IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 13.08.2025

Coram

The Honourable **Mr.Justice Krishnan Ramasamy**

W.P.No.26178 of 2025
and
W.M.P.Nos.29489 and 29492 of 2025

Amberland Properties LLP
No. 5, Ramanuja Iyer Street,
Tondiarpet, Fort St George,
Sowcarpet,
Chennai – 600 001.

...Petitioner

Vs.

The Income Tax Officer (TDS),
TDS Ward 1(3),
BSNL Tower No.16,
Greams Road,
Chennai-600 006.

...Respondent

Prayer : Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorari to call for the records on the file of the Respondent and to quash the Impugned Order passed by the Respondent bearing PAN No. ACGFA2614J in DIN and Order No. ITBA/COM/F/17/2024-25/1074645998(1) dated 18.03.2025.

For Petitioner : Mr.G.Ashokapathy
for M/s.Pass Associates

For Respondent : Dr.B.Ramaswamy
Senior Standing Counsel

ORDER

Dr.B.Ramaswamy, learned Senior Standing Counsel takes notice on behalf of the respondent. With consent, the main Writ Petition is taken up for final disposal at the stage of admission itself.

2.The challenge in this Writ Petition is to the order dated 18.03.2025 passed by the respondent and to quash the same.

3. The learned counsel for the petitioner would submit that the petitioner is a Limited Liability Partnership engaged in the business of real estate and property development. During the Financial Year 2024-25, the petitioner paid an advance sale consideration of Rs.2,00,00,000/- for the purchase of immovable property from one Mr.Rajasekar, an Indian Resident. In compliance with the mandate under Section 194-IA of the Income Tax Act, 1961 (in short 'the Act') the petitioner deducted TDS at 1%

amounting to Rs.2,00,000/- and remitted the same to the credit of the Central Government through Challan No.17304 dated 03.10.2024. The relevant details of the transaction were furnished in Form 26QB, in which the Permanent Account Number (PAN) of the seller was duly recorded. The system processed the form without any error or objection and issued an acknowledgment, thus validating the deduction at the applicable rate. Subsequently, impugned notice has been issued by the respondent raising a demand for a sum of Rs.38,76,000/- against the petitioner by treating a valid PAN of the seller as invalid due to non-linkage with Aadhar at the relevant time and consequently applied TDS @ 20% instead of 1%.

3.1. Further, he would submit that in case the Seller's PAN No. was not linked with the Aadhar at the time of transaction, the Department would not have allowed the petitioner to remit the TDS. That apart, the PAN provided by the Seller was valid and operational at the time of transaction. The Income-Tax portal did not raise any warning, bar, or restriction against the use of the said PAN and allowed deduction at 1% which clearly indicates that the PAN was accepted by the system. Therefore, the respondent has erred in passing the impugned order.

3.2.. The learned counsel for the petitioner also filed a Memo dated 13.08.2025 stating that the TDS in question was deducted on 03.10.2024 and the PAN of the deductee was subsequently made operative on 13.06.2025 by way of successful linkage with Aadhaar. Further, it is stated that the Department has issued a circular dated ***21.07.2025*** in ***F.No.275/04/2024-IT (B),*** as per which there is no liability arising under Section 206AA, of the Act and the petitioner is entitled to avail the said benefit. He therefore prays to set aside the impugned notice by considering the applicability of the aforesaid circular.

4. Per contra, Dr.B.Ramaswamy, learned Senior Standing Counsel appearing for the respondent strongly objected to the submissions made by the learned counsel for the petitioner stating that if at all the petitioner intend to find fault on the respondent Department for allowing them to pay 1% TDS, instead of 20%, when the Seller's PAN number was not linked with the Aadhar, the petitioner supposed to have filed appropriate reply to the notice dated 18.03.2025. But, without doing so, the petitioner has come up with the present writ petition challenging the aforesaid notice. That apart, even if the petitioner wants to avail the benefit of the Circular issued by the Department, the petitioner has to substantiate its case before the Department in order to avail the benefit of the aforesaid circular.

5. Heard both sides. Perused the records.

6. I find force in the submissions made by the learned Senior Standing Counsel for the respondent to the effect that if at all the petitioner intend to find fault on the respondent Department for allowing them to pay 1% TDS, instead of 20%, when the Seller's PAN number was not linked with the Aadhar, the petitioner supposed to have filed appropriate reply to the notice dated 18.03.2025. But, without doing so, it is not appropriate for the petitioner to raise all the points before this Court by filing this writ petition. That apart, if the petitioner intend to avail the benefit of the aforesaid notification, it is for him to substantiate its case before the authority concerned.

7. In such view of the matter, this Court is inclined to pass the following order:

i) The Petitioner is directed to file the reply for the impugned notice dated 18.03.2025, along with relevant documents to substantiate its case, within a period of two weeks from the date of receipt of a copy of this order.

ii) On such reply being filed, the respondent is directed to pass orders on consider the same and pass orders as expeditiously as possbile.

8. With the above observations & directions, this Writ Petition is disposed of. No costs. Consequently, connected Miscellaneous Petitions are closed.

13.08.2025

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Index : yes/no
Neutral Citation : yes/no

To

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Chennai-600 006.

Krishnan Ramasamy,J.,

arr

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