WEB COPY

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 19.06.2025

CORAM

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P(MD).No.16390 of 2025
and
W.M.P.(MD).Nos.12476, 12477, 12479 and 12480 of 2025

Devadhason Bennet Gnanaraj ... Petitioner

Vs.

1.The Income Tax Officer,
Non Corp. Ward 1(1),
No.2, V.P.Rathnasamy Nadar Road,
CR Building, Bibikulam,
Madurai-625 002.

2.The National Faceless Appeal Centre/NFAC,
Income Tax Department, New Delhi.

3.The Principal Commissioner of Income Tax-1,
Madurai-625 002.

4.The Branch Manager,
Central Bank of India, Kennet Road Extension,
Gandhiji Colony, New Ellis Nagar,
Madurai-625 016. ...Respondents

Prayer : Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Certiorarified Mandamus, to call for the records of the case in PAN:BDUPB9844H on the file of the first respondent and quash the impugned Notice under Section 226(3) of the Income Tax Act,

https://www.mhc.tn.gov.in/judis

WEB COPY

1961, in DIN & Notice No.ITBA/RCV/S/226(3)_1/2024-25/1072125256(1) dated 13.01.2025 and direct the first respondent to grant stay of collection of demand of Rs.3,19,05,470/- for the Assessment year 2014-15 till the disposal of the appeal pending before the second respondent.

For Petitioner : Mr.Vikram Vijaya Raghavan
for M/S.Subbarayan Aiyar Padmanabhan and Ramamani

For Respondents : Mr.N.Dilipkumar (for R1 to R3)
Senior Standing Counsel

Mr.C.Karthik (for R4)
Standing Counsel

ORDER

This writ petition has been filed to quash the impugned Notice under Section 226(3) of the Income Tax Act, 1961, in DIN & Notice No.ITBA/RCV/S/226(3)_1/2024-25/1072125256(1) dated 13.01.2025 and consequential direction to the first respondent to grant stay of collection of demand of Rs.3,19,05,470/- for the Assessment year 2014-15 till the disposal of the appeal pending before the second respondent.

2. By consent of both parties, this writ petition is taken up for final disposal at the admission stage itself

https://www.mhc.tn.gov.in/judis

WEB COPY

3.In this writ petition, the petitioner has challenged the impugned notice in DIN and No: ITBA/RCV/S/226(3)_1/2024-25/1072125256(1) dated 13.01.2025 seeking to attach the petitioner's bank account. The petitioner had earlier suffered adverse assessment order dated 27.03.2022, in response to the proceedings initiated under Section 148 of Income Tax Act, on 30.03.2021. The aforesaid assessment order was passed based on the judgment method under Section 147 r/w 144 of the Income Tax Act, 1961 as the petitioner had failed to respond to the notice that preceded the impugned order. In terms of the aforesaid order, the determining the tax liability of Rs.3,19,09,374/- was added as undisclosed income of the petitioner under Section 69 A of the Income Tax Act, 1961. The petitioner appears to be the principal of Seventh Day Adventist Educational Institutions, Madurai. The petitioner had also moved petition for stay of the aforesaid assessment order placing reliance on the decision of the Hon'ble Supreme Court in the case of ***the Principal Commissioner of Income Tax v. LG Electronics India (P) Ltd.,*** reported in ***(2018) 18 SCC 447.*** The respondent had also granted limited stay from time to time and had extended it from time to time. However, the last of the stay extension that was granted on 21.09.2023, which expired on 31.03.2024. It

https://www.mhc.tn.gov.in/judis

WEB COPY

was also an order which limited the operation of the aforesaid order either until the disposal of the appeal filed by the petitioner or until 31.03.2024, whichever is earlier.

4.Long thereafter, the petitioner moved another application for extension of stay on 16.10.2024. Same is still pending for the consideration. However, in absence of a stay, the respondents have now proceeded to issue the impugned notice proposing to attach the bank account of the petitioner with the fourth respondent bank. Although the petitioner has been negligent in not filing a reply to the notices that preceded the assessment order dated 27.03.2022, the petitioner has been diligently seeking a stay of the aforesaid assessment order, which was also granted without any discussion. The respondents having admitted the appeal and granted stay twice, first on 16.12.2022 and thereafter on 21.9.2023. It ought to have extended the stay pending disposal of the appeal. It appears that the respondents have taken an inconsistent stand. No fault can be attributed on the petitioner, as the appellate commissioner is overburdened with appeals, and the hearings in the appeals are being scheduled solely on their truth.

https://www.mhc.tn.gov.in/judis

WEB COPY

5.Considering the fact that the petitioner has filed an appeal against the assessment order dated 27.03.2022, I am of the view that, in the interest of justice, the appellate commissioner, namely the second respondent, can be directed to dispose of the petitioner's appeal against the said assessment order as expeditiously as possible.

6.Under these circumstances, this impugned notice in DIN & Notice No.ITBA/RCV/S/226(3)_1/2024-25/1072125256(1) dated 13.01.2025 is quashed by directing the second respondent to dispose of the appeal on merits and in accordance with law as expeditiously as possible. It is noticed that for the assessment year 2015-16, 2018-19, similar notices were issued and the proceedings itself were dropped by the Assessing Officer himself.

7.Accordingly, this writ petition stands allowed. No costs. Consequently, the connected writ miscellaneous petitions are closed.

19.06.2025

NCC : Yes / No
Index : Yes / No
Internet : Yes / No
vsg

https://www.mhc.tn.gov.in/judis

WEB COPY

To

1.The Income Tax Officer,
Non Corp. Ward 1(1),
No.2, V.P.Rathnasamy Nadar Road,
CR Building, Bibikulam,
Madurai-625 002.

2.The National Faceless Appeal Centre/NFAC,
Income Tax Department, New Delhi.

3.The Principal Commissioner of Income Tax-1,
Madurai-625 002.

https://www.mhc.tn.gov.in/judis

WEB COPY

C.SARAVANAN, J.

vsg

W.P(MD).No.16390 of 2025

19.06.2025

https://www.mhc.tn.gov.in/judis