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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 22.09.2025

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THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.Nos.31553 & 32912 of 2025
and
W.M.P.Nos.35346, 35347, 35348, 36896 & 36898 of 2025

W.P.Nos.31553 of 2025

E. Karunakaran ... Petitioner

Vs.

1. The Principal Commissioner of Income Tax
   O/o Commissioner of Income Tax
   No.121, Mahatma Gandhi Road,
   Nungambakkam, Chennai – 600 034.

2. The Assistant Director of Income Tax,
   Intelligence and Criminal Investigation DDIT/ADIT (I&CI), 2, Chennai,
   Room No.202, 2nd Floor, Chennai-Wanaparthy Block,
   No.121, Mahatma Gandhi Road,
   Nungambakkam, Chennai – 600 034.

3. The Assistant Commissioner of Income Tax,
   Centralised Processing Centre,
   Income Tax Department,
   Bengaluru – 560 500.

4. The Income Tax Officer, Non-Corp. WD 22 (1) (TBM),
   First Floor, Tambaram (Business Range),
   1st & 2nd Floor, Ramakrishna Street,
   West Tambaram, Chennai – 600 045. ... Respondents

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W.P.Nos.32912 of 2025

E. Karunakaran ... Petitioner

Vs.

1. The Principal Commissioner of Income Tax
   O/o Commissioner of Income Tax
   No.121, Mahatma Gandhi Road,
   Nungambakkam, Chennai – 600 034.

2. The Assistant Director of Income Tax,
   Intelligence and Criminal Investigation DDIT/ADIT (I&CI), 2, Chennai,
   Room No.202, 2nd Floor, Chennai-Wanaparthy Block,
   No.121, Mahatma Gandhi Road,
   Nungambakkam, Chennai – 600 034.

3. The Assessment Unit,
   Income Tax Department
   New Delhi. ... Respondents

Prayer in W.P.Nos.31553 of 2025: Writ Petition is filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records culminating in impugned Order No.ITBA/AST/S/147/2023-24/1052578611 (1) dated 03.05.2023 passed by the 3rd respondent and quash the same.

Prayer in W.P.No.32912 of 2025: Writ Petition is filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records

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culminating in impugned Order No.ITBA/PNL/F/271(1)(c)/2023-24/1057813849(1) dated 08.11.2023 passed by the 3rd respondent and quash the same.

For Petitioner : Mr.V.Haribabu
Senior Counsel
For Mr.K.Chandrasekaran

For Respondents : Mr.Avinash Krishnan Ravi
Junior Standing Counsel

COMMON ORDER

By this Common Order, both the Writ Petitions are being disposed of.

2. In these Writ Petitions, the petitioner has challenged the impugned Assessment Order dated 03.05.2023 passed under Section 147 read with Section 144 read with Section 144B of the Income Tax Act, 1961 and the impugned Order dated 08.11.2023 passed under Section 271(1)(c) of the Income Tax Act, 1961, for the Assessment Year 2016-2017.

3. It is submitted that petitioner had signed an agreement with a Real Estate Developer namely M/s.Casa Grand Private Limited on 04.04.2013 in respect of a project called “Casa Grande Pavilion”. As per the said agreement,

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the petitioner was to obtain 36.50% of the built area, while the remaining was to be transferred to prospective buyers.

4. It is submitted that petitioner also executed a power of attorney in favour of M/s.Casa Grand Private Limited. It is further submitted that, out of total consideration received by the petitioner in the aforesaid agreement, a sum of Rs.65,80,000/- was invested in purchase of a property on 03.07.2015 in Thazhambur Village, Thiruporur Taluk, Kancheepuram District.

5. The case of the petitioner is that, petitioner received only a sum of Rs.2,26,78,150/- in the aforesaid transaction, however, the respondent treated the consideration received by the developer as also the income of the petitioner and confirmed the demand.

6. It is the further case of the petitioner that, petitioner was unaware of the impugned orders and that petitioner became aware of the same only on 22.05.2025 after a sum of Rs.9,93,504.60/- was recovered from his bank account towards tax due under the impugned Assessment Order dated 03.05.2023.

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7. Learned Junior Standing Counsel appearing for respondents would submit that these writ petitions are devoid of merits and liable to be dismissed. That apart, he would submit that petitioner has an alternative remedy to appeal under Section 246(A) of the Income Tax Act, 1961.

8. Having considered the submission made by the Learned Junior Standing Counsel for the respondents, and considering the fact that a sum of Rs.9,93,504.60/- has already been recovered from the petitioner, I am inclined to balance the interest of the petitioner and the respondents.

9. The explanation put forth in the affidavit that petitioner came to know about the impugned orders only after recovery of the said sum is also acceptable and therefore, a liberty is given to the petitioner to file a statutory appeal within a period of 30 days from the date of receipt of a copy of this order. If such an appeal is filed within such time, the Appellate Authority shall dispose of the same on merits after hearing the petitioner, without reference to limitation under Section 246(A) of Income Tax Act, 1961.

10. Considering the fact that dispute pertains to the assessment year 2016-2017, the Appellate Authority may endeavour to dispose of the appeal as

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expeditiously as possible.

11. It is open to the petitioner to file appropriate application under Section 220 of the Income Tax Act, 1961 before the respondents for staying of the recovery proceedings.

12. With the above directions, these Writ Petitions stand disposed of. Consequently, connected miscellaneous petitions are closed. No costs.

22.09.2025

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Neutral Citation : Yes / No

To

1. The Principal Commissioner of Income Tax
   O/o Commissioner of Income Tax
   No.121, Mahatma Gandhi Road,
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2. The Assistant Director of Income Tax,
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C.SARAVANAN, J.

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