



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF JANUARY, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO. 649 OF 2026 (T-IT)

BETWEEN:

BALAJI WAREHOUSING COMPANY
PRIVATE LIMITED,
A COMPANY REGISTERED UNDER THE
COMPANIES ACT, 1956,
REPRESENTED BY ITS DIRECTOR,
SRI. RATNAKAR BEZAWADA,
AGED ABOUT 43 YEARS,
S/O. PHANIRAJA PRASANNA,
OFF NEW BEL ROAD, CHIKKAMARANAHALLI,
BANGALORE - 560 094,
PAN: AAACB6828L.

...PETITIONER

(BY SRI. RAVI SHANKAR S.V., ADVOCATE)

AND:

1. DEPUTY COMMISSIONER OF INCOME TAX,
CIRCLE - 2(1)(1),
BANGALORE - 560 095.
2. NATIONAL FACELESS ASSESSMENT CENTRE,
ADDITIONAL/JOINT/DEPUTY/ASSISTANT
COMMISSIONER OF INCOME TAX/
INCOME TAX OFFICER,
INCOME TAX DEPARTMENT,
MINISTRY OF FINANCE,
ROOM NO.401, 2ND FLOOR, E-RAMP,
JAWAHARLAL NEHRU STADIUM,
DELHI - 110 003.



3. NATIONAL FACELESS APPEAL CENTRE, DELHI
'C' BLOCK, 4TH FLOOR,
DR. S.P. MUKHERJEE CIVIC CENTRE,
NEW DELHI - 110 002.

...RESPONDENTS

(BY SRI. M. DILIP, ADVOCATE)

THIS W.P. IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF MANDAMUS DIRECTING THE RESPONDENT NO.1 TO ISSUE A REFUND OF EXCESS ADJUSTMENT OVER AND ABOVE 20% OF TAX DEMAND, IN ACCORDANCE WITH LAW AND ETC.,

THIS PETITION COMING ON FOR PRELIMINARY HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

ORAL ORDER

The petitioner has sought for issuance of writ in the nature of mandamus to the respondents to refund the amount over and above 20% of tax demand. Petitioner has also sought for a writ in the nature of mandamus to respondent No.1 to pass a rectification order for the assessment year 2023-24. Petitioner has also sought for a direction for expeditious disposal of the appeals filed for the assessment year 2018-19 and assessment year 2023-24.



2. It is the case of the petitioner that insofar as demand raised with respect to assessment year 2018-19 after adjudication, an appeal was filed. It is stated that the demand was for an amount of Rs.2,26,77,152/- and though appeal was filed, the application for stay filed subsequently entitled the petitioner for refund of amount of tax demand in excess of 20% of the demand in terms of the circular dated 29.02.2016 as amended by the circular of 31.07.2017.

3. Learned counsel for the revenue submits that if no deposit of 20% is made as per the circular, despite pendency of appeal, there could be no stay and as the deposit was made belatedly, the entire demand was adjusted towards refunds due to the petitioner for the year 2023-24 and 2024-25. Accordingly, it is submitted that petitioner has not been diligent in making the deposit of 20% which entitles him to seek for stay of the order and demand.



4. Heard both sides.

5. The table extracted in the petition which would indicate the method and extent of adjustment which would be useful reference, is extracted below:

AY	143(3)	154	Total	20%
2018-19	2,17,32,430	15,87,752	2,26,77,152	45,35,430
Adjusted refunds	2023-24	11/03/2024	17,38,594	
	2024-25	24/02/2025	2,09,38,558	
	2024-25	24/02/2025	<u>67,30,432</u>	<u>2,94,07,584</u>
Refund Due				(-)2,48,72,154

AY	Brought forward loss	Returned income	Carry forward loss	Nett Income
2023-24	(-)12,10,02,131	1,47,78,338	(-)10,62,23,793	NIL
	Additions	3,42,34,250	(-)7,19,89,543	NIL

6. Insofar as contention of the petitioner regarding the refund, it is to be noted that insofar as the demand raised for the assessment year 2018-19, after adjudication the demand of tax is Rs.2,26,77,152/-. It is not in dispute that petitioner has remitted an amount of Rs.45,35,430/- which is equivalent to 20% of the demand. If that were to



be so, in terms of the circular of 29.02.2016 and modified by the circular of 31.07.2017, petitioner was entitled to an order of stay of the disputed demand. If that were to be so, though the deposit of 20% is made belatedly, it would be appropriate to construe the circular in an appropriate manner by directing that the revenue would be entitled to hold back the amount of 20% of the demand that has been deposited and the adjustment of refund for the other years i.e., 2023-24 and 2024-25 needs to be reworked.

7. Insofar as refunds which the petitioner is entitled for the year 2023-24 and 2024-25, the revenue is entitled to hold an amount equivalent to Rs.45,35,430/- which is 20% and the remaining refund for the years of 2023-24 and 2024-25 to which the petitioner is entitled and has been adjusted towards the entirety of the demand, is to be made good by way of refund. Such refund to be made within a period of eight weeks from the date of receipt of certified copy of the order.



8. Insofar as prayer at (ii) is concerned, same is kept open, reserving liberty to the petitioner to appear before the assessing officer and make appropriate submission. All contentions are kept open. Appeal to be disposed of as per seniority.

Accordingly, petition is ***disposed of***.

**Sd/-
(S SUNIL DUTT YADAV)
JUDGE**

MCR