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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 06-01-2026

CORAM
THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 50378 of 2025
AND
WMP NO. 56380 OF 2025,WMP NO. 56381 OF 2025

Moorthy Kantharaj
No.3/114, Anna Nagar,
1st Cross Beadarpalli,
Sipcot Post, Hosur 635 109
Pan- BYPPK2715L

..Petitioner(s)

Vs

1. Income Tax Officer,
   Ward 1, Hosur, 737/1 First Floor,
   R.K. Towers, Maruthi Nagar,
   Hosur 635 109.

2. Assessment Unit,
   Income Tax Department,
   Ministry Of Finance, New Delhi.

3. Commissioner Of Income Tax (Appeals),
   National Faceless Appeal Centre,
   New Delhi.

4. The Branch Manager,
   Karur Vysya Bank, S.No.688 (p), Bye Pass
   Road, Hosur, Tamilnadu

..Respondent(s)

PRAYER

Writ Petition filed under Art.226 of Constitution of India seeking for issuance of Writ of Certiorarified Mandamus, to call for the records of the 1st respondent in Impugned recovery notice in DIN and Notice No.ITBA/COM/F/17/2025-26/1082715871 (1) dated 18.11.2025 and quash the

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same and further direct the 3rd respondent to grant early hearing and dispose the Appeal in Appeal No. NFAC/2018-19/10450296 for AY 2019-20.

For Petitioner(s):	Ms. G Vardini Karthik
For Respondent(s):	Mrs.M.Sheela, Senior Standing Counsel and Mr.H.Siddharth, Junior Standing Counsel for R1 to R3

ORDER

Mrs.M.Sheela, learned Senior Standing Counsel takes notice for the Respondents 1 to 3.

2. This Writ Petition is being disposed of at the stage of admission itself with the consent of the learned counsel for the Petitioner and the learned Government Advocate for the Respondents.

3.In this Writ Petition, the petitioner had challenged the recovery notice dated 18.11.2025 issued by the 1st respondent under Sec.226 (3) of Income Tax Act, 1961 to the petitioner's banker viz., Karur Vysya Bank/4th Respondent for recovering a sum of Rs.2,38,73,170/- from the petitioner.

4.Earlier, the petitioner had suffered an adverse assessment order dated 20.02.2025 for the Assessment Year 2019-2020 pursuant to the issuance of Section 148 Notice and Notice under Section 144 of the Act by the 2nd respondent to which the petitioner replied on 02.12.2024.

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5.The petitioner has filed an appeal within the prescribed time before the Appellate Authority on 22.03.2025 along with the Stay petition. During the pendency of the aforesaid Stay petition, the impugned recovery notice has been issued to the 4th respondent bank, whereby the petitioner has been directed to pay a sum of Rs.2,38,73,170/- being the tax liability of the petitioner confirmed vide assessment order dated 20.02.2025.

6.The learned counsel for the petitioner would submit that the Assessing Officer has initiated proceedings under Sec.226(3) of the Act, but the petitioner is not in default in respect of the amount in dispute in the appeal as long as the appeal remains indisposed of, even though the time for payment has expired.

7.It is further submitted by the learned counsel for petitioner that the Assessing Officer as also the jurisdictional income tax officer is aware of the fact that the petitioner has preferred an appeal on 22.03.2025 against the assessment order dated 20.02.2025. Therefore, there is no justification in issuance of impugned recovery notice under Sec.226(3) of the Income Tax Act, 1961.

8.On the other hand, learned Senior Standing Counsel for the respondent would submit that earlier, an intimation was issued on 12.10.2019 under Section

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143(1) of the Act, which was said to be revised by issuance of Section 148 Notice on 31.03.2023. However, the petitioner failed to respond to the same and that assessment order came to be passed on 20.02.2025.

9.It is submitted by the learned Senior Standing Counsel for the respondent that there is a cash amount deposited in the petitioner's bank account, which was not disclosed at the time of filing of Return of Income on 30.08.2025 for the relevant Assessment Year.

10. That apart, it is submitted that in response to Section 148 Notice issued by the 1st respondent, no Return of Income was filed by the petitioner. Therefore, the impugned recovery proceedings are in order and does not warrant any interference.

11.I have considered the submission made by the learned counsel for petitioner and the learned Senior Standing Counsel for respondent. I have perused the computation of income issued along with the assessment order dated 20.02.2025.

12.Considering the above fact and the fact that the petitioner has preferred an appeal before the Appellate Authority on 22.03.2025, this Writ Petition is disposed of by quashing the impugned recovery notice subject to the

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petitioner predepositing a sum of Rs.20,00,000/- within a period of thirty (30) days from the date of receipt of a copy of this order.

13.Subject to the Petitioner complying with the above stipulations, the attachment of the bank account of the Petitioner shall stand lifted automatically.

14. In case, the amount as ordered above is available in the petitioner's bank account, the 4th respondent bank is directed to directly transfer the same to the Income Tax Department, which shall be subject to recovery or refund ordered to be passed in the appeal pending before the Appellate Authority.

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

06-01-2026

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

1. Income Tax Officer, Ward 1, Hosur, 737/1
   First Floor, RK Towers, Maruthi Nagar, Hosur
   635 109.

2. Assessment Unit, Income Tax Department,
   Ministry Of Finance, New Delhi.

3. Commissioner Of Income Tax (Appeals),
   National Faceless Appeal Centre, New Delhi.

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C.SARAVANAN J.

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