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W.P.No.25716 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 07.08.2025

Coram

The Honourable **Mr.Justice Krishnan Ramasamy**

W.P.No.25716 of 2025

and

W.M.P.Nos.28889 & 28892 of 2025

ANGURAJ SARAVANA PRABU

16 VADIVELKANAPURAM Pollachi H.O Pollachi

COIMBATORE 642001 Tamil Nadu India

...Petitioner

Vs.

COMMISSIONER OF INCOME-TAX (APPEALS)

INCOME TAX DEPARTMENT

NATIONAL FACELESS APPEAL CENTRE (NFAC)

DELHI.

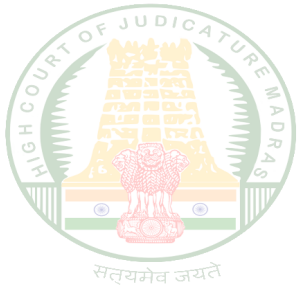
...Respondent

Prayer

Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorarified Mandamus to call for records of the respondent bearing the impugned order reference number ITBA/NFAC/S/250/2023-24/1063472315(1) dated 27.03.2024 and to quash the same for the assessment year 2018-19.

For Petitioner : Mr.M.V.Swaroop
For Respondent : M/s.M.Sheela
Senior Standing Counsel
Mr.H.Siddarth,
Junior Standing Counsel

Order



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The challenge in this Writ Petition is to the order passed by the respondent, National Faceless Appellate Authority dated 27.03.2024 for the assessment year 2018-19 and to quash the same

2. The learned counsel appearing for the petitioner would submit that initially, an assessment order was passed by the Assessing Officer under Section 144 read with Section 144 B of the Act dated 27.05.2021 and made an addition of Rs.2,14,81,90,432/- as "unexplained income" and imposed interest; that as against the said assessment order, the petitioner preferred an Appeal before the National Faceless Appeal Centre (CIT Appeals/Appellate Authority) and vide order, dated 27.03.2023, the Appellate Authority dismissed the Appeal, as against which, the petitioner preferred further Appeal before the Income Tax Appellate Tribunal (for short, Tribunal); that the Tribunal vide order dated 26.06.2023, allowed the Appeal and set aside the order passed by the Appellate Authority and remitted the matter back to the Appellate Authority for fresh consideration by affording an opportunity of personal hearing to the petitioner, however, the Appellate Authority, once again dismissed the Appeal vide order dated 27.03.2024 and also issued a



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recovery proceedings dated 08.05.2025 and challenging the same, the order of dismissal of the Appeal dated 27.03.2024, the present Writ Petition is filed.

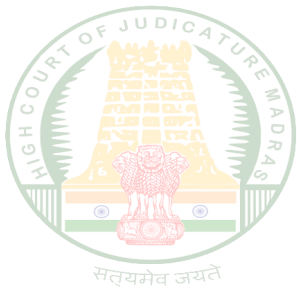
2.1 The learned counsel appearing for the petitioner fairly admitted that it was purely due to failure on the part of the petitioner in not producing the documentary evidence either before any of the three Authorities, i) Assessing Officer, ii) Appellate Authority and iii) Tribunal at relevant point of time, despite the petitioner having been afforded with multiple opportunities, has resulted in the impugned order, however, the learned counsel convinced this Court by stating the reasons for non-production of documentary evidence before the Authorities concerned that though the petitioner was doing the business of retail selling of coconut coir and the annual turnover of his business comes around to a Crore, and for the subject assessment year, Rs.2.14 crore, however, after Covid I, the petitioner has been faced with severe financial constraint, hence, he closed the business, and now, working as a Taxi driver, running a Cab in the Chennai City; that the petitioner struck by misfortune, was not in a position neither to respond



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to the notices issued by the respondent-Department nor produce any documentary evidence before the aforesaid Authorities; that now the petitioner has come up with all required documents and therefore, requested this Court to take into consideration of the present predicament of the petitioner, and prays that the petitioner may be afforded with one more final opportunity to contest the case before the Appellate Authority.

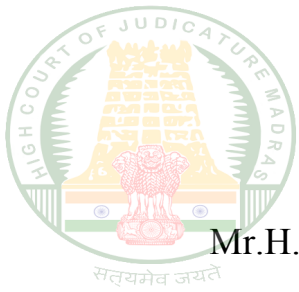
3. Per contra, M/s.M.Sheela, learned Senior Standing Counsel and Mr.H.Siddarth, learned Junior Standing Counsel for the respondent would submit that since the petitioner failed to produce documentary evidence before the Assessing Officer, the petitioner has invited the order of assessment under Section 144; that eventhough the petitioner went on Appeal before the Appellate Authority challenging the assessment order, even there, the petitioner failed to produce documents, which resulted in dismissal of the Appeal; that though further Appeal was filed before the Tribunal and the Tribunal also remanded the matter to the Appellate Authority, once again, the petitioner failed to produce the documents when the matter was on remand before the Appellate Authority.



