

## **Tvl. Thangavel Shanmugam v. The Principal Commissioner of Income Tax, Madurai-1**

W.P.(MD) No. 31649 of 2025

W.P.(MD) No. 31649 of 2025 and W.M.P.(MD) No. 24821 of 2025 (Madras HC, Madurai Bench, decided 06.11.2025) | 2025-11-06

**Revision under section 264 for AY 2018-19 concerning unexplained cash deposits of Rs. 80,85,500: dismissal order dated 19.09.2025 quashed and remanded for fresh hearing subject to petitioner remitting Rs. 10,00,000 toward the demand.**

Income-tax Act, 1961: section 264 | Constitution of India: Article 226

High Court of Judicature at Madras | Single Judge Bench (Madurai Bench) | G. R. Swaminathan, J.

Assessment years: 2018-19

### **Self-recalling conditional remand order requiring payment of Rs. 10,00,000**

Paragraph 5 expressly stipulates that the quashing and remand order takes effect only upon payment of Rs. 10,00,000 toward the impugned demand, failing which the benefit of the order automatically stands recalled.

### **01 FACTS OF THE CASE**

Suffering an adverse assessment order dated 08.03.2024 for AY 2018-19 in respect of unexplained bank cash deposits of Rs. 80,85,500, the petitioner filed a revision petition under section 264 on 06.03.2025. The PCIT, Madurai-1 dismissed the revision petition on 19.09.2025 noting that despite three opportunities of personal hearing the assessee had failed to explain the source of deposits. Before the High Court, the petitioner offered to remit Rs. 10,00,000 without prejudice to seek one final opportunity.

Source: [Paragraphs 1-4; PDF pp. 1-2](#)

## **02 DISCUSSION BY THE HON'BLE COURT**

Noting that the petitioner had demonstrated bona fides by volunteering to remit Rs. 10,00,000 toward the impugned demand, the Single Judge held that in the interest of justice one more opportunity should be granted, subject to an automatic recall condition if the payment is not made.

Source: [Paragraphs 4-5; PDF pp. 2-3](#)

## **03 JUDICIAL DECISION**

Allowed W.P.(MD) No. 31649 of 2025 by quashing the section 264 order dated 19.09.2025 and remitting the matter to the PCIT for fresh consideration conditional upon the petitioner paying Rs. 10,00,000 toward the demand.

Source: [Paragraph 5; PDF p. 3](#)

## **04 OUTCOME / IN WHOSE FAVOUR**

Assessee (conditional remand) - Section 264 rejection order dated 19.09.2025 quashed and remitted for fresh disposal conditional upon payment of Rs. 10,00,000 toward the impugned demand.

Source: [Paragraph 5; PDF p. 3](#)

**05 AKHB REVIEW POINT**

AKHB analysis: where an assessee defaults on hearing notices in section 264 proceedings, writ relief remanding the matter is typically conditioned on a substantial without-prejudice deposit (here Rs. 10 lakh against Rs. 80.85 lakh cash deposits) with an automatic recall clause.

Source: [Paragraphs 4-5; PDF pp. 2-3](#)

**SOURCE & VERIFICATION**

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**STATUTORY SCOPE**

Applies section 264 of the Income-tax Act, 1961 for AY 2018-19. Income-tax Act, 2025 equivalence is not verified.

**LATER TREATMENT**

Source checked 2026-10-18. Full primary judgment PDF read page-by-page and verified against the AKHB Google Drive repository. Comprehensive subsequent judicial treatment has not been independently verified.

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