BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 24.03.2025

CORAM:

THE HONOURABLE MR.JUSTICE VIVEK KUMAR SINGH

W.P.(MD)Nos.7954 to 7956 of 2025
and
W.M.P.(MD)Nos.5990, 5991, 5992, 5993, 5995 and 5997 of 2025

M/s.Ramakrishnan Chettiar Ravisheker,
125 B, South Avani Moola Street,
Madurai - 625 001. ... Petitioner in all the W.Ps.

-vs-

1.The Assistant Commissioner of Income Tax
Central Circle (1) Madurai,
Office of Deputy Commissioner of Income Tax,
Central Circle (2),
Income Tax Staff Quarters Complex,
Kulamangalam Main Road, Meenambal Puram,
Madurai – 625 002.

2.The Assistant Commissioner of Income Tax,
Office of the Assistant Commissioner,
Central Circle - 3 (3),
Chennai. ... Respondents in all the W.Ps.

PRAYER IN W.P.(MD)No.7954 / 2025 : Writ Petition filed under Article 226 of the Constitution of India, to issue a Writ of Certiorarified Mandamus, calling for the records in PAN No.AABHR0866G and DIN No. ITBA/AST/S/153C/2024-25/1073701286(1) dated 25.02.2025 for the assessment year 2018-19 on the file of the first respondent and quash the same as arbitrary, unreasonable and against the principles of natural justice and direct the respondent to pass orders in accordance with law.

PRAYER IN W.P.(MD)No.7955 / 2025 : Writ Petition filed under Article 226 of the Constitution of India, to issue a Writ of Certiorarified Mandamus, calling for the records in PAN No.AABHR0866G and DIN No. ITBA/AST/S/153C/2024-25/1073590029(1) dated 22.02.2025 for the assessment year 2020-21 on the file of the first respondent and quash the same as arbitrary, unreasonable and against the principles of natural justice and direct the respondent to pass orders in accordance with law.

PRAYER IN W.P.(MD)No.7956 / 2025 : Writ Petition filed under Article 226 of the Constitution of India, to issue a Writ of Certiorarified Mandamus, calling for the records in PAN No.AABHR0866G and DIN No. ITBA/AST/S/153C/2024-25/1073590031(1) dated 22.02.2025 for the assessment year 2021-22 on the file of the first respondent and quash the same as arbitrary, unreasonable and against the principles of natural justice and direct the respondent to pass orders in accordance with law.

For Petitioner in all the W.Ps. : Dr.A.Thiyagarajan
Senior Counsel
for Mr.S.Karunakar

For Respondents in all the W.Ps.: Mr.N.Dilip Kumar
Senior Standing Counsel

COMMON ORDER

These writ petitions have been filed seeking to quash the assessment orders passed by the first respondent, which read as follows:-

Sl. No.	W.P.(MD)No.	Assessment Year	Date
1.	7954 / 2025	2018-2019	25.02.2025
2.	7955 / 2025	2020-2021	22.02.2025
3.	7956 / 2025	2021-2022	22.02.2025

2. The learned Senior Counsel appearing for the petitioner submits that the petitioner, who is the Karta of the firm "Sree Sai SMR Jeweller," is regularly assessed to tax under the Goods and Services Tax Act and the Income Tax Act. For the assessment years 2018-2019, 2020-2021 and 2021-2022, the petitioner filed his return of income admitting a total income of Rs.7,71,970/-. The learned Senior Counsel for the petitioner submits that a search under Section 132 of the Income Tax Act was conducted on 10.11.2020 at M/s.Mohanlal Jewellers, Chennai and certain incriminating materials allegedly related to the petitioner were seized. Based on the same, a notice under Section 153C of the Income Tax Act was issued for the Assessment Year 2020-21.

3. The learned Senior Counsel appearing for the petitioner submits that the petitioner denies the ownership or possession of the "J PACK" software and the ledger named "SMR MD" seized from M/s.Mohanlal Jewellers, which allegedly links the petitioner to unaccounted transactions. The petitioner states that these documents are under the custody of Mohanlal Jewellers and the entries in the ledger do not belong to the petitioner. The learned Senior Counsel for the petitioner further submits that the documents are self-serving and unreliable.

4. The learned Senior Counsel for the petitioner submits that despite multiple requests, the petitioner was not granted an opportunity to cross-examine the authors of the seized documents, namely, Shri Suresh Khatri and Shri Rajendra Kothari. The learned Senior Counsel submits that the reliance on unauthenticated third-party records, without giving the petitioner an opportunity to rebut them, is in violation to the principles of natural justice.

5. The learned Senior Counsel for the petitioner contends that the Department should have summoned the third-party authors of the documents under Section 131 of the Income Tax Act and conducted an enquiry. The failure to do so raises further doubts about the fairness of the proceedings.

6. The learned Senior Counsel for the petitioner further submits that the first respondent has failed to consider the replies and contentions raised by the petitioner, which include financial statements, bank statements and the Tax Audit report, among other documents. The impugned orders are claimed to be passed in haste and without proper consideration of the petitioner's submissions.

7. The learned Senior Counsel for the petitioner also submits that while an alternative remedy exists, the impugned order is arbitrary, illegal and contrary to the principles of natural justice and therefore, the petitioner is constrained to invoke the jurisdiction of this Court under Article 226 of the Constitution of India, as the first respondent has violated the statutory and natural justice principles while passing the impugned orders. Therefore, the impugned orders are liable to be quashed and an appropriate direction may be issued to the respondents to provide a fair opportunity for cross-examination, consideration of the petitioner's contentions and to proceed with the assessment in accordance with law.

8. On the other hand, the learned Senior Standing Counsel for the respondents submits that a similar matter was already considered by the Principal

Seat of this Court in **W.P.No.11630 of 2023, etc. batch** [M/s. LKS Gold House Private Limited, represented by the Joint Managing Director, Chennai vs. The Deputy Commissioner of Income Tax, Chennai and others]. The Principal Seat, by its order dated **18.01.2024**, dismissed the writ petitions and also granted liberty to the petitioners therein to file an appeal before the Appellate Authority within thirty days from the date of receipt of a copy of the order.

9. Considering the above said submissions, these writ petitions are dismissed, with liberty to the petitioner to approach the appellate authority and raise all the grounds raised in these writ petitions in the appeal. In the event, if any appeal is filed within a period of one month from the date of receipt of a copy of this order, the appellate authority shall entertain the appeal without reference to the period of limitation and dispose of the same in accordance with law, within a period of three months thereafter. There shall be no order as to costs. Consequently, connected Miscellaneous Petitions are closed.

24.03.2025

NCC : Yes / No
Index : Yes / No
smn2

To:-

1.The Assistant Commissioner of Income Tax
Central Circle (1) Madurai,
Office of Deputy Commissioner of Income Tax,
Central Circle (2),
Income Tax Staff Quarters Complex,
Kulamangalam Main Road, Meenambal Puram,
Madurai – 625 002.

2.The Assistant Commissioner of Income Tax,
Office of the Assistant Commissioner,
Central Circle - 3 (3),
Chennai.

VIVEK KUMAR SINGH, J.

smn2

Common order made in
W.P.(MD)Nos.7954 to 7956 of 2025

24.03.2025