Janahitha Credit Co-operative Society Limited v. Income Tax Officer & Ors.

W.P. No. 44621/2015

W.P. No. 44621/2015 (High Court of Karnataka, 2015-11-17) | 2015-11-17

Conditional recovery arrangement sustained; blanket stay claim rejected.

Income-tax Act,1961: sections 143(3), 225(1)

High Court of Karnataka | Single Bench | Ram Mohan Reddy

Assessment years: 2012-13

01 FACTS OF THE CASE

Janahitha Credit Co-operative Society challenged the 1 October 2015 recovery order while its assessment appeal was pending. The authority required payment of 50% in instalments and stayed the stated balance until 15 March 2016 or disposal of the CIT(A) appeal, whichever occurred earlier.

Source: PDF pp.2–3

02 DISCUSSION BY THE HON'BLE COURT

Counsel argued that section 225(1) empowered the Tax Recovery Officer to grant a blanket stay of the entire demand. The Court rejected that contention, reproduced the provision concerning time for payment and corresponding stay, and found no arbitrariness or illegality in the conditional order.

Source: PDF pp.3–4

03 JUDICIAL DECISION

The writ petition was rejected without changing the payment condition or the stay's endpoint.

Source: PDF p.4

04 OUTCOME / IN WHOSE FAVOUR

The conditional arrangement remained in place; there was no stay through all later appellate stages. The source records total demand of Rs.31,69,230 but instalments of Rs.15,84,600 and balance of Rs.15,84,600, a Rs.30 discrepancy that is not silently recalculated here.

Source: PDF pp.2–4

05 EXPERT COMMENTS

AKHB Expert Comments — editorial analysis, distinct from the Court's findings.

A power to grant time did not establish the asserted blanket entitlement: The quoted section links the stay to time granted for payment. On the facts, the Court upheld the arrangement combining instalments with limited protection for the balance. The judgment is not authority that every taxpayer must deposit 50% in every case. (PDF pp.3–4)

Track both possible expiry events: The balance-demand protection ended on the earlier of 15 March 2016 and disposal of the pending CIT(A) appeal. Treating it as continuing until final resolution of the tax dispute would materially enlarge the order. (PDF p.3)

Keep recovery adjudication separate from deduction merits: This writ did not decide the correctness of the society's assessment or any cooperative deduction. Compliance and the scope of recovery protection were the immediate issues; the tax merits remained with the appellate proceeding. (PDF pp.2–4)

Source: PDF pp.3–4

SOURCE & VERIFICATION

Original High Court judgment PDF — AKHB source repository

Complete 4-page original reviewed; source bytes verified.

Full original and all five panels re-reviewed on 21 October 2026.

Open cited source rendition

Complete original source and all five note panels checked; original docket identities preserved.

STATUTORY SCOPE

Current law and subsequent treatment not independently verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent proceedings and current judicial treatment have not been independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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