IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 11.02.2026

CORAM

THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.Nos.47005, 45910, 47735, 47743, 47754 of 2025
and
W.M.P.Nos.52517, 52518, 52521, 52523, 51192, 51193, 51196, 51197, 51200, 53284, 53287, 53289, 53297, 53302, 53305, 53314, 53319, 53320 of 2025

W.P.No.45910 of 2025

1. Savithri Naidu

2. Rajiv Naidu

3. Vikram Naidu

4. M/s. Match Point Tennis Academy (India) Private Limited
Rep by its Managing Director Mr. Rajiv Naidu
Residing at 7, 1st Avenue, Sasthri Nagar,
Adyar, Chennai – 600 020.

… Petitioners

Vs.

1. Office of the Assistant Commissioner of Income Tax,
Central CIR 3(1),
No.46, Old No.108,
Mahatma Gandhi Road, Chennai 600 034.

2. The Official Liquidator,
M/s.Landmark Housing Projects Chennai Pvt. Ltd. (In Liquidation),
No.397, Precision Plaza, 3rd Floor, Anna Salai,
Teynampet, Chennai 600 018.

… Respondent

W.P.No.47005 of 2025

M/s. Match Point Tennis Academy (India) Private Limited
Rep by its Managing Director Mr. Rajiv Naidu
Residing at 7, 1st Avenue, Sasthri Nagar,
Adyar, Chennai – 600 020. ... Petitioner

Vs.

1. The Assistant Commissioner of Income Tax,
Office of the Assistant Commissioner of Income Tax,
Central CIR 3(1),
No.46, Old No.108,
Mahatma Gandhi Road, Chennai – 600 034.

2. The Branch Manager,
HDFC Bank Ltd,
T-31 7th Avenue, MG Road,
Besant Nagar, Chennai – 600 090. ... Respondents

W.P.No.47735 of 2025

Savithri Naidu
… Petitioner

Vs.

Assistant Commissioner of Income Tax,
Office of the Assistant Commissioner of Income Tax,
Central CIR 3(1),
No.46, Old No.108,
Mahatma Gandhi Road, Chennai – 600 034.
… Respondents

W.P.No.47743 of 2025

Vikram Naidu

... Petitioner

Vs.

Assistant Commissioner of Income Tax,
Office of the Assistant Commissioner of Income Tax,
Central CIR 3(1),
No.46, Old No.108,
Mahatma Gandhi Road, Chennai – 600 034.

... Respondent

W.P.No.47754 of 2025

Rajiv Naidu

... Petitioner

Vs.

Assistant Commissioner of Income Tax,
Office of the Assistant Commissioner of Income Tax,
Central CIR 3(1),
No.46, Old No.108,
Mahatma Gandhi Road, Chennai – 600 034.

... Respondent

Prayer in W.P.No.45910 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, calling for the records of the 1st Respondent with respect to the impugned notice dated 01.09.2025 issued by the 1st Respondent to the 2nd Respondent vide DIN and No:ITBA/COM/F/17/2025-26/1080234761(1) and QUASH the same as *non-est*, invalid and illegal in the eyes of law and consequently, DIRECT the 1st Respondent to refund the sum of 31,23,99,870/- (Rupees Thirty One Crores Twenty Three Lakhs Ninety Nine Thousand Eight

Hundred and Seventy only) which was disbursed by the 2nd Respondent to the 1st Respondent in pursuance to the impugned notice dated 01.09.2025 issued by the 1st Respondent to the 2nd Respondent.

Prayer in W.P.No.47005 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorarified Mandamus, calling for the records of the 1st Respondent with respect to the impugned Notice dated 10.02.2022 issued by the 1st Respondent to the 2nd Respondent vide DIN & Notice No: ITBA/COM/F/17/2021-22/1039595154(1) and quash the same as *non-est*, invalid and illegal in the eyes of law and consequently, direct the 1st Respondent to direct the 2nd Respondent to defreeze the bank account of the Petitioner with the 2nd Respondent Bank bearing Account No.00102000010761.

Prayer in W.P.No.47735 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records of the Respondent with respect to the impugned order dated 21.08.2025 bearing DIN Letter No: ITBA/COM/F/17/2025-26/1079847710(1) passed by the Respondent and QUASH the same as being invalid and non-est in the eyes of law.

