

**IN THE INCOME TAX APPELLATE TRIBUNAL
'A' BENCH : BANGALORE**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER
AND
SHRI SOUNDARARAJAN K., JUDICIAL MEMBER**

ITA No. 2435/Bang/2024
Assessment Year : 2016-17

M/s. Flourish Techno & Real Estate Pvt. Ltd., 573, 3 rd Floor, 3 rd Main Road, 2 nd Block, above Café Coffee Day, R T Nagar, Bangalore – 560 032. PAN: AABCF6161B	Vs.	The Income Tax Officer, Ward – 3(1)(1), Bangalore.
APPELLANT		RESPONDENT

Assessee by	:	None
Revenue by	:	Shri Balusamy N, JCIT-DR

Date of Hearing	:	16-10-2025
Date of Pronouncement	:	12-01-2026

ORDER

PER SOUNDARARAJAN K., JUDICIAL MEMBER

This is an appeal filed by the assessee challenging the order of the NFAC, Delhi dated 27/06/2023 in respect of the A.Y. 2016-17 and raised the following grounds:

“1. On the facts and circumstances of the case, the order of The Learned CIT (Appeals) is erroneous and against the provisions of the Income Tax Act and Prejudicial to the Appellant.

2. The learned CIT (Appeals) has erred by passing order U/s. 250 without giving reasonable opportunity of being

heard to Appellant which results in tax demand and is unlawful.

3. The learned assessing officer had wrongly treated the unsecured loan of Rs. 5,00,000 /- u/s 68 as unexplained cash credit without any basis wherein the appellant had requested for the time extension to submit the confirmation letter.

4. The learned assessing officer erred in understanding that, the addition is not figured because of any wilful and deliberate attempt to avoid tax, on the part of the appellant which is an important condition for imposing penalty u/s 271(1)(c).

The Appellant prays to consider his submissions before passing the order in this appeal to meet ends of justice and erase the tax demand assessed by the learned assessing officer.

Among and other grounds that would be urged at the time of hearing the appellant craves leave to amend, alter, delete such grounds, and add such additional grounds, adduce, and explain such additional evidence as facts and circumstances of the appellant's case.

The appellant humbly submits that the appeal be admitted, and the matter be adjudicated in fair and judicious manner and opportunity of being heard be afforded to meet the ends of justice.”

2. The appeal has been filed with a delay of 474 days and the assessee also filed an application to condone the said delay. In the said application, the assessee had stated that the appeal could not be filed in time because of the health issues. Except the said averment in the delay condonation application, the assessee had not furnished the details of the medical records to show that he was having health issues. Therefore, we do not think that the assessee needs a lenient view in condoning the said delay. If the assessee had appeared before this Tribunal, we could have pointed out the said defect and the assessee could have also brought on record some medical records but unfortunately, the assessee has not appeared before this Tribunal and therefore we do not have any such opportunity.

3. In any event, even though, we are not satisfied with the reasoning given by the assessee for the said delay of 474 days, in order to render substantial justice we are inclined to take up the appeal and decide the same on merits if the assessee is having a good ground for interfering with the order of the lower authorities.

4. The brief facts of the case are that the assessee is a private limited company engaged in the business of property development and they filed their return of income on 17/10/2016. Subsequently, a survey was conducted in the assessee's case on 29/09/2016 and during the course of survey proceedings, the assessee declared an additional income of Rs. 1,25,00,000/-. A revised return was also filed on 03/04/2017. Thereafter notice u/s. 143(2) was issued on 20/09/2018 and several notices u/s. 142(1) were issued calling for the various details. The assessee filed their submissions and based on the said submissions, the AO had found that the company had received a sum of Rs. 5 Lakhs as unsecured loan from Mr. Jairoop Kothapalli. The AO sought for the confirmation from the said Mr. Jairoop Kothapalli. But the assessee had not furnished the confirmation and therefore the AO had added the said unsecured loan as an addition u/s. 68 of the Act. As against the said order, the assessee filed an appeal before the Ld.CIT(A). The Ld.CIT(A) sent hearing notices on 5 occasions but the assessee had not responded to any of the notices. Therefore the Ld.CIT(A) had dismissed the appeal for the reason that the assessee is not interested in prosecuting the appeal.

5. As against the said order, the present appeal has been filed before this Tribunal.

6. On behalf of the assessee, none appeared before this Tribunal when the matter was listed for hearing on 29/01/2025, 12/06/2025, 20/08/2025 and 16/10/2025. All the above said four notices were communicated to the assessee through the email ID mentioned in form 36. Except on 11/03/2025, the assessee had not appeared on the other days before this

Tribunal. The notice was also served through the department and the department also served the hearing notice dated 21/08/2025 on the assessee and an acknowledgment was also submitted before this Tribunal. Along with the acknowledgment, the department also furnished the copy of the Aadhaar of the Director of the assessee. From the above said facts, notice of hearings were served on the assessee but none appeared for the assessee except on one occasion. Therefore, we have decided to proceed the appeal after hearing the arguments of the Ld.DR.

7. The Ld.DR submitted that the assessment has been made u/s. 68 of the Act since the confirmation letter was not furnished by the assessee as against the unsecured loan amount and therefore without the said document, the AO presumed that it is an unexplained cash credit and therefore the AO had rightly added the said amount as income u/s. 68 of the Act. The Ld.DR further submitted that the assessee had neither appeared before the Ld.CIT(A) nor before this Tribunal and filed the required document and therefore the appeal deserves to be dismissed.

8. We have heard the arguments of the Ld.DR and perused the records. The AO had made the addition u/s. 68 of the Act in respect the unsecured loan obtained from one Mr. Jairoop Kothapalli for not furnishing the confirmation letter from him. Before the Ld.CIT(A), the assessee had not appeared and furnished the required document and therefore the Ld.CIT(A) had observed that the assessee is not interested in prosecuting the appeal and therefore dismissed the appeal on the said ground.

9. Even before this Tribunal, the assessee had not appeared and furnished the required document but alleged that the addition made u/s. 68 is not correct when the assessee had sought for the extension of time to submit the confirmation letter. We have considered the grounds raised by the assessee before the Ld.CIT(A) in which no such ground was raised by the assessee. We have considered the ground now raised before us and found that even though such ground was raised, no such confirmation letter from

the said Mr. Jairoop Kothapalli was furnished. In fact, the assessee had not appeared before this Tribunal in spite of the service of the notices on several occasions and also through the department. In such circumstances, we have no other way except to decide the appeal on merits. The only dispute is about the non-furnishing of the confirmation letter from the unsecured creditor Mr. Jairoop Kothapalli. Admittedly, the assessee had not filed the said confirmation letter from the said creditor before the AO as well as before the Ld.CIT(A). Even though sufficient time is available for the assessee, in the appeal proceedings before this Tribunal also, the said confirmation letter was not produced by the assessee. In such circumstances, we do not have any other way except to confirm the order of the lower authorities.

10. In the result, the appeal filed by the assessee is dismissed.

Order pronounced in the open court on 12th January, 2026.

Sd/-
(WASEEM AHMED)
Accountant Member

Sd/-
(SOUNDARARAJAN K.)
Judicial Member

Bangalore,
Dated, the 12th January, 2026.
/MS /

Copy to:

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|---------------|------------------------|
| 1. Appellant | 2. Respondent |
| 3. CIT | 4. DR, ITAT, Bangalore |
| 5. Guard file | 6. CIT(A) |

By order

Assistant Registrar,
ITAT, Bangalore