IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated : 13.06.2025

CORAM

THE HON'BLE Mr. JUSTICE KRISHNAN RAMASAMY

W.P.No.10497 of 2024
& W.M.P.Nos.11499 & 11500 of 2024

Chola Spinning Mills Private Limited,
SF 189/1, Komarapalayam Road,
Elanthakuttai Post, Tiruchencode Taluk,
Veppadai, namakkal - 638 008.
Rep. by its Director,
Mr.S.Venkatachalam ... Petitioner

Vs.

Assessment Unit,
Income Tax Department,
Ministry of Finance,
Government of India, Delhi. ... Respondent

Prayer:

Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorari calling for the records of the respondent contained in its order bearing DIN: ITBA/AST/S/143(3)/2023-24/1063479584(1), passed under Section 143(3) read with Section 144B of the Income Tax Act, 1961, dated

27.03.2024 and all consequential proceedings for PAN:AAACC8484F, for Assessment Year 2022-23 and to quash the same as arbitrary, unjust and illegal.

For Petitioner	:	Mr.Suhrith Parthasarathy
For Respondent	:	Dr.B.Ramaswamy, Senior Standing Counsel

ORDER

This writ petition has been filed challenging the impugned order dated 27.03.2024 passed by the respondent.

2. The petitioner-company is engaged in the business of manufacturing yarn and generating power through windmills. The petitioner-company has filed its return for the year 2022-23, declaring total income as Rs.7,31,23,230/-. This being the case, the respondent issued a show cause notice dated 17.03.2024 to the petitioner, raising queries regarding unsecured loan for a sum of Rs.36,25,02,270/-, for which a reply was filed on 21.03.2024. Without considering the said reply, the respondent passed an assessment order dated 27.03.2024. Challenging the same, the petitioner has come forward with the present

writ petition.

3. Learned counsel for the petitioner submitted that the respondent has passed the impugned order without providing any opportunity of personal hearing to the petitioner. Further, the respondent has not considered the documents filed by the petitioner. Hence, he requests this Court to set aside the impugned order dated 27.03.2024 and remit the matter to the respondent, so as to enable the petitioner to file an additional document and participate in the proceedings to put forth its contentions before the adjudicating authority.

4. Learned Senior Counsel appearing for the respondent would submit that the petitioner has failed to submit the relevant documents and explanation, which are required for the assessing officer. Therefore, there is no question of non consideration of documents. However, he submitted that this Court may set aside the impugned order and remit the matter to the respondent, and the same would be considered and appropriate orders will be passed.

5. Heard the learned counsel on either side and perused the materials available on record.

6. According to the petitioner, they have provided necessary documents in respect of the unsecured loans, proving the genuineness and creditworthiness of the transaction, however not satisfied with the said documentary evidence, the respondent passed the impugned order, that too, without affording an opportunity of personal hearing to the petitioner. In such case, the petitioner would have given opportunity to produce the same upon the request. But, in the present case, the respondent has not given any opportunity and passed the assessment order against the petitoner, rejecting the documentary evidence filed by them and confirmed the proposals contained in the show cause notice.

7. It appears that without affording an opportunity to the petitioner, the respondent passed the order, which is violation of principles of natural justice. Therefore, this Court finds that there is a

lack of opportunities being provided to the petitioner. To meet the interest of natural justice, this Court is willing to give one more opportunity to the petitioner to putforth their case.

8. In such view of the matter, this Court is inclined to set aside the impugned order dated 27.03.2024 passed by the respondent. Accordingly, this Court passes the following order:-

(i) The impugned order dated 27.03.2024 is set aside and the matter is remanded to the respondent for fresh consideration.

(ii) The petitioner is directed to make request to open the portal for filing an additional set of documents. On such request, the respondent is directed to keep the portal open, so as to enable the petitioner to file an additional documents.

(iii) On filing of such reply/objection by the petitioner, the respondent shall consider the same and issue a 14 days clear notice, by fixing the date of personal hearing, to the petitioner and thereafter, pass appropriate orders on merits and in accordance with law, after hearing the petitioner, as expeditiously as possible.

11. With the above directions, this writ petition is disposed of. No costs. Consequently, the connected miscellaneous petitions are also closed.

13.06.2025

Speaking/Non-speaking order
Index : Yes / No
Neutral Citation : Yes / No
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To
Assessment Unit,
Income Tax Department,
Ministry of Finance,
Government of India, Delhi.

KRISHNAN RAMASAMY.J.,

vm

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