Prayer in W.P.No.47743 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records of the Respondent with respect to the impugned order dated 21.08.2025 bearing DIN & Letter No:ITBA/COM/F/17/2025-26/1079848157(1) passed by the Respondent and QUASH the same as being invalid and non-est in the eyes of law.

Prayer in W.P.No.47754 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, calling for the records of the Respondent with respect to the impugned order dated 21.08.2025 bearing DIN&Letter No.:ITBA/COM/F/17/2025-26/1079847335(1) passed by the Respondent and QUASH the same as being invalid and non-est in the eyes of law.

Appearance of counsel in W.P.No.47005 of 2025

For Petitioner : Mr.Vijay Narayan
Senior Counsel for
Mr.Nithyeash Natraj
Mr.Vaibhav R.Venkatesh

For R1 : Mr.A.P.Srinivas
Senior Standing Counsel
and
Mr.A.N.R.Jayaprathap
Junior Standing Counsel

For R2 : Mr.C.Mohan
and
M/s.A.Rexy Josephine Mary
For M/s.King and Partridge

Appearance of counsel in 45910, 47735, 47743, 47754 of 2025

For Petitioner : Mr.P.S.Raman
Senior Counsel
for Mr.Vaibhav R.Venkatesh

For R1 : Mr.A.P.Srinivas
Senior Standing Counsel
and
Mr.A.N.R.Jayaprathap
Junior Standing Counsel

For R2 : Mr.T.K.Bhaskar
for Mr.B.Thilak Narayanan
(in W.P.No.45910 of 2025)

COMMON ORDER

I have considered the arguments advanced by the learned Senior Counsel for the individual petitioners in W.P. Nos. 45910, 47735, 47743, 47754 of 2025, learned Senior Counsel in W.P. No. 47005 of 2025, the learned counsel for Official Liquidator and the learned counsel for the Income Tax Department.

2. By this Common Order, all these writ petitions are being disposed of.

3. In these writ petitions, the petitioners have challenged the rejection order of the stay petitions filed by the petitioners for stay of demand and the consequential Recovery Notice issued under Section 226(3) of the Income Tax Act, 1961.

4. The details of the impugned Orders/Notices in these Writ Petitions are as follows:-

S No	Writ Petition	Writ Petitioner	Date of impugned Orders/Notices	Impugned proceedings
Writ Petitions challenging the Stay petition rejection order				
1	47743/2025	Vikram Naidu	21.08.2025	Stay petition rejection order
2	47735/2025	Savitri Naidu	21.08.2025	Stay petition rejection order
3	47754/2025	Rajiv Naidu	21.08.2025	Stay petition rejection order
Writ Petitions challenging the Recovery Notice				
4	47005/2025	Match Point Tennis Academy	10.02.2022	Notice u/s 226(3) demanding **Rs.4,31,05,460/-** from the company
5	45910/2025	Savitri, Rajiv, Vikram Naidu and Match Point Tennis Academy	01.09.2025	Notice u/s 226(3) demanding **Rs.32,18,49,075 /-** from individual petitioners

5. The petitioners in these writ petitions are in arrears of Income Tax for the **Assessment Year 2015-2016** (Financial Year 2014-2015) in the

light of the Assessment orders passed against the respective petitioners under Section 153C read with Section 144 of the Income Tax Act, 1961.

6. The details of the Assessment orders passed under Section 153C of the Income Tax Act, 1961 against the petitioners in these writ petitions for the **Assessment Year 2015-2016** are as follows:-

S No	Writ Petition	Writ Petitioner	Assessment Order
1	47005 of 2025	M/s Match Point Tennis Academy	28.07.2021
2	47735 of 2025	Savitri Naidu	31.01.2024
3	47743 of 2025	Vikram R Naidu	31.01.2024
4	47754 of 2025	Rajiv Naidu	31.01.2024

7. As far as the Petitioner in W.P.No.47005 of 2025 viz., M/s Match Point Tennis Academy is concerned, the petitioner appears to have filed a Return of Income on **30.09.2015** and had declared LTCG of Rs.2,86,34,274/-. Earlier, an Assessment Order was also passed on 20.12.2017 under Section 143(3) of the Income Tax Act, 1961 for the same Assessment Year i.e., **Assessment Year 2015-2016**. The petitioner had preferred an appeal against the said assessment order on 08.03.2022.

