



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 23RD DAY OF APRIL, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO. 12447 OF 2026 (T-IT)

BETWEEN:

M/S. NANDI DESIGN GROUP,
A PARTNERSHIP FIRM
REPRESENTED BY ITS PARTNER,
SHRI. SHIVASHARANAPPA B. PATIL,
AGED ABOUT 60 YEARS,
S/O SHRI. SRI BHIM RAO SHANKARAPRA PATIL,
HAVING OFFICE AT 279, 3RD FLOOR,
IMAGE GREEN APARTMENTS, 7TH CROSS,
7TH MAIN, PURNA PRAGNYA LAYOUT,
UTTARAHALLI,
BENGALURU - 560061.
PAN: AAGFN3390L.

...PETITIONER

(BY SRI. PRANAY SHARMA Y., ADVOCATE)

AND:

1. ASSESSMENT UNIT,
INCOME TAX DEPARTMENT,
NATIONAL FACELESS ASSESSMENT CENTRE,
MINISTRY OF FINANCE,
ROOM NO.401, 2ND FLOOR,
E-RAMP, JAWARLAL NEHRU STADIUM,
DELHI-110 003.

Digitally
signed by
VIJAYA P
Location:
HIGH
COURT OF
KARNATAKA



2. THE INCOME TAX OFFICER,
WARD - 2(2)(7), BMTc BUILDING,
80FT ROAD, 6TH BLOCK,
KHB VILLAGE, KORAMANGALA,
BENGALURU - 560095.
3. THE PRINCIPAL COMMISSIONER OF INCOME TAX-2,
CENTRAL REVENUE BUILDING,
QUEENS ROAD,
BENGALURU - 560001.

...RESPONDENTS

(BY SRI. M. DILIP, ADVOCATE)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASHING THE ASSESSMENT ORDER DATED 31.12.2023 PASSED UNDER SECTION 147 R.W.S 144 R.W.S 144B OF THE INCOME TAX ACT, 1961 FOR THE ASSESSMENT YEAR 2019-20 BY THE RESPONDENT NO.1 BEARING DIN NO. ITBA/AST/S/147/2023-24/1059232466(1) HEREIN MARKED AS ANNEXURE - A1 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

Learned counsel, Sri. M. Dilip accepts notice for the respondents.

2. The petitioner has challenged the validity of the assessment order dated 31.12.2023 passed under Section 147 read with Section 144 of the Income Tax Act, 1961 (for short, 'the Act').

3. Learned counsel for the petitioner submits that the assessment order at Annexure-A1 is an exparte order. It is submitted that the proceedings have been initiated pursuant to notice issued under Section 148A(b) followed by the order passed under Section 148A(d) and Section 148 notice. It is submitted that the notice under Section 148 as well as 148A(d) order was sent to the email ID of the petitioner's auditor, who had not communicated regarding such proceedings to the petitioner, which has resulted in the petitioner not participating in the proceedings. Thereby, it is submitted that an exparte



order of assessment has been made. It is submitted that the exparte order of assessment be set aside and matter remitted for reconsideration by putting the petitioner on terms by condoning the lapse. It is submitted that the petitioner has sufficient material to demonstrate and meet the grounds made in show-cause notice insofar as the proposed addition is to be made.

4. Learned counsel for the revenue would submit that petitioner is seeking to set aside the order dated 31.12.2023 after undue delay, and petitioner has suffered an order due to non-participation, which is a lapse on his part.

5. Perused the assessment order at Annexure-A1. It is clear that the order passed is an exparte order and the petitioner has made out no reply to the initial notice under Section 148A(b) of the Act. The petitioner has also not filed any return in response to notice issued under Section 148 of the Act. The petitioner has pointed out



certain arithmetical errors relating to quantification of proposed addition. The authority has taken note of certain amounts credited to the petitioner's account, reflected in the 26AS Form.

6. The adjudication by the authority by way of addition relating to deposits could not be meaningfully made without petitioner being given an opportunity to explain the same. No doubt petitioner has not availed of the opportunities, however, that by itself should not lead to petitioner suffering an order. The lapse on part of the petitioner may be taken note of and the petitioner be put on terms.

7. Taking note of the proposed addition, it would be appropriate that the order of assessment is set aside and petitioner be given an opportunity to explain the deposits as noticed in the 26AS Form. Accordingly, the orders at Annexures-A1 to A9 are set aside as well as



Annexures-B2 and B3 are set aside. Matter is remitted to the stage of reply to 148A(b) notice.

8. In light of setting aside of the impugned orders, the respondent authorities to rescind instructions to the bankers forthwith. All contentions of the petitioner are kept open.

9. Petitioner to appear before the jurisdictional Assessing Officer and make out reply to the 148A(b) notice. Such appearance to be made without further notice on 25.05.2026. The petitioner to pay an amount of Rs.1,00,000/- (Rupees One Lakh only) towards the demand of tax, which would be subject to final adjudication.

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

Sd/-
(S SUNIL DUTT YADAV)
JUDGE