IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 20.01.2026

CORAM

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.40575 of 2025

M/s.S.V.Global Mill Limited
Rep by its Authorized Representative
Mr.P.S.Ravishankar
New No.5/1, (Old No.3/1)
6th Cross Street, CIT Colony
Mylapore, Chennai 600 004 ... Petitioner

-Vs-

1. Income Tax Officer
   Corporate Ward 3 (1)
   Corporate Circle VI
   Chennai

2. Tax Recovery Officer -1
   Central Circle
   Room No.503, New Block, V Floor
   121, M.G.Road, Ayakar Bhavan
   Chennai 600 034 ... Respondents

Prayer:- Writ Petition filed under Article 226 of Constitution of India for the issuance of Writ of Mandamus, to direct the 1st respondent to lift the attachment of the immovable property and also impose appropriate costs on the respondents for the undue hardship caused to the petitioner.

For Petitioner : Mr.Vandana Vyas
For Respondents : Mrs. S.Premalatha
Senior Standing Counsel

ORDER

In this Writ Petition, the petitioner has challenged the attachment order in ITCP-16 dated 26.08.2011 passed by the 2nd respondent. By the impugned attachment order, the Wealth tax liability of Binny Ltd., for the Assessment years 2011-12 to 2015-16 is sought to be recovered by attaching the property vested with the petitioner.

2. The property originally belonged to Binny Ltd., which was transferred to the petitioner pursuant to order dated 22.04.2010 in C.P.Nos.66-99 of 2010 under Sections 391 to 394 of the Companies Act, 1956 in CP.Nos. 66-99 of 2010.

3. Binny Ltd., was de-merged into two other companies namely the petitioner Company namely M/s.S.V.Global Mill Limited and Binny Mills Ltd. As per the sanctioned Scheme of de-merger of the High Court in CP.Nos. 66-99 of 2010 passed under Sections 391 to 394 of the Companies Act, 1956, there were three companies namely:-

De-merged Company	Resultant Company 1	Resultant Company 2
Binny Limitted	M/s.S.V.Global Mill Limited	Binny Mills Limitted

4. On a specific query as to whether the Income Tax Department was informed about the de-merger of Binny Limited into petitioner Company namely SV Global Mills Ltd and Binny Mills Ltd., it was stated that the Scheme of Demerger could not have been sanctioned without notice being sent to all the interested parties and without consent of the Regional Director, Corporate Affairs as per the provisions of the Companies Corporate Rules, 1959, by this Court in CP.Nos. 66-99 of 2010.

5. The date of the Wealth Tax Assessment Orders, there are no information coming from the petitioner. Learned counsel for the Respondent also is unable to confirm the same.

6. However, in Paragraph Nos. 13-15 of the Counter Affidavit, the respondents have stated as follows:-

> *"13. On 12.01.2016 M/s.Binny Ltd., has filed a letter requesting for lifting of 2 properties only except the petitioner properties. Accordingly on 26.07.2016, 2 properties as requested by the Binny Ltd was lifted As communicated by the ITO Corporate Ward 3(1), Chennai vide letter dated 30.08.2024 that the manual orders of Wealth Tax Act for the AY 2011-12 to 2015-16 are uploaded on ITBA and reflecting in demand of Rs.11.23 crore. The petitioner has filed a letter dated 26.04.2024 and 16.08.2024 for lifting of attachment of said property.*

> *14.* ***It is further submitted that the immovable property situated at door No.5, 3rd avenue, Boat club Road, R.A.Puram, Chennai 600028 belong to M/s.S.V.Global Mill Limited after the scheme of demerger as agreed by the petitioner.*** *The property under attachment will be released on payment of the demand in arrears of Rs.11,26,29,248/- plus interest u/s.31(2)*
> *15. It is submitted that the petitioner has stated that for the AY 2011-12 to 2015-16, 15% of the tax demand has been paid. To get the property under attachment to be released the assessee has to pay the full demand in arrears plus interest u/s 31(2).”*

Thus, it is evident that the property in question is that of the petitioner.