8. Pursuant to a search another assessment order was passed on 28.07.2021 under Section 153C of the Income Tax Act, 1961 against the petitioner in W.P.No.47005 of 2025 viz., M/s Match Point Tennis Academy which have been appealed before the Appellate Commissioner on 08.03.2022.

9. The Assessment Order dated **28.07.2021** indicates the recorded sale value for a property for 9.80 acres sold by the petitioners at Rs.32,04,74,250/- as per the prevailing guideline value and that the balance of Rs.41,45,25,750/- was to be received in cash.

10. The Assessment Order dated 28.07.2021 has accordingly determined the proportionate sale consideration in favour of the respective petitioners who are the vendors of the aforesaid property as per the aforestated Memorandum of Understanding as below:-

S.No.	Name of Person / Company	Land Area (in Acres)	Share in Sale Consideration (Rs.)
1	Smt. Savithri Naidu	4.50	33,75,00,000
2	Shri Rajiv Naidu	2.56	19,20,00,000
3	Shri Vikram Naidu	1.74	13,05,00,000
4	M/s Match Point Tennis Academy India Private Limited	1.00	7,50,00,000

	Total	**9.80**	**73,50,00,000**

11. As far as the petitioner company viz., M/s Match Point Tennis Academy is concerned, the Long Term Capital Gain of Rs.7,09,64,274/- was arrived as under:-

"Sale consideration : Rs.7,50,00,000/-

Less:

(Cost of acquisition of Land: Rs.11,07,460/-)

Indexed cost of acquisition:

Rs.11,07,460 * 1024/281 : Rs. 40,35,726/-

Long Term Capital Gain (u/s. 54 of the Act) : Rs.7,09,64,274/-"

12. Since **Rs.2,86,34,274/-** had already been added in the Return of Income filed by the petitioner company viz., M/s Match Point Tennis Academy on 30.09.2015, the difference of **Rs.4,23,30,000/-** (Rs.7,09,64,274/- – Rs.2,86,34,274/-) was added to the income of the petitioner company under the head "Long Term Capital Gain".

13. Thus, the total income of the petitioner company viz., M/s Match Point Tennis Academy was assessed at Rs.6,96,84,754/-. Separate penalty proceedings have also been initiated under Section 271(1)(c) of the Income Tax Act, 1961 against the Petitioner company.

14. As far as individual petitioners are concerned, assessment orders dated 31.01.2024 were passed for the **Assessment Year 2015-2016.** The individual petitioners have also filed appeal and stay petitions to stay the recovery of tax demanded from the petitioners by the aforesaid Assessment Orders dated 31.01.2024.

15. The stay petitions filed by the individual petitioners in the appeal filed against the Assessment Orders dated 31.01.2024 came to be rejected by the Respondent vide impugned Orders dated 21.08.2025, as detailed above.

FACTUAL BACKGROUND OF THE CASE:-

16. These petitioners appear to have sold an extent of 9.80 Acre to M/s.KLP Projects Private Limited (formerly known as M/s. Landmark Barracks Projects Private Limited) pursuant to a Memorandum of Understanding (MOU) dated 23.07.2014 signed with M/s. Landmark

Housing Projects Chennai Private Limited. The said MOU declared the sale consideration of Rs.73,50,00,000/-

17. The individual petitioners and the petitioner company are the co-owners of the total extent of 9.80 Acres of land sold by them to the aforementioned company viz., M/s. Landmark Housing Projects Chennai Private Limited.

18. Meanwhile, a search operation was conducted at the premise of Rajiv Naidu, Managing Director of the Petitioner company on 15.12.2017 which is said to have revealed that there were stamped and signed documents by the petitioners viz., Savithri Naidu, Rajiv Naidu (Managing Director of the Petitioner) and Vikram Naidu from M/s. Landmark Housing Projects Chennai Private Limited, whereby the lands measuring an extent of 9.80 Acres were conveyed to the said company on 12.11.2014.

