



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. 12474 OF 2026 (T-IT)

BETWEEN:

PRATHAMIKA KRISHI PATHINA SAHAKARA
SANGHA NIYAMITHA,
DIDAGA, TQ. CHANNARAYAPATNA,
DIST. HASSAN - 573 116,
(A SOCIETY REGISTERED UNDER KCS ACT, 1959)

REP. BY ITS CEO,
NINGAMMA K. M.
W/O VENKATARAMEGOUDA,
AGE 49 YEARS,
R/O CHANNARAYAPATTANA,
DISTRICT HASSAN - 573116.

...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 FOR R1 TO R3)

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 DATED 30.03.2026, PASSED BY THE 3RD RESPONDENT BEARING NO. ITBA/COM/F/17/2025-26/1088120997(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 challenged the validity of the assessment order. It is noticed that the petitioner has filed a return in response to the notice issued under Section 148 of the Income Tax Act, 1961 (for short, 'the Act') and thereafter has not participated in the proceedings. The authority after taking note of the material in its hands and having noticed that the assessee has failed to file details and documents as sought for nor had responded to the



notices, has proceeded on the basis of material available and completed adjudication. The authority has proposed variations after noticing that there were credit entries including cash deposits. Having noticed that there was no response by the petitioner, the authority has treated the credit entries amounting to Rs.6,95,19,906/- as unexplained money in terms of Section 69A of the Act.

3. It is noticed that the petitioner is a Credit Co-operative Society. Counsel for the petitioner asserts that petitioner is entitled for exemption under Section 80P and would demonstrate such exemption before the authority.

4. Having noticed the findings recorded in the adjudication order and the assertion of the petitioner that they would demonstrate and explain the deposits as being deposits of the farmers and also produce evidence to demonstrate that the petitioner is entitled for exemption under Section 80P(2), it would be appropriate to set aside



the assessment order and remit the matter to the stage of reply to Section 148A(b) notice by putting the petitioner on terms.

5. Learned counsel for the petitioner submits that though appeal is filed against the assessment order, the said appeal is filed beyond limitation and as the appeal would be dismissed on delay, the Court may enter into the correctness of the order of assessment and further proceedings pursuant to the Section 148 notice.

6. Taking note of such submission, the Court could enter into the merits of the assessment order itself, noticing the submission that appeal is filed belatedly. The petitioner also undertakes to withdraw the appeal. The said submission is taken on record.

7. Though learned counsel for the revenue would submit that the petitioner not having participated in the proceedings has rightly suffered an the order and requires no interference, however, taking note of the nature of the



activity of the petitioner and also that the petitioner would demonstrate exemption as claimed, it would be appropriate to set aside the proceedings and remit the matter back.

8. 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.

9. 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.

10. Petitioner to make out reply to the notice issued under Section 148A(b) and matter to be proceeded thereafter. Petitioner to pay cost of Rs.10,000/- to the



Karnataka Advocates Clerks Benevolent Trust, High Court
Building, Bengaluru.

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

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

MCR