IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 03.02.2026
Coram

The Honourable **Mr.Justice C.Saravanan**

W.P.Nos.42276 & 42291 of 2025
and
W.M.P.No.47310, 47312, 47315 & 47317 of 2025

NAGAPPAGOUNDER SAPPANIPATTI
IYAPPAN

..Petitioner in both W.Ps.

Vs.

1 INCOME TAX DEPARTMENT
O/o.THE INCOME TAX OFFICER
WARD 1 DHARMAPURI

2 INCOME TAX DEPARTMENT
National Faceless Assessment Centre Delhi

3 INDIAN BANK
6 Yercaud Road Hastampatti Salem 636 007.

..Respondents in both W.Ps.

Prayer in W.P.No.42276 of 2025

Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorari to call for records pertaining to the impugned order issued by the 2nd Respondent vide reference No. ITBA/AST/S/147/2021-22/1041693874(1) dated 26.03.2022 demanding Rs.1,55,10,000/- One crore fifty five lakhs ten thousand only and consequent impugned Notice issued by the 1st Respondent to 3rd

Respondent vide reference No.ITBA/RCV/S/226(3)_1/2022-23/1050035187(1) dated 23.02.2023 towards attachment of Petitioner's bank account A/c.No. 10006711436 demanding Rs.4,15,97,609/- (Four Crore fifteen lakhs ninety seven thousand six hundred and nine only and to quash the same.

Prayer in W.P.No.42291 of 2025

Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorari to call for records pertaining to the impugned order issued by the 2nd Respondent vide ITBA/AST/S/147/2021-22/1041693959(1) dated 26.03.2022 demanding Rs.1,71,11,680/- (One crore seventy one lakhs eleven thousand six hundred and eighty only) and consequent impugned Notice issued by the 1st Respondent to 3rd Respondent vide reference No.ITBA/RCV/S/2263_1/2022-23/1050035187(1) dated 23.2.2023 towards attachment of Petitioners bank account A/c.No.10006711436 demanding Rs.4,15,97,609/- Four Crore fifteen lakhs ninety seven thousand six hundred and nine only and quash the same.

For Petitioner in both W.Ps. : Mr.P.Murugesan

For Respondents 1 and 2 in both W.Ps. : Mrs.M.Sheela
Senior Standing Counsel
and Mr.H.Siddharth
Standing Counsel

Common Order

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

2. In Writ Petition No.42276 of 2025, the Petitioner has challenged the Assessment Order dated 26.03.2022 passed by the second Respondent under Section 147 read with Section 144 and 144B of the Income Tax Act (in short, Act) for the AYs 2014-15 and Penalty Notice dated 23.02.2023 under Section 226 (3) of the Act issued by the first Respondent to the third Respondent, whereby, the Petitioner's bank account was attached for a sum of Rs.4,15,97,609/- for the Assessment Years 2014-2015 and 2015-2016.

3. In W.P.No.42291 of 2025, the Petitioner has challenged the Order dated 26.03.2022 passed by the second Respondent for the Assessment Year 2015-16 under Section 147 read with Section 144 read with Section 144B of the Act and the consequential demand Notice issued under Section 226 (3) of the Act dated 23.02.2023 for a sum of Rs.4,15,97,609/- for the aforesaid Assessment Years.

4. The Petitioner failed to file Return of Income for the said Assessment Years despite Section 148 notice and subsequent notices under Section 142 (1) of the Act were issued and thus suffered the impugned Orders.

5. The Petitioner was also issued with a consequential penalty Order dated 28.09.2022 under Section 271 (1) (c) of the Act, wherein, Penalty of Rs.52,71,849/- was imposed on the Petitioner pursuant to a Notice dated 15.09.2022.

6. The Petitioner is a Small Time Operator engaged in the sale of Animal Feed Supplements and that entire turnover of the Petitioner has been assessed as taxable income of the Petitioner in the absence of Return of Income being filed by the Petitioner.

7. The learned counsel for the Petitioner prays for remand of the matter for fresh adjudication. The learned counsel for the Petitioner further submitted that the Respondent has also party recovered a sum of

Rs.3,70,206/- towards tax liability and penalty as confirmed in the impugned Assessment Orders.

8. The learned Senior Standing Counsel for the Respondents 1 and 2 would submit that the impugned Orders do not merit any interference, as the Petitioner had failed to file Return of Income for the said Assessment Years either under Section 139(1) or under Section 139 (5) of the Act. Despite Section 148 Notice being issued to the Petitioner for the respective Assessment Years. That apart, it is submitted that the Petitioner also failed to respond to Notice issued under Section 142 (1) of the Act that preceded the impugned Orders.

9. I have heard the submissions of the learned counsel for the Petitioner and the learned Senior Standing Counsel for the Respondents 1 and 2.

10. It cannot be stated that the impugned Orders have been passed on account of procedural violation, as the Petitioner had failed to respond to the Respondent-Department. At every stage of the assessment proceeding, there was failure, as the petitioner also failed to file Return of Income for the aforesaid Assessment Years in response to the Section 148 Notice.

11. Be that as it may, considering the fact that the Petitioner claims to be a small dealer in animal feed supplements and that the entire turnover has been taxed, one opportunity can be given to the Petitioner to participate in the assessment proceedings. The impugned Orders are quashed and the cases are remitted back to the Respondent to pass a fresh orders subject to the Petitioner depositing 5% of disputed tax for each Assessment Years within a period of 30 days from the date of receipt of a copy of this order.

12. Within such time, the Petitioner shall also file Return of Income manually before the jurisdictional, Income Tax Officer and file such Return of Income through online for the aforesaid Assessment Years as and when the Portal is enabled by the Respondent for filing such Return of Income.

13. Within such time, the Petitioner shall also file a proper reply that preceded the impugned Order by treating the respective impugned Orders as addendum to the Show Cause Notice.

14. In case, the Petitioner complies with the above stipulations, the Respondent shall thereafter proceed to pass fresh orders on merits after hearing the Petitioner as expeditiously as possible.

15. In case, the Petitioner fails to comply with the above stipulations, the Respondent is at liberty to proceed against the Petitioner, as if, this Writ Petition is dismissed *in limine* by this Court today.

16. These Writ Petitions is disposed of with the above observations. No costs. Consequently, connected Miscellaneous Petitions are closed.

03.02.2026

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Index : yes/no
Neutral Citation : yes/no
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C.Saravanan,J.,
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