19. Subsequently, the individual petitioners and the petitioner company initiated arbitration proceedings against M/s. Landmark Housing Projects Chennai Private Limited, which ultimately culminated in an Arbitral Award dated 14.12.2020.

20. By the aforesaid Arbitral Award, the claimants, who are the petitioners were entitled for a sum of **Rs. 28,73,34,000/-** as against the total claim of **Rs.33,00,00,000/-**. The Copy of the Arbitral Award dated 14.12.2020 has not been kept along with the Typed Set of Papers. However, a copy of the operative portion of the Arbitral Award dated 14.12.2020 alone has been enclosed in the Typed Set of Papers. Same is reproduced below:-

> "*a. There shall be an award against the 1st Respondent alone for a sum of Rs. 28,48,34,000/- towards sale consideration and Rs. 25 Lakhs towards compensation (premium) and thus, the total award amount shall be Rs. 28,73,34,000/- (Rupees Twenty Eight Crores Seventy Three Lakhs and Thirty Four Thousand Only).*
>
> *b. The above said award amount of Rs. 28,73,34,000/- shall carry interest at the rate of 9% per annum from 01.04.2015 to till the date of award and at the rate of 12% per annum from the date of award till the date of realisation payable by the 1st Respondent.*
>
> *c. There shall be an order of attachment of the properties covered under the Exs.A13 to A16 and there shall be a charge against the said property for the award amount with interest.*
>
> *d. There shall be an order of Injunction restraining the 1st Respondent from encumbering, alienating or disposing of the properties covered under Exs. A13 to A16 until the award is fully satisfied.*
>
> *e. All the other claims made by the Claimants against the 1st Respondent are dismissed as indicated above.*
>
> *f. The claims made against the 2nd Respondent are dismissed.*
>
> *g. The counter claim made by the 2nd Respondent is dismissed.*
>
> *h. The Contempt Petition M.P.7/2018 stands disposed of as indicated above.*

> *i. Miscellaneous Petition Nos.1,3,4 and 5 stand dismissed as in fructuous.*
>
> *J. Considering the nature of the claims, the rival contentions and all other circumstances, the parties are directed to bear their own cost."*

21. The aforesaid Arbitral Award dated 14.12.2020 passed by the Learned Arbitrator was the subject matter of challenge by M/s. Landmark Housing Projects Chennai Private Limited in **Arb O.P.(Comm.)** No.546 of 2020 and Arb.O.P.(Comm.) No.87 of 2021 filed by Petitioners.

22. By a Common Order dated 09.11.2021 in **Arb O.P.(Comm.) No.546 of 2020** and **Arb.O.P.(Comm.) No.87 of 2021**, the Court ordered as under:-

> *"41. On perusal of the entire judgments, this Court is of the view that the Award passed by the Arbitrator does not require any interference. Accordingly, the same is confirmed and both the Original Petitions are dismissed."*

23. Aggrieved by the Common Order dated 09.11.2021 in Arb O.P. (Comm.) No.546 of 2020 and Arb.O.P.(Comm.) No.87 of 2021, all the petitioners filed **O.S.A (CAD) No.18 of 2022** before the Division Bench of this Court.

24. At this stage, on 04.08.2024, a Memo of Compromise was signed between the petitioners with M/s. Landmark Housing Projects Chennai Private Limited along with one Mr.T.Udayakumar and Mrs.Bhuvaneswari Udayakumar, the Director of M/s. Landmark Housing Projects Chennai Private Limited. In this background, O.S.A (CAD) No.18 of 2022 was dismissed as withdrawn by the Division Bench of this Court.

25. Meanwhile, the said company (M/s. Landmark Housing Projects Chennai Private Limited) was ordered to be liquidated vide Order dated 16.04.2025 pursuant to the proceedings initiated by unsecured Financial Creditors for liquidating the buyer namely M/s. Landmark Housing Projects Chennai Private Limited in various applications filed under Section 33 of Insolvency and Bankruptcy Code, 2016.

26. By the aforesaid Order dated 16.04.2025, one Mr. Ebenezar Inbaraj was appointed as the Liquidator to liquidate the said company (M/s. Landmark Housing Projects Chennai Private Limited) with a further direction to carry out the liquidation process subject to terms and conditions stipulated therein.

