IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION NO.854 OF 2026

Play Games 24 x 7 Private Limited .. Petitioner

Versus

Union of India and Ors. .. Respondents

Mr.Darius Khambata, Senior Advocate a/w Mr.Rohan Shah, Senior Advocate a/w Mr.Madhur Agarwal, Ms.Vidushi Maheshwari and Mr.Sameer G. Dalal, Advocates *for the Petitioner.*

Mr.Vikas T. Khanchandani, Advocate *for the Respondents.*

CORAM: B. P. COLABAWALLA &
FIRDOSH P. POONIWALLA, JJ.
DATE: MARCH 11, 2026

P. C.

1. The above Writ Petition is filed challenging the Order dated 30th January 2026 passed by Respondent No.2. By the impugned Order, the Stay Application filed by the Petitioner, seeking an unconditional stay of the demand of Rs.377 Crores, was rejected. In other words, the Assessee would have to pay the entire demand of Rs.377 Crores for Assessment Year 2017-18, as per the Notice of Demand issued on account of the Order Giving Effect

(OGE) dated 17th December 2025. According to the Petitioner, a fit case was made out for granting a full stay of the demand.

2. One of the grounds for seeking a full stay of the demand is that the Order Giving Effect (OGE) passed in the present case is barred by limitation by virtue of Section 153 (5) of the Income Tax Act, 1961. In this regard, it was submitted that in the facts of the present case, an order was passed by the CIT (Appeals) dated 28th August 2025 and was communicated to the concerned Authority [contemplated under Section 153 (3)] also on 28th August 2025. As per Section 153 (5) the OGE has to be passed within 3 months from the end of the month in which the order *inter alia* under Section 250 is received by the Authority mentioned in the said Section. Accordingly, the OGE, in the present case, ought to have been passed latest by 30th November 2025. In the present case, the OGE has been passed only on 17th December 2025 and was therefore time barred. Consequently, no Demand Notice under Section 156 could have been issued to the Petitioner.

3. This apart, it is also the case of the Petitioner that in the Original Assessment Proceedings itself, the Assessment Order is unsigned. Since it is unsigned, the Assessment Order itself is non-est. Of course, this issue was taken up before the CIT (Appeals) who negated the arguments of the

Petitioner vide his order dated 28th August 2025, and from which the Petitioner is already in Appeal before the ITAT.

4. When we consider all these facts and circumstances, we are of the view that interest of justice would be served if the Petitioner is directed to deposit a sum of Rs.10 Crores with the Income Tax Department as a condition for the balance demand of Rs.377 Crores being stayed. We are informed that a refund of Rs.3,63,50,550/- is due to the Petitioner for A.Y.2016-17 and a refund of Rs.2,24,92,890/- is due for A.Y.2025-26. After giving credit for these amounts, the balance sum that would have to be deposited by the Petitioner would be Rs.4,11,56,560/-.

5. Mr.Khambata, the learned Senior Counsel appearing on behalf of the Petitioner, on instructions, stated that the said amount would be deposited with the Income Tax Department by 31st March 2026.

6. Hence, looking at the totality of the facts of the case and without dwelling on the merits of the matter, we find that interest of justice would be served if the the impugned Order dated 30th January 2026 is modified in the following terms:-

(i) On the Petitioner depositing Rs.10 Crores with the Income Tax Department, the balance demand for A.Y.2017-18 shall be stayed.

(ii) Towards the total deposit required to be made as set out above, the Petitioner shall get credit for the refund due for A.Y.2016-17 of Rs.3,63,50,550/- and the refund due for A.Y.2025-26 of Rs.2,24,92,890/-. The Income Tax Department is free to adjust these refunds against the outstanding demand against the Petitioner. Accordingly, the Petitioner shall now deposit a sum of Rs.4,11,56,560/- with the Income Tax Department by 31st March 2026.

(iii) If the aforesaid deposit of Rs.4,11,56,560/- is made on or before 31st March 2026, the balance demand against the Petitioner shall remain stayed either till the disposal of the Appeal filed by the Petitioner before the CIT (Appeals) against the OGE dated 17th December 2025 or the Appeal filed before the ITAT against the Order dated 28th August 2025 passed by the CIT (Appeals), whichever is earlier.

7. Since a lot would depend upon the outcome of the proceedings before the ITAT, we would request the ITAT to take up the Appeal of the

Petitioner and dispose of the same as expeditiously as possible, and preferably within a period of four months from the date of communication of this Order to the ITAT.

8. The Writ Petition is disposed of in the aforesaid terms. However, there shall be no order as to costs.

9. This order will be digitally signed by the Private Secretary/ Personal Assistant of this Court. All concerned will act on production by fax or email of a digitally signed copy of this order.

[FIRDOSH P. POONIWALLA, J.] **[B. P. COLABAWALLA, J.]**