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. The Revenue has filed the present appeal under Section 260A of the Income Tax Act, 1961 **[Act]** impugning the order dated 31.07.2025 passed by the learned Income Tax Appellate Tribunal, Bangalore **[ITAT]** in ITA No.2319/Bang/2024.

2. The Tribunal had passed the consolidated order in respect of ITA Nos.2315 to 2320/Bang/2024, which were preferred by the Assessee (Global Tech Park Private Limited) in respect of Assessment Years **[AYs]** 2012-13 to 2017-18 as well as the ITA No.2363/Bang/2024, which was preferred by the Revenue in respect



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to the AY 2013-14. As noted above, the present appeal arises out of ITA No.2319/Bang/2024 in respect of AY 2016-17.

3. The Revenue has projected the following substantial question of law for consideration of this Court:

"1. Whether, in the facts and circumstances of the case, the Tribunal has not erred in holding that the seized loose paper is completely uncorroborated, despite the fact that the ownership of the said seized documents are not denied, cheque part of the consideration is tallied with the registered sale deed and the Director of the assessee company admitting the contents of the loose sheet and as such, the order of the Tribunal is perverse?"

4. The Assessee had filed its original return of income on 17.10.2016 declaring Nil income. A search was conducted in the premises of the Assessee on 01.02.2018. Thereafter, Assessing Officer [AO] issued a notice dated 10.01.2019 under Section 153A of the Act to the Assessee. In response to the said notice, the Assessee filed a return of income on 27.02.2019, declaring Nil income for the relevant AY.

5. During the course of the assessment proceedings, the AO made an addition of ₹1,09,97,172/-, *inter alia*, on account of undisclosed income relating to interest accrued on loans and advances. Although, the said addition was subject matter of



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challenge by the Assessee before the learned ITAT, the Assessee subsequently conceded the same.

6. The principal issue in the present case relates to an addition of ₹10 crores made on the basis of certain loose sheets found during the course of the search proceedings, which reflected certain figures. The said loose sheet contained scribbles by the Chief Financial Officer [**CFO**] of the Assessee, Sri B.V. Vijendra. He was confronted with the said loose sheets and in his statement, stated that the figures mentioned therein were intended to represent the loan calculation for the purpose of purchase of a property acquired by the Assessee. It is stated that subject property was acquired for a consideration of ₹92 crores on 28.12.2015.

7. It is stated that the acquisition was funded by a loan of ₹65 crores obtained from M/s. Aditya Birla Finance Limited Bank. The CFO had explained that the figures were scribbled to show a calculation intended to inflate the value of the subject property in order to get a larger loan.

8. The figures mentioned in the said loose sheets were not corroborated by any other evidence or material to establish that the



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figures scribbled on the said sheets represented the actual consideration for acquisition of the subject property or in any manner relates to the transaction of its purchase by the Assessee.

9. Notwithstanding the same, the AO proceeded to make the addition solely on the basis of the figures scribbled on the loose sheet, which were not corroborated by any other material or evidence to suggest that any cash had been paid. No evidence or material was found to indicate that any funds other than amount as reflected in the sale deed had paid.

10. The Assessee had preferred an appeal under Section 250 of the Act before the learned Commissioner of Income Tax (Appeals)-11, Bengaluru [**CIT(A)**]. In this regard, the learned CIT(A) dismissed the appeal by an order dated 30.09.2024.

11. The learned ITAT held in favour of the Assessee finding that the loose sheets could not be considered as books of account and any figures scribbled therein could not be considered as representing any sum recorded in the books of the Assessee.

12. The issue as to whether such loose sheets, without any other incriminating material, could form the basis for making an addition and



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whether such scribbled figures on the loose sheet form the basis for assessment in the absence of any corroborative material, is no longer *res integra*.

13. The ITAT rightly found that the issue was covered by the decision of the Supreme Court in **Central Bureau of Investigation Vs. V.C. Shukla & Ors¹**. The ITAT had also rightly referred to the decision of this Court in **Deputy Commissioner of Income-Tax Vs. Sunil Kumar Sharma²**.

14. In view of the settled law, no substantial question of law arises for consideration by this Court. The appeal is accordingly dismissed.

**Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE**

**Sd/-
(K.S. HEMALEKHA)
JUDGE**

MBM
List No.: 2 Sl No.: 7

¹ AIR 1998 SC 1406

² [2024] 159 taxmann.com 179 (Karnataka)