IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: **05.06.2024**

CORAM

THE HONOURABLE **MR.JUSTICE SENTHILKUMAR RAMAMOORTHY**

W.P.No.12372 of 2024
and W.M.P.Nos.13490 & 13491 of 2024

M/s.Sri Jaya Sakthi Edible Oils Pvt Ltd.,
No.383/9, Pillaiyar Nagar,
Near Moolapillaiyar Kovil,
Kadampatty P.O.
Salem – 636 005,
Tamil Nadu. ... Petitioner

-vs-

1.Assessment Unit,
Income Tax Department,
Chennai – 600 006.

2.Deputy Commissioner of Income Tax,
Circle-1,
Salem. ... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, pleased to issue a Writ of Certiorari, calling for the records in the order passed by the 1st respondent in PAN No: AAJCS3057K bearing DIN No: ITBA/AST/S/143(3)/2023-24/1063683564(1) dated 30.03.2024 on the file of the 1st respondent and to quash the same.

For Petitioner : Mr.G.Ashokapathy

For Respondents : Dr.B.Ramaswamy, Sr. SC

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ORDER

An assessment order dated 30.03.2024 is challenged in this writ petition. The petitioner had filed a return of income for assessment year 2023-24 declaring the total income of Rs.10,47,145/- and income of Rs.22,78,709/- under Section 115JB of the Income Tax Act, 1961 (the I-T Act). After issuing notices under Section 142(1), a show cause notice was issued on 03.03.2024 proposing additions to the extent of Rs.136,75,78,691/-. The petitioner replied to such show cause notice and submitted documents in support of its contentions. The order impugned herein was issued in the said facts and circumstances.

2. Learned counsel for the petitioner invited my attention to the replies filed by the petitioner upon receipt of notices under Section 142(1) of the I-T Act. With reference thereto, he pointed out that the petitioner filed multiple documents, including audited financial statements, GST returns, bank statements and the like to establish that the expenses booked by the petitioner in its accounts are genuine. In spite of providing these documents, learned counsel contends that the assessing officer disregarded such documents and concluded that the petitioner had not actually incurred expenses of Rs.136,75,78,691/-. On such basis, he submits that the entire expenditure shown by the petitioner in its books of account were disallowed and added to the total taxable income of the petitioner. For such reason, he submits that the impugned order calls for interference.

3. Dr.B.Ramaswamy, learned senior standing counsel, accepts

notice for the respondents. By referring both to the show cause notice and to the impugned order, learned senior standing counsel submits that the documents submitted by the petitioner were examined closely by the respondents and cogent reasons were recorded for rejecting the petitioner's explanation. Consequently, he contends that there is no infirmity in the order warranting interference under Article 226.

4. On examining the impugned assessment order, apart from the income declared by the petitioner, an addition of Rs.136,75,78,691/- was made. Such addition has been made by rejecting the total expenses of Rs.136,75,78,691/- shown in the books of account of the petitioner. While arriving at this conclusion, the assessing officer noticed that the petitioner had recorded sales of about Rs.142 Crores. It was also noticed that multiple entries of sales in cash of below Rs.20,000/- were shown. It was further recorded that the petitioner failed to provide or upload copies of invoices in respect of such sales of about Rs.142 Crores. As regards the bank

statements produced by the petitioner, it was recorded that there was no transaction relating to business activities during the relevant period in Account No.9170300245026 or 917020019063077 in the Axis Bank.

5. As regards persons who allegedly supplied raw materials to the petitioner, their responses to notices under Section 133(6) of the I-T Act was discussed. A finding was recorded that they did not produce GST challans. It was further recorded that no transportation related expenses were booked.

6. In effect, on examining the impugned assessment order, it appears that the documents submitted by the petitioner were examined in detail and findings were recorded in relation thereto. The validity of these findings cannot be tested without re-appraising the evidence, and the appropriate forum for reappraisal is the appellate authority.

7. For reasons set out above, W.P.No.12372 of 2024 is disposed of by leaving it open to the petitioner to present a statutory appeal. Since the writ petition was filed within the period of limitation, if such appeal is presented within ***fifteen days*** from the date of receipt of a copy of this order, the appellate authority is directed to receive and dispose of the same on merits in accordance with law. No costs. Consequently, W.M.P.Nos.13490 and 13491 of 2024 are closed.

05.06.2024

rna
Index : Yes / No
Internet : Yes / No
Neutral Citation: Yes / No

To

1.Assessment Unit,

Income Tax Department,
Chennai – 600 006.

2.Deputy Commissioner of Income Tax,
Circle-1,
Salem.

SENTHILKUMAR RAMAMOORTHY,J

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