27. In response to the same, an Advertisement was issued by the Liquidator. The individual petitioners and the petitioner company filed a claim statement for a total sum of Rs.58,66,73,051/- (Principal Rs.28,73,34,000/- + Interest Rs.29,93,39,051/-).

28. The Liquidator vide Communication dated 24.06.2025 admitted the claim of the Petitioners to an extent of Rs.45,00,00,000/- out of the total claim of Rs.58,66,73,051/-. Relevant portion of the said communication admitting the claim to an extent of Rs.45,00,00,000/- by the Liquidator reads as under:-

> *"I find that a sum of Rs 45,00,00,000/- has been agreed as the total settlement by you under Memorandum of Compromise and Settlement dated 04.08.2024 and I hold that the same would be binding on you. In such a position I am admitting the claim made by you treating the same as Operational Debt to the extent of Rs 45,00,00,000/- (Rupees Forty Five Crores only)."*

29. In this background, the Income Tax Department had also issued a Notice under Section 226(3) of the Income Tax Act, 1961 to the Liquidator on 01.09.2025, whereby the Liquidator was called upon to pay the outstanding demand of Rs.32,18,49,075/- out of the total claim of Rs.45,00,00,000/- due and payable by individual petitioners and the petitioner company viz., M/s Match Point Tennis Academy.

30. In the said communication, it was also stated as under:-

"2.3 The assessment proceeding in the case of Shri Rajiv Naidu for the AY 2017-18 and AY 2018-19 and in the case of is pending, hence any demand raised in the assessment proceeding will be intimated accordingly. Further, the outstanding arrear demand in the case of M/s Match point Tennis Academy Pvt Ltd will be intimated in a separate notice."

31. In this background, the Liquidator by a Communication dated 15.11.2025 gave the details of the admitted claim of the individual petitioners including the petitioner company viz., M/s Match Point Tennis Academy as below:-

"The claim admitted as total composite claim of Rs.45 crores, will hence forth be broken up and treated as under:

Claimant	***Sale Deed value (in Rs.)***	***% of sale Deed Value to Total***	***Allocation of Rs.45 Crores claim admitted***
Savithri Naidu	*147,015,000*	*45.92*	*20,66,32,653*
Rajiv Naidu	*56,845,800*	*17.76*	*7,98,97,959*
Vikram Naidu	*83,635,200*	*26.12*	*11,75,51,020*
Match Point Tennis Academy	*32,670,000*	*10.20*	*4,59,18,367*
Total	***320,166,000***	***100.00***	***45,00,00,000***

Further, as a sum of Rs.4 Crores has been received, pursuant to the Order dated 01.09.2025 of the Hon'ble Apex Court in SLP (Crl)

9773/2025 & 9863/2025, such payment relatable only to the claim of balance due on the land sale such payment is to be adjusted out of the said Rs.45 Crores, claim admitted as per the provisions of the Code and the Liquidation Regulations and the provisions of Section 357 of the Code of Criminal Procedure. This modification in the admitted claim reported to the Adjudicating Authority separately as per the Regulation and the inter se allocation of the Rs.41 Crores is being made on the same ratio as set out above.

Claimant	***Sale Deed value (in Rs.)***	***% of sale Deed Value to Total***	***Allocation of Rs.45 Crores claim admitted after deduction amount paid already***
Savithri Naidu	*147,015,000*	*45.92*	*18,82,65,306*
Raji Naidu	*56,845,800*	*17.76*	*7,27,95,918*
Vikram Naidu	*83,635,200*	*26.12*	*10,71,02,041*
Match Point Tennis Academy	*32,670,000*	*10.20*	*4,18,36,735*
Total	***320,166,000***	***100.00***	***41,00,00,000***

Further to the above, all of you are also aware that payment will be required to be made to the concerned Income Tax Authorities to the extent of the amount claimed by them under the Garnishee Orders served on me. As per the Garnishee Order, the Undersigned is allocating funds, payable to you as follows:

