IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 18.11.2025

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THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.42952 of 2025
and
W.M.P.Nos.48056 & 48060 of 2025

A. Jayapal ... Petitioner

Vs.

The National Faceless Assessment Centre
Assessment Unit
Ministry of Finance
New Delhi – 110003. ... Respondent

Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records on the file of the respondent in proceedings number ITBA/AST/S/143(3)/2024-25/1074644477(1) dated 18.03.2025 and quash the same as illegal, incompetent and without jurisdiction.

For Petitioner : Mr.Vishnu
For M/s.V.Srimathi

For Respondent : Dr.B.Ramasamy
Senior Standing Counsel

ORDER

Dr.B.Ramasamy, learned Senior Standing Counsel, takes notice for the respondent.

2. With the consent of the learned counsel for the petitioner and learned Senior Standing Counsel for the respondent, this writ petition is being disposed of at the time of admission.

3. The petitioner is before this Court against the impugned Order dated 18.03.2025 passed under Section 143(3) read with Section 144B of the Act by the respondent for the Assessment Year 2023-2024.

4. Operative portion of the impugned Order dated 18.03.2025 reads as under:

*"**4. Conclusion drawn***

In view of above detailed factual discussion, the assessee is not eligible for claim of exempt income in his Individual capacity as the property belonged to HUF and the proceeds also belonged to HUF which can be claimed by the HUF only by filing ITR. The assessee has failed to provide details as to whether the whole of the amount received was compensation for acquiring land and there is no element of interest on enhanced compensation.

The onus was on the assessee to furnish details supported by *documentary evidence(s), but the assessee has failed to furnish the same and thus the assessee has failed to discharge its onus of the burden of proof. In this regard, the reliance is placed on case of* ***Roshan Di Hatti 1977] 107 ITR 938(SC) and Kale Khan Mohammad Hanif Vs CIT (SC) 50 ITR 1*** *relating to* ***"burden of proof"*** *in favour of revenue wherein the Hon'ble Apex court had held that:-*

"The onus of proving the source of a sum of money found to have been received by an assessee is on him. If he disputes the liability for tax, it is for him to show either that the receipt was not income or that if it was, it was exempt from taxation under the provisions of the Act. in the absence of such proof, the revenue is entitled to treat it as taxable income. where the nature and source of a receipt whether it be of money or of other property, cannot be satisfactorily explained by the assessee, it is open to the revenue to hold that it is the income of the assessee and no further burden lies on the revenue to show that income is from any particular source"

Further, the reliance is placed on the case of ***ADDITIONAL CIT V. JEEVANLAL SAH 205 ITR 244 (SC)*** *in favour of revenue which has also been followed/applied in 213 ITR 64 (Del.); 219 ITR 131 (All.); 236 ITR 977 (SC); 250 ITR 157 (Del.) 259 ITR 132 (Raj.), wherein it has been held by the Hon'ble Delhi High court that:*

“Where burden of Proof is shifted on the assessee by “presuming concealment in the Act” the burden remains on the assessee, unless discharged, that failure to return correct income did not arise from fraud or wilful neglect on his part."

In view of the discussion above, the amount of Rs. 1,60,41,833/- claimed by the assessee as exempt u/s 10(37) of the Income Tax Act, 1961 is disallowed and is hereby added back to the income of the assessee for the year under consideration. Penalty proceedings u/s 270A of Income-tax Act, 1961 are also initiated separately for under-reporting of income in consequence of misreporting of Income.

(Addition:

Rs.1,60,41,833/-)

5. Table of Variations:

Accordingly, income of the assessee for AY 2023-24 is assessed as under:-

Sr. No.	***Description***	***Amount (in Rs.)***
1.	*Income as per Return of Income filed*	*5,16,770/-*
2.	*Variation on account of disallowance of exemption u/s 10(37)*	*1,60,41,833/-*
3.	*Total income determined/assessed*	*1,65,58,603/-*

Assessed under section 143(3) r.w.s 144B of the Income-tax Act, 1961.

Penalty proceedings u/s 270A of Income-tax Act, 1961 are also initiated for under-reporting of income in consequence of misreporting of Income.

Computation of income and demand notice u/s 156 of the Act is attached. Charge interest u/s 234A, 234B and 234C as applicable."

5. A reading of the impugned Order dated 18.03.2025 indicates that sufficient opportunities were given to the petitioner; however, the petitioner has not given any satisfactory reply to the notices, and thus, the variations

were proposed and confirmed vide impugned assessment order.

6. The petitioner has not made out any case for interfering with the impugned assessment order in this writ petition. The petitioner can be relegated to work out his remedy before the Appellate Authority under Section 246A of the Income Tax Act, 1961.

7. Thus, the petitioner is given liberty to file a statutory appeal under Section 246A of the Income Tax Act, 1961 before the jurisdictional Commissioner of Income Tax (Appeals) within a period of 30 days from the date of receipt of a copy of this order.

8. If the petitioner files such an appeal within such time, the Appellate Authority shall dispose of the appeal on merits on its own turn after hearing the petitioner without reference to limitation, as expeditiously as possible.

9. As far as the recovery proceedings initiated against the petitioner are concerned, it is for the petitioner to work out the remedy in the manner known to law.

10. This Writ Petition stands disposed of with the above liberty. Consequently, connected miscellaneous petitions are closed. No costs.

18.11.2025

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Neutral Citation : Yes / No

To

The National Faceless Assessment Centre
Assessment Unit
Ministry of Finance
New Delhi – 110003.

C.SARAVANAN, J.

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W.P.No.42952 of 2025

18.11.2025