BEFORE THE MADURAI BENGH OF MADRAS HIGH COURT

DATED: 20.02.2026

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THE HONOURABLE MR. JUSTICE KRISHNAN RAMASAMY

W.P.(MD)No.4817 of 2026
and
W.M.P.(MD).Nos.4025 and 4027 of 2026

M.Palanikumar ... Petitioner

Vs

1.The Principal Commissioner of Income Tax,
Central Revenue Buildings,
V.P. Rathinasamy Nadar Road,
Madurai - 625 002.

2.The Income Tax Officer,
Income Tax Officer,
Non-Corporate Ward - 1(5),
Madurai - 625 002. ... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorarified Mandamus, calling for the records pertaining to the impugned order passed by the second respondent dated 28.01.2026 in Ref. No. ITBA/COM/F/17/2025-26/1085223013(1) and quash the same and consequently directing the first respondent to dispose the Appeal filed by the petitioner dated 18.11.2025 without insisting the pre-deposit.

For Petitioner	:	Mr.R.Aravindan
For R-1 and R-2	:	Mr.N.Dilipkumar, Standing Counsel

O R D E R

This Writ Petition has been filed challenging the impugned order passed by the second respondent dated 28.01.2026 in Ref. No. ITBA/COM/F/17/2025-26/1085223013(1) and consequently seeking a direction to the first respondent to dispose of the appeal filed by the petitioner dated 18.11.2025 without insisting on the pre-deposit.

2. The learned counsel appearing for the petitioner would submit that the petitioner had mobilised funds for the purpose of contract business and had been carrying on such business for a long period. At present, the petitioner is not carrying on any business. An assessment order came to be passed, challenging which the petitioner has filed an appeal. Along with the appeal, the petitioner filed a stay petition before the Assessing Officer. However, the stay petition was rejected on the ground that the petitioner had not paid 20% of the disputed demand, despite sufficient opportunities having been granted.

3. The learned counsel would further submit that due to financial constraints, the petitioner was not in a position to remit 20% of the disputed demand. He fairly submits that if this Court fixes a lesser amount, the petitioner is willing to comply with the same. This Court suggested a sum of Rs.50,00,000/-, and the petitioner has requested permission to remit the said amount in three instalments.

4. The learned Standing Counsel appearing for the respondents would submit that as per the circulars, the petitioner is required to pay 20% of the disputed demand for grant of stay and would abide by any condition that may be imposed by this Court.

5. Considering the submissions made on either side, it is seen that the deposits in question, according to the petitioner, were amounts collected from various persons and deposited in the bank account. Since returns were not properly filed, the same were treated as income and the assessment order was passed. In view of the fact that the appeal is pending before the appellate authority, this Court is inclined to grant interim protection in the interest of justice, subject to certain conditions.

6. Accordingly, there shall be an order of stay of all further proceedings pursuant to the impugned assessment order, subject to the petitioner depositing a sum of Rs.50,00,000/- in the following instalments:

(i) Rs.20,00,000/- on or before 09.03.2026;

(ii) Rs.15,00,000/- on or before 20.04.2026; and

(iii) Rs.15,00,000/- on or before 18.05.2026.

7. Subject to compliance with the above conditions, there shall be a stay of all further proceedings until the disposal of the appeal by the appellate authority.

8. In the event of default in payment of any one of the instalments, the stay granted by this Court shall stand automatically vacated and liberty is granted to the respondents to initiate recovery proceedings in accordance with law.

9. The appellate authority is at liberty to proceed with the appeal and dispose of the same in accordance with law, uninfluenced by any observations made in this order.

10. Accordingly, the writ petition stands disposed of. No costs. Consequently, connected miscellaneous petitions are closed.

20.02.2026

TSG
Speaking/Non-speaking order
Index : Yes / No
Neutral Citation : Yes / No
To
1.The Principal Commissioner of Income Tax,
Central Revenue Buildings,
V.P. Rathinasamy Nadar Road,
Madurai - 625 002.

2.The Income Tax Officer,
Income Tax Officer,
Non-Corporate Ward - 1(5),
Madurai - 625 002.

KRISHNAN RAMASAMY, J.

TSG

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