Name of Claimant	***Total Amount Payable as per Admitted Claim***	***Amount Demanded under Garnishee Order by Income Tax***	***Amount Payable to Claimant after Deducting Payment to Income Tax Department***	***Demand Draft to be issued to Income Tax Department as per the Garnishee order***

			as per Garnishee Order	
Savithri Naidu	*18,82,65,306*	*14,70,29,795*	***4,12,35,511***	*14,70,29,795*
Raji Naidu	*7,27,95,918*	*5,82,68,034*	***1,45,27,884***	*5,82,68,034*
Vikram Naidu	*10,71,02,041*	*11,65,51,246*	***0***	*10,71,02,041*
Match Point Tennis Academy	*4,18,36,735*	*0*	***4,18,36,735***	*0*
Total	***41,00,00,000***	***32,18,49,075***	***9,76,00,130***	***31,23,99,870***

The same may be taken on record"

32. It is in this background, the Liquidator issued an Email communication dated 20.11.2025 to the Petitioner company viz., M/s Match Point Tennis Academy and the individual petitioners regarding disbursement under Section 53 of the Insolvency and Bankruptcy Code, 2016, wherein it is stated that apart from the amount has been paid to the Respondent as per the Garnishee Order, the remaining amount payable to the Petitioner company viz., M/s Match Point Tennis Academy and the individual petitioners will be disbursed accordingly.

33. The aforesaid Email communication dated 20.11.2025 issued by the liquidator to the Petitioner company viz., M/s Match Point Tennis Academy and the individual petitioners is extracted hereunder:-

"We are in the process of distributing the sale proceeds and we will be paying your full admitted claim to your bank account provided in the claim form. I have already communicated vide letter dated 15.11.2025 through speed post in respect of garnishee notice issued to me by the Income Tax Department and amount payable by you will be paid to the department and your realisation of 4 Crore as per the Supreme Court Order. After paying an amount of Rs.31239987 to income tax as per garnishee order, The following are the payment will be effected today and if there is any error in the account number pls revert before 4pm.

IFSC CODE	*ACCOUNT NO*	*NAME*	*AMOUNT*
SBIN0004236	*10163056714*	*Mrs. Savithri R Naidu*	*41235511/-*
HDFC0000010	*00101000043078*	*Mr. N. Rajiv Naidu*	*14527884/-*
HDFC0000010	*00102000010761*	*M/s. Match Point Tennis Academy*	*41836735/-*

Upon payment of the above said claim amount, all dues payable by the company in Liquidation is settled in full and Company in Liquidation has no further liability towards you and all the cases filed against the company in liquidation shall be withdrawn forthwith except those matters pending before NCLT."

34. Pursuant to the aforesaid Email communication dated 20.11.2025, the bank account of the Petitioner company viz., M/s Match

Point Tennis Academy with the 2nd Respondent Bank was blocked in the light of the garnishee order from the Income Tax Department which was communicated to the petitioner in W.P. No.47754 of 2025 namely, Rajiv Naidu (Managing Director of the Petitioner company in W.P. No.47005 of 2025) vide communication dated 26.11.2025.

35. On consideration of the overall facts and circumstances of the case, it is evident that the individual petitioners and the petitioner Company have received a sum of **Rs.9,76,00,130/-** from and out of Rs.41 crores, after adjusting and factoring **Rs.4,00,00,000/-**, which has been deposited before the Fast Track Court-III, Saidapet in **C.C.No.121 of 2018**, pursuant to the order of the Hon'ble Supreme Court in **SLP (Crl) No.9773/2025** dated **01.09.2025**, thus filed by one Mrs.Bhuvaneswari Udayakumar, the Director of the Company under liquidation.

36. Since the individual petitioners and the petitioner company viz., M/s Match Point Tennis Academy had failed to obtain stay of recovery of the amount, a sum of **Rs.31,14,67,542/-** was transferred by the liquidator as against a sum of **Rs.32,18,49,075/-** claimed by the Income Tax Department towards the tax due confirmed against the respective petitioners.

37. A sum of **Rs.9,76,00,130/-** has been paid to Mrs.Savithri R Naidu, the petitioner in W.P. No. 47735 of 2025, Mr. N. Rajiv Naidu, the petitioner in W.P. No. 47754 of 2025 and M/s. Match Point Tennis Academy, the petitioner in W.P. No. 47005 of 2025 leaving **Rs.9,32,328/-** in the hands of the liquidator.

