IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 06.01.2026

CORAM :

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.16587 of 2023
and
W.M.P.Nos.15873, 15877 and 15879 of 2023

Krishnamoorthy ... Petitioner

Vs.

1.Assessment Unit,
Income Tax Department,
Ministry of Finance

2. Assistant Commissioner of Income Tax,
Circle 1, II nd Floor,
Cuddalore-Income Tax office,
Soorappa Naicken Chavadi,
Cuddalore – 607002. ... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, to call for the records of the 1st Respondent herein in Impugned Order No.DIN:ITBA/AST/S/147/2022-23/1051413744(1) dated 27.03.2023 passed by the 1st respondent for the Assessment Year 2018-2019 and quash the order dated 27.03.2023.

For Petitioner : M/s.G.Vardini Karthik
For Respondents : Mrs.S.Premalatha,
Senior Standing Counsel

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ORDER

The petitioner is before this Court challenging the assessment order dated 27.03.2023 passed under Section 147 read with Section 144B of the Income Tax Act, 1961 for the Assessment Year 2018-2019. The impugned assessment order was preceded by a Notice dated 12.03.2022 issued under Section 148A(b) of the Income Tax Act, 1961, followed by an order under Section 148A(d) and the consequential Notice under Section 148 of the Income Tax Act, 1961 both dated 30.03.2022.

2.The petitioner is a non-filer of Return of Income for the Assessment Year 2018-2019. On 12.03.2022, the petitioner was issued with a Notice under Section 148A(b) of the Act to which the petitioner replied on 21.03.2022, pursuant to which, order under Section 148A(d) and Notice under Section 148 of the Act was passed and issued by the 2nd Respondent.

3. It is in this background, the petitioner filed the Return of Income on 09.04.2022 for the Assessment year 2018-2019. Subsequently, intimation dated 17.08.2022 was issued by the 1st Respondent regarding completion of

assessment proceedings under Section 144 of the Act. Pursuant to which Notices dated 27.09.2022 and 04.01.2023 was issued under Section 143(2) and 142(1) of the Act to which the petitioner replied.

4. The petitioner was also issued with Show Cause Notices dated 21.02.2023 and 13.03.2023. In the first Show Cause Notice dated 21.02.2023, the petitioner was called upon to explain as to why a sum of Rs.82,25,664/- should not be included in the petitoner's income, as against the total income of Rs.7,12,716/- declared in the Return of Income filed by the petitioner for the Assessment year 2018-2019 filed pursuant to the notice issued under Section 148 of the Income Tax Act on 09.04.2022.

5. In the Show Cause Notice dated 13.03.2023, the proposed addition of Rs.82,25,664/- was enhanced to Rs.2,54,52,815/-. Further, it stated that the petitioner was required to submit a response on or before 15.03.2023, as the time limit for completion of the assessment proceedings was to expire on 31.03.2023 in terms of Section 153 of the Income Tax Act, 1961.

6. The respondent has also stated the same in Paragraph No.12 of the Counter Affidavit filed in this writ petition, which is reproduced below:-

> "12. It is submitted that the petitioner had been provided ample time and opportunities to present his case and explain, along with supporting documentary evidences, the sources of cash deposits in his account, which the petitioner had time and again failed to do so. As regards the short time span furnished under second SCN dated 13.03.2023, it is once again submitted that as the case was getting time barred on 31st March 2023, therefore no further hearing opportunities, including personal hearing, could be provided to the petitioner. Therefore, the petitioner's claim that respondents have not followed the principles of natural justice, is incorrect."

7. A reading of the impugned order indicates that the same has been passed in a haste by the Respondent to avoid the assessment proceeding getting time-barred under Section 153 of the Income Tax Act, 1961. Further, the aforesaid Show Cause Notices contains extracts which do not clearly specify the source of amounts that were allegedly transferred by the petitioner.

8. Further, it is also noticed that the NRI account referred to in the impugned order is maintained by the petitioner's son and not by the petitioner.

9. Be that as it may, since the impugned order has been passed in haste in order to avoid the assessment getting time-barred, the impugned order is quashed and the case is remitted back to the first respondent to pass a fresh assessment order on merits as expeditioulsy as possible.

10. The petitioner is directed to file a proper reply along with requisite documents the Show Cause Notice that preceded the impugned assessment order by treating the same as an addendum within a period of 30 days from the date of receipt of a copy of this order.

11. Upon receipt of the petitioner's reply, the first respondent shall pass fresh assessment order thereafter after providing opportunity of hearing to the petitioner within a period of 30 days thereafter.

12. The Writ Petition is disposed of with the above observations. No costs. Connected W.M.Ps are closed.

06.01.2026

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Neutral Citations: Yes/No

To:

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Income Tax Department,
Ministry of Finance

2. Assistant Commissioner of Income Tax,
Circle 1, II nd Floor,
Cuddalore-Income Tax office,
Soorappa Naicken Chavadi,
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C.SARAVANAN, J.

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