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WEB COPY 3.1 Therefore, it is contended that the petitioner having failed to utilize all the opportunities that were afforded to him to produce the documents and remained a mute spectator for all these years, is not entitled to seek for any last and final opportunity, when he having missed the multiple opportunities afforded to him. Further, it is submitted that the reason cited by the learned counsel for the petitioner that due to financial crisis, the petitioner was not able to produce the documents, is not a valid ground to seek for setting aside the impugned order, even this Court moved by sympathy, shows indulgence, again, the petitioner won't produce any documents before the Appellate Authority and would come out with a similar plea, and therefore, raised strong opposition for setting aside the matter, thereby, granting any opportunity, and hence, prays for dismissal of the Writ Petition.

4. Heard Mr.M.V.Swaroop learned counsel appearing for the petitioner and M/s.M.Sheela, learned Senior Standing Counsel and



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Mr.H.Siddarth, learned Junior Standing Counsel for the respondent and
perused the materials placed on record.

5. The petitioner was engaged in the business of retail trade of coconut coir. The petitioner, being an individual assessee on the files of the respondent under the provisions of the Income Tax Act, filed his return of income for the assessment year 2018-19 on 31.12.2018, declaring his total income at Rs.24,22,680/-. However, the petitioner's case was selected for scrutiny on two grounds, viz., i) Non-furnishing of quantitative details and ii) Business Expenses. Subsequently, a notice under Section 143 (2) of the Income Tax Act, 1961 was issued to the petitioner on 22.09.2019, whereby, the petitioner-assessee was asked to furnish some details and documentary evidence, which was later followed by a show cause notice for initiation of penalty proceedings under Section 272 A (1) (d) of the Act. Since the petitioner failed to file reply and also documents, the Assessing Officer vide order dated 27.05.2021, confirmed the additions as proposed in the show cause notice, and made addition of Rs.2,14,81,90,432/- as unexplained income and disallowed deduction under Chapter VIA amounting to



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Rs.1,50,000/-, addition of Rs.30,00,000/- as unexplained cash credit under

Section 68 and charged interest and penalty under the Act.

5.1 Challenging the order passed by the Assessing Officer under Section 144 r.w.s 144 B of the Act, the petitioner filed an Appeal before the National Faceless Appeal Centre/Appellate Authority. Since the petitioner failed to produce evidence and submissions before the Appellate Authority, the Appellate Authority vide order dated 27.03.2023 dismissed the Appeal on the ground that in the absence of any documentary evidence and written submissions produced by the petitioner, adverse inference was drawn against the petitioner and confirmed the additions.

5.2 As against the said dismissal order dated 27.03.2023, the petitioner filed further Appeal before the Tribunal and the Tribunal vide order dated 26.06.2023, allowed the Appeal and remanded the matter to the Appellate Authority for fresh consideration with a specific direction to grant opportunity of hearing to the petitioner. Thus, when the issue was on remand before the Appellate Authority, the Appellate Authority in compliance of the



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direction issued by the Tribunal, issued two notices of hearing to the petitioner and the petitioner was given time to produce the document.

However, the petitioner failed to produce the documents despite providing sufficient time, therefore, the Appellate Authority held that in the absence of any evidence to rebut the assessment order, the assessment order is confirmed and accordingly, dismissed the Appeal vide order dated 27.03.2024 and impugning the same, the present Writ Petition is filed.

5.3 It is not the issue that the respondent has not at all considered the request of the petitioner. The Authorities, viz., the Assessing Officer, CIT (Appeals)/Appellate Authority, in the course of decision making process, have provided sufficient opportunities to the petitioner for production of documentary evidence before them. Therefore, there is no fault on the part of the respondent, in passing the impugned order, whereas, the fault lies only on the part of the petitioner for having failed to utilize any of the opportunities provided to him. Thus, it is clear that the petitioner, on his own, invited the impugned order. However, when the matter was taken up for hearing on the last occasion, the learned counsel appearing for the



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petitioner made a sharp pointed statement, which strikes the Court's conscience that the petitioner that due to misfortune, was not in a position to produce the documentary evidence before any of the aforesaid three Authorities despite the fact that the petitioner was in fact in possession of documentary evidence in support of his case and hence, this Court, in order to test the veracity of such statement, as it could not fathom out the reason for not producing the documents before the respondent, despite, he is in possession of the same, orally, directed the petitioner to produce all those documentary evidence before this Court and adjourned the case to 07.08.2025 (i.e. today)

5.4. Accordingly, the matter is listed today and when the same is taken up for hearing, the learned counsel for the petitioner after arguing the case at a considerable length of time, openly admitted that the petitioner, despite provision of multiple opportunities, enabling him to produce the documentary evidence by three Authorities, viz., i) Assessing Officer, ii) Appellate Authority and iii) Tribunal, was not in a position to produce all such documents at the relevant point of time and stated that, as per the oral



