BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 08.08.2025

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THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P(MD)No.21710 of 2025
and
W.M.P(MD)Nos.16815 and 16817 of 2025

The Dindigul Market Committee,
9/111, LGB Compound,
Mengle Road,
Dindigul – 624 001. ... Petitioner

Vs.

1.The Assessing Officer,
National Faceless Assessment Center,
New Delhi.

2.The Principal Commission of Income Tax -1,
No. 2, V.P Rathinasamy Nadar Road,
Bibikulam,
Madurai.

3.The Assistant Commissioner of Income Tax,
Circle 2,
Madurai. ...Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus, calling for the records relating to the impugned Assessment Order passed by the Respondent in DIN and Order No.ITBA/AST/S/147/2023-24/1062721112(1), dated 15.03.2024 and the consequential impugned Demand Notice issued by the

Respondent in DIN and Notice No.ITBA/ PNL/ F/ 271AAC(1)/ 2024-25/ 1065106484(1), dated 24.05.2024 and quash the same as illegal and arbitrary and pass suitable order of Assessment, accepting the return of income filed by the petitioner.

For Petitioner	: Mr.Veerakathiravan Senior Counsel For Mr.R.Kavinprasanth
For Respondents	: Mr.N.Dilip Kumar Standing Counsel

ORDER

Mr.N.Dilip Kumar, learned Standing Counsel takes notice for the respondents.

2. The petitioner claims himself to be marketing committee and had filed return of income claiming exemption in terms of Section 10(26AAB) of the Income Tax Act, 1961. As per section 10 of the Act, several categories of income have been excluded from the purview of the Income Tax Act. Section 10 of the Act reads as under:

CHAPTER III

INCOMES WHICH DO NOT FORM PART OF TOTAL INCOME

Incomes not included in total income

10.In computing the total income of a previous year of any person, any income falling within any of the following clauses shall not be included -

3. The learned counsel for the petitioner submits that the respondents have not considered the scope of exemption under the above provisions and passed the impugned order. Therefore, the impugned order is liable to be dismissed.

4. The learned Standing Counsel for the respondents submits that the petitioner has filed a statutory appeal under Section 246A of the Income Tax Act, 1961 and therefore, the present writ petition is liable to be dismissed as the petitioner has explored the possibility of redressing the grievance against the impugned order before the Appellate Commissioner.

5. The learned Additional Advocate General for the petitioner submits that under similar circumstances, this Court has set aside the impugned order and remit the case back to the respondents.

6. This Court has come to rescue the persons like the petitioner providing the petitioner withdraw the appeal filed against the impugned order within a period of 30 days from the date of receipt of a copy of this order. On such withdrawal, the respondents proceed to pass fresh order subject to the

petitioner furnishing the necessary documents to substantiate the income which coming with the purview of the exemption under Section 10(26AAB) of the Act.

7. The respondents shall endeavour to pass final order as expeditiously as possible preferably within a period of 6 months from the date of receipt of a copy of this order. It is made clear that the petitioner shall co-operate with the respondents by producing all the documents.

8. The writ petition stands disposed of with the above direction. No costs. Consequently, the connected miscellaneous petitions are closed.

08.08.2025

NCC : Yes / No
Index : Yes / No
Internet : Yes / No
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To

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C.SARAVANAN, J.

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