IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 23.06.2025

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THE HONOURABLE MR.JUSTICE KRISHNAN RAMASAMY

W.P.No.15274 of 2025
and W.M.P.Nos.17250 & 17252 of 2025

Suresh Textiles,
Rep. by its Partner R.Sambathkumar,
No.2/224, Periya Thottam,
P.Vadugapalayam,
B.O. Palladam, Tirupur – 641 664,
Tamil Nadu, India. ...Petitioner

Versus

1.Assessment Unit,
National Faceless Assessment Centre,
New Delhi.

2.Income Tax Officer,
Ward 2(1), Tiruppur,
No.121, Adams Building,
60 Feet Road, Tirupur – 641 602.
...Respondents

Prayer: Writ petition filed under Article 226 of the Constitution of India, praying for an issuance of Writ of Certiorari, to quash the impugned order in PAN AEHFS4530E passed under Section 143(3) r.w.s 144B of the Income Tax Act, 1961 dated 20.03.2025 for the AY 2023-24 in DIN ITBA/AST/S/143(3)/2024-25/1074756203(1).

For Petitioner	:	Ms.Lakshmi NV
For Respondent	:	Dr.B.Ramaswamy Senior Standing Counsel

ORDER

This writ petition has been filed by the petitioner challenging the impugned order dated 20.03.2025 passed by the 1st respondent, relating to the Assessment Year 2023-24.

2.Learned counsel for the petitioner would submit that the petitioner was issued with the show cause notice dated 10.03.2025 by the 1st respondent proposing two variations viz., (i) cessation of liability towards Rs.38,42,919/- and (ii) addition of Rs.1,08,50,460/- under Section 69A of the Income Tax Act in respect of withdrawals from Axis Bank for the Assessment Year 2023-24. In response to the said show cause notice, the petitioner filed a detailed reply on 15.03.2025 furnishing the break up details of creditors along with their PAN and address and subsequent year ledger copies of the creditors to substantiate the settlement to creditors. However, the 1st respondent ignored all the copies and confirmed the proposal of Rs.38,42,919/- stating that the petitioner failed to produce the ledger. As far as the addition under Section 69(A) of the Income Tax Act, in respect of cash withdrawals is concerned, the petitioner used the cash withdrawn for the purpose of making payments to daily wages. In this regard, the petitioner filed partywise break up of daily labourers and along with Aadhar and PAN of the laboures, whichever is available. However, the 1st respondent without considering the reply of the petitioner and without providing personal hearing opportunity proceeded to confirm the proposals made in the show cause notice dated 10.03.2025.

3.She would further submit that the petitioner could not upload all the 3000 vouchers available with them to substantiate the cash withdrawal used for the purpose of making payment to daily wages. Therefore, she would submit that if the petitioner provided with personal hearing opportunity, they could produced all the documents physically and hence, prayed to set aside the impugned order dated 20.03.2025 with a direction to the 1st respondent to provide an opportunity of personal hearing.

4.Dr.B.Ramaswamy, learned Senior Standing Counsel appearing for the respondents would submit that the petitioner had invited the impugned order on their own volition. Since the sufficient documents were not provided by the petitioner to substantiate their case, the 1st respondent was forced to pass the impugned assessment order dated 20.03.2025.

5.Heard the learned counsel for the petitioner as well as the learned Senior Standing Counsel appearing for the respondents and perused the materials available on records.

6.Considering the submissions made by the learned counsel for the petitioner and the learned Senior Standing Counsel appearing for the respondents, it is evident that the 1st respondent had issued show cause notice dated 10.03.2025 raising cessation of liability towards Rs.38,42,919/- and addition of Rs.1,08,50,460/- under Section 69(A) of the Income Tax Act in respect of the cash withdrawals and later confirmed the proposals made in the said show cause notice on the ground that sufficient documents were not produced by the petitioner. According to the petitioner there are 3000 vouchers which are needed to be produced along with PAN and email ID of the labourers, due to the technical issue the petitioner was not able to upload all the documents and no personal hearing opportunity was provided after the filing of reply by the petitioner and therefore, the petitioner prays for personal hearing opportunity to produce all those documents in person. In such circumstance, this Court is of the view that the assessment orders came to be passed without affording opportunity of personal hearing to the petitioner to establish their case, thereby violating the principles of natural justice and that it is just and necessary to provide an opportunity to the petitioner to establish their case on merits and in accordance with law.

7.For the reasons stated above, this Court is inclined to set aside the impugned orders dated 20.03.2025 passed by the 1st respondent. Accordingly, this Court passes the following order:-

(i)The order impugned herein is set aside and the matter is remanded back to the 1st respondent for fresh consideration.

(ii)The petitioner is directed to make a request to the respondent-Department to make the portal available for the petitioner to file their reply and the petitioner shall produce the relevant documents to the 1st respondent, within a period of two weeks from the date the portal made available for filing the reply.

(iii)On filing of such documents, the 1st respondent shall consider the same and issue a 7 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.

8.With the above directions, this writ petition is disposed of. There is no order as to costs. Consequently, the connected miscellaneous petitions are closed.

23.06.2025

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Index : Yes / No
Internet : Yes / No
Speaking Order / Non Speaking Order
Neutral Citation:Yes/No

To

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National Faceless Assessment Centre,
New Delhi.

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KRISHNAN RAMASAMY, J.

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