



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. 12481 OF 2026 (T-IT)

BETWEEN:

PRATHAMIKA KRISHI PATHINA SAHAKARA
SANGHA NIYAMITHA,
CHANNARAYAPATNA ROAD,
KAREKERE, KAREKERE
TUMAKURU- 573 225,
(A SOCIETY REGISTERED UNDER KCS ACT, 1959)
REP. BY ITS CEO,
MR. MAHESHA K. B.
S/O. BOREGOUDA K.N.,
AGE 52 YEARS,
R/O. NEAR TANVI TRISHA KALYANA MANTAPA,
CHIKKA HONNENAHALLI,
HASSAN-573 202.

...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.

Digitally
signed by
VIJAYA P
Location:
HIGH
COURT OF
KARNATAKA



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 31.03.2026, PASSED BY THE 3RD RESPONDENT BEARING NO.ITBA/COM/F/17/2025-26/1088167501(1) VIDE ANNEXURE-F 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 assailed the validity of the assessment order at Annexure-C. It is noticed that the authorities have picked up the petitioner's return while construing it to be 'High Risk Non-Filer' in terms of the risk management strategy formulated by the Central Board of Direct Taxes.



3. It is further noticed that the authority has taken note of cash deposits as well as withdrawal which are substantial in nature. From the assessment order, it is noticed that petitioner has not made out any reply to the notice issued under Section 148 of the Income Tax Act, 1961 (for short, 'the Act') and proceedings pursuant thereto, though many of the notices and communication have been delivered to the petitioner. It is submitted that the lapse was required to be condoned as the auditor has not communicated such of the proceedings to the petitioner.

4. The authority has proposed variations. Having taken note of the substantial cash deposits as well as withdrawal, adjudication is completed on the basis of material available. The authority has recorded conclusion including that the petitioner has failed to substantiate the documentary evidence as regards nature and sources of cash deposits. The authority has also disallowed deduction under Section 80P and completed the adjudication.



5. Learned counsel for the petitioner submits that if the matter is remitted to the stage of reply to show-cause notice, the petitioner would make out a reply and produce relevant material to demonstrate that the deposits which are treated as unexplained money are in-fact the deposits of the members who are farmers. It is further submitted that material would be placed to demonstrate that the petitioner is entitled for exemption under Section 80P of the Act.

6. Taking note of such submission and though we find that there is a lapse on part of the petitioner in not participating in the proceedings, however, matter may be remitted by putting the petitioner on terms.

7. Insofar as pendency of appeal is concerned, the petitioner submits that the said appeal would be withdrawn as the appeal was filed belatedly and in all probability, the authority without having power to condone delay, would dismiss the appeal. In light of the



undertaking made to withdraw the appeal, the Court after noticing the delay would enter into the correctness and validity of the assessment order itself.

8. Accordingly, in light of the submissions made and having noticed the assessment order and findings recorded, the present case is a fit case to set aside the assessment order and remit the matter to the stage of reply to 148A(b) notice.

9. Accordingly, the orders at Annexures-C, D and F 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.

10. 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.

11. 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.

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

Sd/-
(S SUNIL DUTT YADAV)
JUDGE

MCR