



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. 12683 OF 2026 (T-IT)

BETWEEN:

1. SRI. B. V. GURURAJ,
AGED ABOUT 39 YEARS,
S/O B.N. VISHAKANTAIAH
VANA BANA NILAYA,
HOSAKERE STREET,
WARD NO. 12, BANNUR TOWN,
T NARASIPURA, BANNUR
MYSORE - 571 101
PAN: AMYPG1218J

... PETITIONER

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

AND:

1. INCOME TAX OFFICER
WARD 1(1) AND TPS,
MYSORE - 570 010
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.

... RESPONDENTS

(BY SRI. ROOPA., ADVOCATE A/W
SRI THIRUMALESH, ADVOCATE)

THIS W.P. IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO I) QUASH THE ORDER PASSED U/S 144 R.W.S 144B THE ACT, DATED 20/03/2024 VIDE DIN ITBA/AST/S/144/2023-24/1063019655(1) PASSED BY THE RESPONDENT NO. 2 FOR THE ASSESSMENT YEAR 2022-23 HEREIN MARKED AS ANNEXURE - A 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 setting aside of the order under Section 144 r/w 144B of the Income Tax Act, passed by the respondent no.2 for the assessment year 2022-23 at Annexure-A. The petitioner has challenged certain allied proceedings as well.

2. It is the case of the petitioner that the assessment order passed is an exparte order as communication was



addressed to the Tax Practitioners Email ID, however he did not communicate with the petitioner regarding such notice and petitioner came to know about the order passed only when the proceedings were initiated for recovery by attachment of bank account. Accordingly it is submitted that the impugned order may be set aside and the matter may be remitted to the stage of reply to 143(2) notice.

3. Learned Counsel for Revenue would submit that lapse is on the part of the petitioner and the Department's responsibility is only to serve notice on the Email ID furnished and non-communication by the tax practitioner is an internal matter between the petitioner and the tax practitioner.

4. Perused the order at Annexure-A. The authority has proceeded exparte and completed adjudication on the principle of best judgment assessment on the basis of material available. It is observed that the assessee did not file any reply. The authority has taken note of



variations and proceeded to complete adjudication. The authorities have observed in the order at page 31 as follows:

"The assessee failed to provide the basic details such as computation of Income, complete financial statements / Audit Report, Form-26AS, Balance Sheet, profit & Loss Account, along with detailed and complete Schedules and annexures. The assessee is not eligible to claim the deduction u/s.57 of the I.T.Act. The assessee also failed to provide the specific details of contract receipts with bills and vouchers, confirmations from parties, details of expenses, proof for the claim of Chapter VI-A deductions and other relevant details. Therefore, the deductions claimed u/s.57 of the I.T.Act of Rs.3,62,33,269/- could not be allowable. Further, the contract receipt of Rs.3,89,08,768/- is taken as the total contract receipt for the year under consideration. Considering the nature of the business conducted by the assessee, the total income is reasonably arrived at Rs. 77,81,754/-ie @ 20% on the contract receipts of Rs.3,89,08,768/- and added under business income of the assessee for AY 2022-23. (Addition = Rs. 77,81,754/-)



*Penalty proceeding u/s. 270(A) of the I.T.Act
for the under-reported income which is in
consequence of misreporting thereof*

(ii) Disallowance deduction claimed u/s VI-A:

*The assessee failed to provide the basic details
such as computation of Income, complete financial
statements and also failed to provide the
documentary evidence in support of the
deductions claimed under chapter VI-A of Rs.
1,68,630/-, Therefore, the claim of deductions
could not be allowable.*

*Penalty proceeding u/s. 270A of the I.T.Act
for the under-reported income which is in
consequence of misreporting thereof."*

5. It is to be noticed that disallowance of deduction under Section 57 and Chapter VI-A is on the basis that petitioner has not produced the details of contract receipts with bills and vouchers, confirmations from parties, details of expenses, proof for the claim of Chapter VI-A deductions and other relevant details. The authority has proceeded to adjudicate in the absence of materials provided by the petitioner. As the findings are essentially factual in nature



and true finding can be recorded only after petitioner places relevant details as referred to above, it would be appropriate to afford an opportunity to the petitioner.

6. Accordingly, taking note of nature of financial prejudice that the petitioner would suffer if the order is allowed to stand, the orders at Annexure-A, A1 to A4 are set aside. The matter is remitted to the stage of reply to 143 (2) notice. The petitioner to pay cost of Rs.10,000/- to Advocate Clerks Benevolent Fund.

7. In light of setting aside of the order of assessment, the parties are directed to rescind the instructions made to the bank during the course of recovery.

8. The petition is disposed of in terms of the above observations.

SD/-
(S SUNIL DUTT YADAV)
JUDGE

NP