38. Paragraph No.34 of the Counter Affidavit filed by the 2nd respondent captures the same, which is reproduced hereunder:-

"3. While rejecting the stay petition filed by the three individuals/assessee vide order dated 21.08.2025, the respondent/Assistant Commissioner of Income Tax, Central CIR 3(1), Chennai, has rejected the same in the light of para 4(B)(b) of CBDT dated 29.02.2016 bearing reference No.F.No.404/72/93-ITCC. The relevant clause reads as under:

4. In order to streamline the process of grant of stay and standardize the quantum of lump sum payment required to be made by the assessee as a pre-condition for stay of demand disputed before CIT (A), the following modified guidelines are being issued in partial modification of Instruction No.1914:

(A) In a case where the outstanding demand is disputed before CIT (A), the assessing officer shall grant stay of demand till disposal of first appeal on payment of 15% of the disputed demand, unless the case falls in the category discussed in para (B) hereunder.

(B) In a situation where,

(a) the assessing officer is of the view that the nature of addition resulting in the disputed demand is such that payment of a lump sum amount higher than 15% is warranted (e.g. in a case where addition on the same issue has been confirmed by appellate authorities in earlier years or the decision of the Supreme Court or jurisdictional High Court is in favour of Revenue or addition is

based on credible evidence collected in a search or survey operation, etc.) or,

(b) the assessing officer is of the view that the nature of addition resulting in the disputed demand is such that payment of a lump sum amount lower than 15% is warranted (e.g. in a case where addition on the same issue has been deleted by appellate authorities in earlier years or the decision of the Supreme Court or jurisdictional High Court is in favour of the assessee, etc.), the assessing officer shall refer the matter to the administrative Pr.CIT/CIT, who after considering all relevant facts shall decide the quantum/proportion of demand to be paid by the assessee as lump sum payment for granting a stay of the balance demand.

(C) In a case where stay of demand is granted by the assessing officer on payment of 15% of the disputed demand and the assessee is still aggrieved, he may approach the jurisdictional administrative Pr. CIT/ CIT for a review of the decision of the assessing officer.

(D) The assessing officer shall dispose of a stay petition within 2 weeks of filing of the petition. If a reference has been made to Pr. CIT/ CIT under para 4 (B) above or a review petition has been filed by the assessee under para 4 (C) above, the same shall also be disposed of by the Pr. CIT/CIT within 2 weeks of the assessing officer making such reference or the assessee filing such review, as the case may be.

(E) In granting stay, the Assessing Officer may impose such conditions as he may think fit. He may, inter alia,-

(i) require an undertaking from the assessee that he will cooperate in the early disposal of appeal failing which the stay order will be cancelled:

(ii) reserve the right to review the order passed after expiry of reasonable period (say 6 months) or if the assessee has not cooperated in the early disposal of appeal, or where a subsequent pronouncement by a higher appellate authority or court alters the above situations,

(iii) reserve the right to adjust refunds arising, if any, against the demand, to the extent of the amount required for granting stay and subject to the provisions of section 245.

5. These instructions/guidelines may be immediately brought to the notice of all officers working in your jurisdiction for proper compliance."

39. In the light of the above **CBDT Circular** dated **29.02.2016** bearing **Reference No.F.No.404/72/93-ITCC**, all references to 15% of the disputed demand was later enhanced to 20% of the disputed tax by **Office Memorandum** bearing **Ref.No.F.No.404/72/93-ITCC** dated 31.07.2017.

40. The learned Senior Counsel for the individual petitioners and also the learned Senior Counsel for the petitioner company in W.P.No.47005 of 2025 submits that either 20% of the disputed tax or 15% of the disputed tax as the case may be, shall be appropriated towards the pre-deposit for a condition to stay the recovery of the demand confirmed in the respective Assessment Orders passed against the individual petitioners and the petitioner company and the balance amount shall be refunded back to them.

41. On the other hand, the learned Senior Standing Counsel for the Income Tax Department would submit that as per the **Paragraph No. 4 (B) (a)** of the **Office Memorandum (CBDT)** dated **29.02.2016**, where addition is based on credible evidence collected during search or survey operation, the Assessing Officer is merely required to refer the matter to the Administrative

Pr.CIT/CIT and after considering all the relevant facts shall decide the quantum/proportion of demand to be paid by the assessee as lump sum payment for granting a stay of the demand.