7. The learned counsel for the Respondent has however would draw attention to the representation dated 16.8.2024 of the petitioner with a request for Lifting of Attachment of the property at Boat club.

8. Reading of the said representation indicates that according to the petitioner, Binny Limited had paid the tax and that thereafter the attachment was lifted and based on the Lifting Order issued by the Income Tax officer on 25.07.2024 which can be traced to entry No.24 in Pg.No.13 of Encumbrance Certificate dated 20.09.23 in respect of the property located at Cooks Road Chennai.

9. However, in respect of property located at Boat Club Road of the petitioner, the attachment has not been lifted. According to the petitioner there are no taxes due and payable from the petitioner for the Assessment Year 2011-2012 to 2015-2016 under the Income Tax Act, 1961 and that the only dispute relates to Wealth Tax for the Assessment Year 2011-12 to 2015-16 and appeals are pending before the Commissioner of Wealth Tax (Appeals) and where a stay was granted subject to the payment of 15% of tax by Binny Ltd.,

10. The learned Senior Standing Counsel for the Respondent submits that the petitioner is in arrears of Wealth Tax for the Assessment Years 2011-2012 to 2015-2016. Therefore, it is submitted although the impugned attachment is in respect of the Wealth tax liability of M/s.Binny Limited, there is no case for lifting the order of attachment in view of Wealth Tax liability of the petitioner.

11. The learned counsel for the petitioner submitted that the 15% of disputed tax was paid by the petitioner in respect of the appeal filed by the petitioner and stay has been granted subject to the deposit 15% of disputed tax on 01.03.2019.

12. In response, the learned Senior Standing Counsel for the respondent submitted that the stay obtained by the petitioner on 01.03.2019 against the Wealth Tax demand confirmed for the Assessment Years 2011-2012 to 2015-2016 was valid only up to 31.12.2019, in terms of the order dated 01.03.2019. It is therefore submitted that the present writ petition be dismissed.

13. I have considered the arguments advanced by the learned counsel for the petitioner and the learned Senior Standing Counsel for the respondent.

14. There is no dispute that the property in question stood vested with the petitioner's company pursuant to the order dated 22.04.2010 passed by this Hon'ble High Court in C.P.Nos.66 to 68 of 2010.

15. Both the petitioner company and M/s.Binny Limited are independent companies. They are independently liable to Wealth Tax for the aforesaid tax period.

16. A reading of the scheme of amalgamation makes it clear that two resulting companies, namely the petitioner (Resulting Company No.I) and M/s.Binny Mills Limited (Resulting Company No.II) have been vested with certain assets. Therefore, the assets vested with the resulting companies cannot be

attached for the tax liability of the demerged company, namely M/s. Binny Limited.

17. Therefore, the impugned attachment of the property which stood vested with the petitioner cannot be countenanced for the tax liability of M/s.Binny Limited (demerged). The impugned attachment order therefore is not sustainable. However, it is always open for the Income Tax Department to attach the property vested with the petitioner pursuant to the scheme of demerger sanctioned on 22.04.2010 independently for the tax liability of the petitioner for the said tax period under the Wealth Tax Act 1957 in accordance with law.

18. Having concluded as above it is imperative that the petitioner cannot be penalized in case the statutory appeal filed under the Wealth Tax Act, 1957, has not been disposed by the Appellate Authority as they are not under the control of the petitioner.

19. Accordingly, this Writ petition is partly allowed with the above liberty. No costs.

20.01.2026

Index : Yes/No
Neutral Citation : Yes/No
av

C.SARAVANAN, J.

av

To:

1. Income Tax Officer
   Corporate Ward 3 (1)
   Corporate Circle VI
   Chennai.

2. Tax Recovery Officer -1
   Central Circle
   Room No.503, New Block, V Floor
   121, M.G.Road, Ayakar Bhavan
   Chennai 600 034 .

W.P.No.40575 of 2025

20.01.2026