IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 02.12.2025

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THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.12138 of 2024
and
W.M.P.Nos.13237 & 13238 of 2024

M/s. VRYA WARHOUSING LLP,
No.1, Krishna Street,
Nungambakkam,
Chennai – 600034, Tamil Nadu. ... Petitioner

Vs.

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

2. Income Tax Officer,
   Corporate Ward-3(3),
   Chennai. ... Respondents

Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records in the order passed by the 1st respondent in PAN No: AATFV7034Q bearing DIN No: ITBA/AST/S/143(3)/2023-24/1063160942(1) dated 22.03.2024 for the AY: 2022-23 on the file of the 1st Respondent and to quash the same.

For Petitioner : Mr.G.Ashokapathy

For Respondents : Mrs.S.Premalatha
Junior Standing Counsel

ORDER

In this Writ Petition, the petitioner has challenged the Assessment Order dated 22.03.2024 passed under Section 143(3) read with Section 144B of the Income Tax Act, 1961 for the Assessment Year 2022-2023 by the 1st respondent.

2. By the impugned order, the respondents added certain amounts to the taxable income under Section 68 of the Act and disallowed certain expenses claimed to have been incurred by the petitioner in the Return of Income filed on 04.08.2022, wherein the petitioner had declared a business loss of Rs.60,39,751/- for the Assessment Year 2022-2023 (Financial Year 2021-2022).

3. The Computation of Tax, which was issued to the petitioner along with the impugned order indicates that the petitioner has neither paid any tax in advance nor any self-assessment tax or was any tax recovered from the petitioner by the department.

4. Operative portion of the impugned order reads as under:-

"6. In view of the above, total income is computed as under:

Sr. No.	***Description***	***Amount (in INR)***
1	*Return of Income filed*	*(-)60,39,751/-*
2	*Addition on account of disallowance u/s 37(1)*	*2,51,12,397/-*
3	*Addition of unsecured loan u/s 68*	*13,86,36,000/-*
4	***Total Income***	***15,77,08,646/-***

Assessed under section 143(3) read with section 144B of the Income-tax Act, 1961. Interest u/s 234A, 234B, 234C and 234C is charged as per the I.T. Act, 1961. Computation sheet and demand notice is forming part of the assessment order. Penalty u/s 270A of the IT Act is initiated for under reporting of the income. Penalty u/s 271AAC(1) of the IT Act is initiated."

5. The reason for arriving at the above conclusion was that the petitioner neither substantiated the expenditure incurred for the aforesaid financial year nor produced any documents to prove that the alleged amount was given by its partners as a loan.

6. On a specific query with regard to the nature of business carried out by the petitioner viz., limited liability partnership, it was informed that the

petitioner was engaged in a warehouse business.

7. *Prima facie*, the expenditure incurred by the petitioner appears to be untenable.

8. Be that as it may, considering the reply filed by the petitioner was not satisfactory, the case is remitted back to the 1st respondent to redo the exercise and pass a fresh order on merits by giving one last opportunity to the petitioner to explain the expenditure incurred and the unsecured loan obtained by the petitioner, subject to the petitioner depositing 10% of the disputed tax and filing an additional reply along with requisite documents to the notices that preceded the impugned order, within a period of thirty (30) days from the date of receipt of a copy of this order.

9. In the additional reply, the petitioner shall properly explain the reason for claiming loss in the Return of Income that was filed on 04.08.2022 for the Financial Year 2021-2022.

10. Subject to the petitioner complying with the above stipulations, the 1st respondent shall proceed to pass fresh orders on merits and in accordance

with law as expeditiously as possible, preferably, within a period of three (3) months of such reply / pre-deposit.

11. It is needless to state that, before passing any such orders, the petitioner shall be heard.

12. In case the petitioner fails to comply with any of the stipulations, the respondents are at liberty to proceed against the petitioner to recover the tax in accordance with law as if this writ petition was dismissed *in limine* today.

13. Accordingly, this Writ Petition stands disposed of. Consequently, connected miscellaneous petitions are closed. No costs.

02.12.2025

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Neutral Citation : Yes / No

To

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

2. The Income Tax Officer,
Corporate Ward-3(3),
Chennai.

C.SARAVANAN, J.

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W.P.No.12138 of 2024

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