42. It is submitted by the learned Senior Standing Counsel for the Respondent that since there was no stay operating against the Income Tax Department, the Income Tax Department has directed the 2nd Respondent/Official Liquidator to transfer the amount and it is in the background, the amounts were transferred to the Respondent by the Liquidator.

43. There is no dispute that a sum of **Rs.45,00,00,000/-** was admitted towards the claim of the respective petitioner pursuant to the direction of the National Company Law Tribunal, Chennai. Out of the aforesaid amount of **Rs.45,00,00,000/-**, a sum of **Rs.41,00,00,000/-** have been allocated as the amount payable factoring the **Order** dated **01.09.2025** of the Hon'ble Supreme Court in **SLP (Crl) No.9773 of 2025**.

44. The individual petitioners and the petitioner company viz., M/s. Match Point Tennis Academy are on appeal before the Appellate Authority

against the respective assessment orders. These appeals have to be disposed of in due course of time by the Appellate Authority.

45. Pending such disposal of the appeal pending before the Appellate Authority, the Income Tax Department is entitled to recover the amount subject to any stay order under Section 220(6) of the Income Tax Act, 1961. The Hon'ble Supreme Court in **Pr.CIT vs. LG Electronics India (P.) Ltd.,** [2018] 18 SCC 447 has held as under:-

> *"The subjects circular which has extracted above also indicates that the issue can be decided by the Principal Commissioner of Income Tax Department or the Commissioner of Income Tax Department, wherever the demand has been confirmed pursuant to a search proceedings. The Principal Commissioner of Income Tax/Commissioner of Income Tax can either decide the amount to be transferred."*

46. While passing the impugned orders, rejecting the stay petitions filed by the individual petitioners, the Respondent's Commissioner has not referred the matter to the Principal Commissioner of Income Tax or CIT(A) as is contemplated in **Paragraph No. 4 (B) (a)** of the **Office Memorandum (CBDT)** dated **29.02.2016**, that ought to have been followed by the Respondent as the Respondent is bound by the Circular issued by Central

Board of Direct Taxes (CBDT) in terms of decision of Hon'ble Supreme Court.

47. That apart, when a particular thing has to be done in a particular manner, that must be done only in that way and all other methods of performance are necessarily forbidden, as held by the Hon'ble Supreme Court in **A.R.Antulay Vs.R.S.Nayak & another,** AIR 1988 SC 1531.

48. Since the amount has already been transferred directly by the 2nd Respondent to the Income Tax Department, the cases are remitted back for suitable orders to be passed by the Principal Commissioner of Income Tax/CIT (A) in terms of **Paragraph No. 4(B)(a)** of the **Office Memorandum (CBDT)** dated **29.02.2016**. While passing such an order, such officer shall also take note of the above decision of the Hon'ble Supreme Court in **Pr.CIT vs. LG Electronics India (P.) Ltd.,** referred to *supra* as well.

49. In view thereof, the individual petitioners and the petitioner company viz., M/s. Match Point Tennis Academy are permitted to operate the Bank accounts which have been attached. The Principal Commissioner of

Income Tax Department shall pass appropriate orders in accordance with law, within a period of three weeks from the date of receipt of a copy of this order.

50. These Writ Petitions are being disposed of with the above observation. No costs. Connected Miscellaneous Petitions are closed.

11.02.2026

jd

Neutral Citation: Yes / No

To

1. Office of the Assistant Commissioner of Income Tax,
Central CIR 3(1),
No.46, Old No.108,
Mahatma Gandhi Road, Chennai 600 034.

2. The Official Liquidator,
M/s.Landmark Housing Projects Chennai Pvt. Ltd. (In Liquidation),
No.397, Precision Plaza, 3rd Floor, Anna Salai,
Teynampet, Chennai 600 018.

3. The Branch Manager,
HDFC Bank Ltd,
T-31 7th Avenue, MG Road,
Besant Nagar, Chennai – 600 090.

C.SARAVANAN, J.

jd

W.P.No.47005 of 2025

11.02.2026