IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 02.12.2025

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THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.31158 of 2024

M/s. South Ganga Waters Technologies Pvt. Ltd.,
Rep. By its Director,
Mr. Vijay Ramesh
A, 5th Floor Gokul Arcade-East Wing,
No.2, 2A, Sardar Patel Road,
Adyar, Chennai – 600 020. ... Petitioner

Vs.

1. The Principal Commissioner of Income Tax – 3,
Building, Aayakar Bhawan,
121, Mg Road,
Nungambakkam, Chennai – 600 034.

2. The Income Tax Officer,
Corporate Ward 3(1),
Room No.415, 4th Floor,
Chennai-Wanaparthy Block,
No.121, M.G. Road, Nungambakkam,
Chennai – 600 034.

3. The Income Tax Officer,
National Faceless Assessment Centre,
Income Tax Department,
Ministry of Finance,
Room No.401, 2nd Floor, E-Ramp,
Jawaharlal Nehru Stadium,
Delhi – 110 003. ... Respondents

Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Mandamus, directing the 3rd Respondent to cancel the Penalty Order in DIN: ITBA/PNL/F/270A/2021-22/1041940937(1) dated 29.03.2022 u/s.270A of the Income Tax Act, 1961, for the A.Y. 2018-19 and further direct the 3rd Respondent to refund the sum of Rs.55,46,370/- arbitrarily adjusted against such penalty.

For Petitioner : Mr. G. Baskar

For Respondent : Mrs. S. Premalatha
Senior Standing Counsel

ORDER

The petitioner is before this Court against the impugned Order dated 29.03.2022 passed by the 3rd respondent under Section 270A of the Income Tax Act, 1961 for the Assessment Year 2018-2019.

2. The impugned penalty order is passed in the background of an Assessment Order dated 21.06.2021 passed by the 3rd respondent under Section 143(3) read with Section 144B of the Income Tax Act, 1961. The said Assessment Order was intervened by this Court by an Order dated 20.07.2022 in W.P.No.13990 of 2021.

3. Pursuant to the aforesaid Order dated 20.07.2022 of this Court, demand that was confirmed in the Assessment Order dated 21.06.2021 has been deleted by a subsequent fresh Assessment Order dated 01.02.2023 passed pursuant to the Order dated 20.07.2022 of this Court.

4. It appears that after an earlier Assessment Order dated 21.06.2021 was passed, the impugned Penalty Order was passed on 29.03.2022. It also appears that pursuant to the *de novo* Assessment Order dated 01.02.2023, a fresh penalty order was passed on 04.03.2025, whereby penalty that was imposed earlier was reduced to 'NIL'. This stand has been captured in Para 6 of the Counter Affidavit, which reads as under:

> *"6. With regard to the Petitioner's contentions it is submitted that an order u/s.270A rws 260 dated 04.03.2025 was passed by the second respondent as per the direction of the first respondent reducing the penalty demand to 'nil' by giving effect to the order of High Court in Writ Petition No.13990 of 2021 dated 20.07.2022 received in this office on 25.01.2023. An order u/s.154 r.w.s.143(3) r.w.s. 260 of the Income Tax Act, 1961 was passed on 08.04.2025 and a refund of Rs. 75,12,515/- including interest u/s.244A was issued to the petitioner on 30.04.2025. The balance amount of Rs.1,10,34,900/- will be*

issued shortly after resolving the technical issue in passing order u/s.154 to give effect to order u/s.270A r.w.s.260A dated 04.03.2025."

5. Thus, after perusing the materials available on record, it is evident that the petitioner is now entitled to Rs.1,10,34,900/-. However, the respondents have stated that the amount will be refunded to the petitioner, after resolving the technical issues in passing an order under Section 154 to give effect to the Penalty Order dated 04.03.2025 passed under Section 270A read with Section 260A of the Income Tax Act, 1961.

6. In view of the above, this Writ Petition has become infructuous and accordingly, the respondents are directed to refund the amount of Rs.1,10,34,900/- to the petitioner in accordance with law, within a period of 30 days from the date of receipt of a copy of this order.

7. This Writ Petition stands disposed of with the above observations. No costs.

02.12.2025

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Neutral Citation : Yes / No

To

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C.SARAVANAN, J.

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