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direction of this Court, the petitioner has now come with numerous documents, which were conglomerated in four gunny bags, and made a submission before this Court stating that the petitioner was not in a position to produce those documentary evidence before the aforesaid Authorities, as, the petitioner though remained as a successful business man in his business, as ill-luck would have it, after Covid, he faced with huge financial crisis, and closed down his business and from a bigwig he now turned out to be a Taxi driver, running a Cab in the Chennai City. The learned counsel also openly confessed that, in fact, he was reluctant to appear for the petitioner's case, however, after having come to know about his pathetic plight, evinced interest to appear for his case and also has not received any fees as on date and made an earnest plea before this Court and prays that the petitioner may be afforded with final opportunity to contest the case before the Appellate Authority, where, the petitioner would produce all the documents without fail and also assured that the petitioner will never approach any Court of law, wasting it's time.

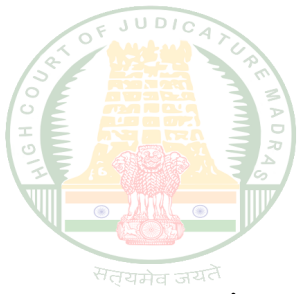
5.5 Thus, this Court, keeping in mind the submissions made by the learned counsel for the petitioner, and the fact that the petitioner also



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produced all the documents before this Court, is of the view that, even a paper order taking the entire turnover as income is meaningless. It is true that the petitioner failed to establish his case before the Appellate Authority despite provision of multiple opportunities, albeit the same, considering the aforesaid submission made by the learned counsel for the petitioner, what, this Court feels is that, atleast, now the petitioner has come before this Court with a ray of hope seeking for last and final opportunity, this Court, in the interest of justice, is inclined to grant one more opportunity to the petitioner/assessee to putforth his contentions along with documentary evidence before the Appellate Authority, for, this Court is reminiscent of the proverb that, "No righteous man be led to fall and should raise again". This Court also records it's appreciation for the earnest efforts taken by the learned counsel for the petitioner in having extended his helping arm for saving the petitioner from the such misfortune.

6. Accordingly, this Court is inclined to pass/issue the following order/directions:-



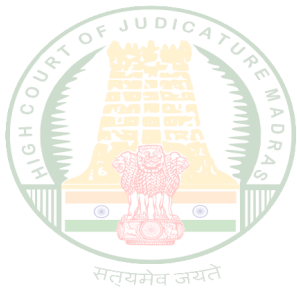
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i) The impugned order dated 27.03.2024 passed by the respondent, viz., Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC) is set aside and the matter is once-again remitted back to the respondent for fresh consideration, however, subject to the condition that the petitioner pays a sum of Rs.20,000/- as costs to the Principal Government Naturopathy Medical College and Hospital, bearing Account No.7883022723, IFSC Code: IDIB000M157 within a period of two weeks from the date of receipt of a copy of this order.

ii) Thereafter, petitioner is directed to file all the documents that were produced before this Court in four gunny bags before the respondent/Appellate Authority, along with pleadings within a period of four weeks.

iii) The petitioner is granted liberty to make a representation to the respondent concerned, in which case, the period for submission of reply will be taken into effect from the date, on which, the time is availed by the petitioner to file reply.

iv) The respondent/Appellate Authority after affording an opportunity of personal hearing to the petitioner, is directed to pass orders in accordance with law. Till such time, the recovery proceedings initiated by the Recovery Office I, Coimbatore, dated 08.05.2025 need not be given effect to and shall be kept in abeyance.



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v) It is made clear that the petitioner, in case, failed to produce documents, this order dated 07.08.2025 shall stand annulled automatically and the order that is impugned order herein shall stand restored and the respondent-Department is at liberty to proceed with the recovery proceedings against the petitioner by virtue of proceedings dated 08.05.2025

vi) It is also needless to state that, no further opportunity would be available to the petitioner with regard to the filing of reply as well as documents.

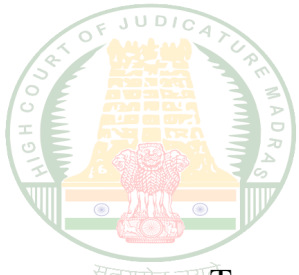
6. In the result, the Writ Petition is allowed. No costs. Consequently, connected miscellaneous petitions are closed.

07.08.2025

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Index : yes/no

Neutral Citation : yes/no



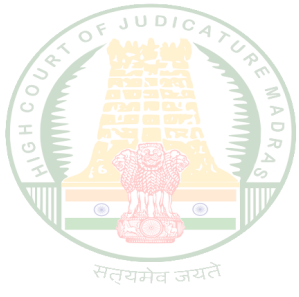
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To
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COMMISSIONER OF INCOME-TAX (APPEALS)
INCOME TAX DEPARTMENT
NATIONAL FACELESS APPEAL CENTRE (NFAC)
DELHI.

Krishnan Ramasamy,J.,

sd



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