IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 24-02-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 34626 of 2025
and
WMP.No.38814 of 2025

Tamil Nadu Power Finance and Infrastructure
Development Corporation Limited(TNPFC)
Represented by Managing Director 490/3- 4
Tufidco Powerfin Tower Anna Salai
Chennai 600 035.

..Petitioner(s)

Vs

1. The Commissioner of Income Tax
TDS 13-13, Income Tax department, No 16,
BSNL office, Greams Road Thousand Lights,
Chennai 600 006.

2. The Deputy Commissioner of Income tax TDS
TDS Circle 3 1 No.16 BSNL Office Greams
Road Thousand lights Chennai 600 006.

3. The Commissioner of Income Tax Appeals
National Faceless Appeal Centre II Floor E
Ramp Jawaharlal Nehru Stadium
New Delhi 110 003.

4. The Chief Commissioner of Income Tax
Income Tax Department No.121
Nungambakkam High Road Chennai 600 034.

..Respondent(s)

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari calling for the records of the second respondent in its Show Cause Notice dated 29.08.2025 bearing F.No.DCIT/TDS

Circle-3/Penalty/2025-26 for the Assessment year 2017 -2018 and quash the same.

For Petitioner(s):	Mr.P.S.Raman, Senior Counsel for Mr. Gauthama Raj C
For Respondent(s):	Dr.B.Ramaswamy Senior Standing Counsel

ORDER

In this writ petition, the petitioner is before this Court against the impugned Show Cause Notice proposing to impose a penalty under Section 271C of the Income Tax Act, 1961 on the petitioner for the Assessment Year 2017-2018.

2. Earlier, the petitioner had approached this Court in respect of similar Show Cause Notices issued for the assessment years 2018 -2019, 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024 excluding the assessment year 2017-2018 in W.P.Nos.34640, 34648, 34662, 34669, 34720 & 34724 of 2025 which were disposed of by this Court vide order dated 13.10.2025.

3. Relevant portion of the said order dated 13.10.2025 reads as follows:-

> "*3. The Learned Advocate General appearing for respondents has brought the attention of the Court that the petitioner suffered an order under Section 201 of the Income Tax Act, 1961 for these assessment years, against which, the petitioner*

filed an appeal before the Commissioner of Income Tax (Appeals) and that pursuant to order passed by this Court on 21.03.2025 in W.P.No.7892 of 2025, a sum of Rs.30 Crores has been paid to the department.

4. The Learned Advocate General has also submitted that after the above said order was passed, the expenses claimed by the petitioner was disallowed by invoking the power under Section 40(a)(ia) of the Income Tax Act, 1961. As a consequence of which, assessment orders have been passed on 28.02.2024 for the Assessment Years 2018-2019, 2019-2020, 2020-2021, 2021-2022, 2022-2023, 2023-2024, which have now been stayed by this Court in W.P.No.15131 of 2025 by Order dated 18.06.2025.

5. Since the counter affidavits filed by the respondents itself admit that the proceedings will be kept in abeyance until the disposal of the appeal, these Writ Petitions are liable to be closed as no further orders are required.

6. Accordingly, these Writ Petitions are closed. Consequently, connected miscellaneous petitions are also closed. No costs."

4. Earlier, the petitioner had challenged the Assessment orders dated 12.11.2025 for all the aforesaid relevant Assessment Years before this Court in W.P.Nos. 45445, 45452, 45458, 45459, 45460 and 45463 of 2025. By an order dated 21.11.2025, the aforesaid writ petitions were disposed of by this Court with the following directions:-

"8. Recording the above submission, these Writ Petitions are disposed of by directing the Respondents to keep all further recovery proceedings pursuant to the impugned recovery notices in abeyance, subject to the Petitioner depositing Rs.30 Crores within a period of four weeks from the date of receipt of a copy of this order.

9. All further recovery proceedings shall be kept in abeyance subject to final outcome of the appeal orders to be passed by the Tribunal in the appeal to be filed by the Petitioner against the order dated 28.10.2025."

5. At that stage, this Court had also recorded as under:

"5. By an order dated 21.03.2025, there was a direction to the Petitioner to deposit Rs.30 Crores of the disputed tax which appears to have been complied by the Petitioner, pending appeal before the Appellate Commissioner, against the assessment orders dated 28.02.2024.

6. Now, the Appellate Commissioner has passed a final order on 28.10.2025 in the appeal filed against the assessment orders dated 28.02.2024 against which the Petitioner proposes to file an appeal before the Income Tax Appellate Tribunal (ITAT) under Section 253 of the Income Tax Act, 1961.

7. The learned Senior Counsel for the Petitioner submits that the Petitioner will deposit another sum of Rs.30 Crores to secure the interest of the Revenue."

6. Subsequently, the petitioner appears to have paid a sum of Rs.30 Crores on 17.12.2025, at the rate of Rs.4,28,57,143/- for each the Assessment Year. Since the petitioner has filed appeals against the respective appellate orders dated 28.10.2025 of the Appellate Commissioner and as the said appeals are likely to be taken up for hearing in the course of the next few months, the respondents are directed to keep the impugned penalty proceedings in abeyance until orders are passed by the Tribunal in the respective appeals.

7. The respondents shall await the orders to be passed by the Tribunal.

8. This Writ Petition stands disposed of with the above observations. No costs. Connected Writ Miscellaneous Petitions are closed.

24-02-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

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