IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 15.12.2025

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.10701 of 2024
and
W.M.P.Nos.11792 & 11790 of 2024

Muthusamy Murugesan,
S/o.Muthusamy
Aged 74 years,
518-A, Sathy Road, Erode,
Erode, Tamil Nadu – 638 003. ... Petitioner

Vs.

1. The Income Tax Officer,
   Assessment Unit,
   National Faceless Assessment Centre,
   Income Tax Department,
   Ministry of Finance,
   Room No.401, 2nd Floor, E-Ramp,
   Jawaharlal Nehru Stadium,
   Delhi – 110 003.

2. The Income Tax Officer,
   Ward 1(1),
   No.15, Gandhiji Road, Erode – 638 001. ... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records in DIN:ITBA/AST/S/143(3)/2023-24/1062923454(1) dated 19.03.2024 on the file of the 1st respondent relating to AY 2022-23 and quash the same.

For Petitioner : Mr.I.Dinesh

For Respondents : Dr.B.Ramaswamy
Senior Standing Counsel

ORDER

In this writ petition, the petitioner has challenged the assessment order dated 19.03.2024 passed under Section 143(3) read with Section 144 B of the Income Tax Act, 1961 [hereinafter referred to as 'the Act'] for the Assessment year 2022-2023.

2. By the impugned order, a sum of Rs.6,20,08,350/- together with processing charge of Rs.34,70,942/- has been disallowed as unexplained expenses in the Return of Income filed by the petitioner for the Assessment Year 2022-2023.

3. The case of the petitioner is that the petitioner is a processing unit, which is engaged in the business of calendaring grey fabric. During the period in dispute, the petitioner had purchased the grey fabric for a sum of Rs.6,20,08,350/- from one Vishal Bharath Processing Mill, Erode, a proprietary concern of one M.Sivakumar.

4. It is submitted by the learned counsel for the petitioner that the said Sivakumar had transactions with the petitioner as Vishal Bharath Processing Mill, HUF and that the said M.SivaKumar also had income from the HUF.

5. It is therefore further submitted by the learned counsel for the petitioner that the transactions are genuine, therefore, the inclusion of the aforesaid amount as ‘unexplained expenses’ in the impugned order warrants interference.

6. It is the further case of the petitioner that the petitioner had also explained the case in reply to the Notices that were issued to the petitioner preceding the impugned assessment order. However, it is stated to have been overlooked while passing the impugned order.

7. The learned counsel for the petitioner drew the attention of this Court to the Return of Income of the said Mr. M.Sivakumar HUF for the Assessment Year 2022-2023, who is also the proprietor of Vishal Bharath Processing Mills to state that supplies were made by the HUF, although, the invoices were raised in the name of the proprietary concern viz., Vishal Bharath Processing Mills.

8. The learned counsel appearing for the respondents on the other hand would submit that the petitioner was called upon to produce the invoices. However, the petitioner had failed to provide the invoices and therefore, the impugned assessment order has been passed after following due process of law.

9. Having considered the submissions made by the learned counsel for the petitioner and the learned counsel for the respondents, I am of the view that the impugned assessment order does not want any interference under Article 226 of the Constitution of India. It is a detailed order passed after considering all the submissions of the petitioner.

10. The petitioner's case that the income accounted by the said M.Sivakumar HUF for proprietary concern of Vishal Bharath Processing Mill based on the Return of Income filed by said M.Sivakumar HUF for the HUF cannot be considered for the purpose of interfering with the impugned assessment order.

11. There are several disputed questions of facts and it has to be decided by the Appellate Authority under Section 250 of the Act.

12. The impugned order is dated 19.03.2024 and the present writ petition has been filed immediately on 15.04.2024. Considering the same, at best, liberty can be granted to the petitioner to file an appeal before the Appellate Authority against the impugned assessment order within a period of 30 days from the date of receipt of a copy of this order.

13. If such an appeal is filed by the petitioner, the Appellate Authority shall dispose of the same on merits without reference to limitation as expeditiously as possible.

This writ petition is disposed of with the above observations. No costs. Connected miscellaneous petition is closed.

15.12.2025

Neutral Citation : Yes / No

mp

To:

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   National Faceless Assessment Centre,
   Income Tax Department,
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2. The Income Tax Officer,
   Ward 1(1),
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C.SARAVANAN, J.

mp

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