IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 27.10.2025

CORAM

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.7775 of 2022
and
W.M.P.Nos.7791 & 7793 of 2022

The Villupuram District Central Co-operative Bank Ltd
Represented by its General Manager, Mr.T.Prabakaran
No.2, Hospital Road,
Villupuram – 605601. ... Petitioner

Vs.

The Deputy Commissioner of Income Tax
National Faceless Assessment Centre,
Room No.401, 2nd Floor, E-Ramp,
Jawaharlal Nehru Stadium,
Delhi – 110003. ... Respondent

Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records on the file of the respondent relating to the impugned order under Section 271(1)(c) dated 26.02.2022 for Assessment Year 2009-10 having DIN: ITBA/PNL/F/271(1)(c)/2021-22/1040153600(1) passed by the respondent and quash the same as illegal.

For Petitioner : Mr.Varun Ranganathan
For Mr.K.Ravi

For Respondent : Mrs.S.Premalatha
Senior Standing Counsel

ORDER

A detailed order was already passed today for the assessment year 2008-2009 by an Order in W.P.No.7771 of 2022. Almost, an identical issue was arises for consideration in this case as well.

2. In this case, the petitioner has challenged the similar Order dated 26.02.2022 passed under Section 271(1)(c) of the Income Tax Act, 1961, for the assessment year 2009-2010.

3. The issue has gone back and forth for this assessment year as well. Ultimately, the appellate commissioner passed an Order dated 31.08.2020.

4. Pursuant to the aforesaid Order dated 31.08.2020 of the appellate commissioner, a giving effect order has also been passed by the assessing officer namely Assistant Commissioner of Income Tax, Circle-I, Cuddalore. As per the aforesaid order, a sum of Rs.53,51,487/- is refundable to the petitioner.

5. However, pursuant to the assessment order dated 26.03.2015, a notice under Section 274 read with Section 271(1)(c) was issued to the petitioner, which eventually culminated in the impugned order.

6. Although the learned counsel for the petitioner would submit that against the Order of the ITAT dated 21.10.2020, the petitioner has filed an appeal before this Court, a substantial question of law arises for consideration in view of the orders passed earlier for the rest of the assessment years.

7. Although the appeal filed before the Division Bench is, at the highest, merely an academic exercise for the petitioner, the question of imposing a penalty under Section 271(1)(c) of the Income Tax Act, 1961, for their failure to file an appropriate return or to furnish accurate information, is unsustainable, as admittedly the petitioner is entitled for refund of Rs.53,51,487/- pursuant to Order dated 31.08.2020 of the CIT (Appeals) in ITA No.49, 50, 42,52/CIT(A)-PDY/2017-18. Hence, the impugned order is unsustainable.

8. Accordingly, the impugned order is quashed and this Writ Petition stands allowed. Consequently, connected miscellaneous petitions are closed. No costs.

27.10.2025

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Neutral Citation : Yes / No

To

The Deputy Commissioner of Income Tax
National Faceless Assessment Centre,
Room No.401, 2nd Floor, E-Ramp,
Jawaharlal Nehru Stadium,
Delhi – 110003.

C.SARAVANAN, J.

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