



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF APRIL, 2026

BEFORE

THE HON'BLE MR. JUSTICE S SUNIL DUTT YADAV

WRIT PETITION NO. 12555 OF 2026 (T-IT)

BETWEEN:

PRATHAMIKA KRISHI PATHINA SAHAKARA
SANGHA NIYAMITHA,
THANNIRALA, THANNIRALLU,
HASSAN-573 201,
(A SOCIETY REGISTERED UNDER KCS ACT, 1959)

REP. BY ITS CEO,
MR. B. L. JAVAREGOWDA
S/O. LANKEGAWDA,
AGE 56 YEARS,
R/O. 8TH CROSS, 3RD MAIN,
2ND STAGE, BEHIND FLOR MILL,
SHANTHI NAGAR, HASSAN-573 201.

...PETITIONER

(BY SRI. GIRISH V BHAT., ADVOCATE)

AND:

1. COMMISSIONER OF INCOME TAX (APPEALS),
NATIONAL FACELESS APPEAL CENTRE,
DELHI - 110 001.
2. ASSESSING OFFICER,
NATIONAL FACELESS ASSESSMENT CENTRE,
DELHI - 110 001.



3. INCOME TAX OFFICER,
WARD 1 AND TPS,
AAYAKAR BHAVAN, 2ND STAGE,
BELUR ROAD,
HASSAN - 573 201.
4. THE BRANCH MANAGER,
HASSAN DISTRICT CENTRAL CO-OPERATIVE
BANK LTD.,
UNNATHI, B. M. ROAD,
HASSAN-573 201.

...RESPONDENTS

(BY SRI. M. THIRUMALESH, ADVOCATE)

THIS WP IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASHING THE IMPUGNED BANK A/C ATTACHMENT ORDER/NOTICE UNDER SEC. 226(3) OF THE ACT DATED 30.03.2026, PASSED BY THE 3RD RESPONDENT BEARING NO.ITBA/COM/F/17/2025-26/1088121493(1) VIDE ANNEXURE-D TO THE WRIT PETITION 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 filed an application seeking for amendment of the petition. The amendment relates to the prayer column whereby the petitioner seeks to assail validity of the impugned assessment order as well as the demand notice. Certain additional amendments are sought including as regards the name of the petitioner.

In light of the averments and submissions made, I.A.No.2/2026 filed under VI Rule 17 of CPC is allowed. Amended petition filed is taken on record.

2. The petitioner has suffered an assessment order at Annexure-B which according to the petitioner is in-effect an exparte order as the petitioner did not participate in the proceedings. It is the case of the petitioner that non-participation of the proceedings is due to the lapse on part of the auditor. It is submitted that the petitioner is entitled for deduction under Section 80P of the Income



Tax Act, 1961 (for short, 'the Act') and would also demonstrate, if an opportunity is granted that the unexplained income which is taken note of by virtue of the deposits in the bank would be explained to be deposits of the members who are farmers and could not have been taken note of as unexplained income in terms of Section 69A of the Act.

3. Perused the assessment order at Annexure-B. The authority has issued notice under Section 148 as well as other communication and has proposed for variations. The authority has taken note of the deposits in the bank as well as interest on bank deposits and noticing that the deposits were substantial and there was no explanation regarding the same, the authority has concluded that such deposits are unexplained income.

4. The authority has also noticed that there were credits other than the interest on deposits and no explanation was forthcoming regarding the same. In light



of the adjudication having concluded on the basis of records available with the authority by considering the deposits as unexplained income and in light of submission that the petitioner would explain the source of such deposits by providing necessary material before the authority, it would be appropriate to reopen the proceedings and afford an opportunity to the petitioner by putting it on terms.

5. Accordingly, the orders at Annexures-B, C and D are set aside, as also all other proceedings pursuant to the Section 148 notice. Matter is remitted to the stage of reply to notice issued under Section 148A(b). Petitioner to appear before respondent No.3 without further notice on 25.05.2026.

6. In light of setting aside of the impugned orders as noticed above, the instructions made pursuant to recovery proceedings by the revenue to the Bank for attachment to be rescinded, forthwith.



7. Petitioner to make out reply to the notice issued under Section 148A(b) and matter to be proceeded thereafter. Petitioner is put on terms to pay cost of Rs.10,000/- to the Karnataka Advocates Clerks Benevolent Trust, High Court Building, Bengaluru.

8. Accordingly, petition is ***disposed of***. All contentions on merits are kept open.

Sd/-
(S SUNIL DUTT YADAV)
JUDGE

MCR