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WP No. 9585 of 2



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 16-03-2026

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THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 9585 of 2026

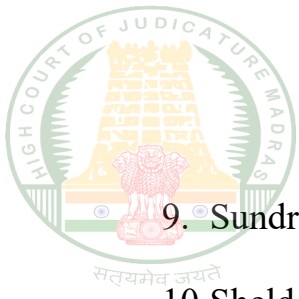
and WMP.Nos.10334 and 10335 of 2026

C Sowmya Raga

..Petitioner(s)

Vs

1. The Tax Recovery Officer 3
Uthamar Gandhi salai
No.121, Nungambakkam High Road
Nungambakkam, Chennai-600 034.
2. The Principal Commissioner of Income Tax
Chennai 3,
Income Tax Department No.121,
Nungambakkam High Road, Chennai 600 034.
3. Sally Thermoplastic India Limited
No.229 E, C/2 Third Floor, Raahat Plaza,
No.172, Arcot Road, Vadapalani, Chennai 600
026. Also at Selvadurai, No.2/3A, Main
Road, Manampadi, Sholapuram 612 503.
4. The Sub Registrar
Sriperumbudur, SH 57, Ramanujar Nagar,
Sriperumbudur, Tamil Nadu 602 105.
5. The Superintendent of police
Kancheepuram,
Kancheepuram District.
6. Mohammad Hariss
7. Amirthavasagam Kandasamy
8. Sowrimuthu Thambusamy Selvadurai



9. Sundram Ball Sivasamy

10. Sheldonraju Silvarajoo

11. Salman Siddiqi

12. V V Automotive Components Private Limited
Represented by its Managing Director

..Respondent(s)

Prayer: This Writ Petition is filed under Article 226 of Constitution of India seeking Writ of Certiorarified Mandamus to call for the records pertaining to the impugned proceedings dated 02.03.2026 Letter No.ITBA/COM/F/17/2025-26/1086754835(1) issued by the 1st respondent quash the same and consequently restrain the respondents (1) to (12) from in any manner issuing any proceedings or taking any coercive action and interfering with the possession of the petitioner in respect of the property comprised in survey No.238/4(65 cents) and 238/5C(2 cents) situated at Mevalurkuppam village, Sriperumbudur Taluk, Kancheepuram District.

For Petitioner(s): Mr.T.Mohan, Senior Counsel
for Mr.A.S.Sriraman

For Respondent(s): M/s.C.P.Priya, SCC for IT for R1 and R2
Mr.P.J.Sri Ganesh for R12
Mr.C.Baskaran, Government Advocate for R5
R6- NA
R3, R4, R7 to R11- Not ready



ORDER

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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 counsel for the Respondents.

2. The petitioner is before this Court for the third time after approaching this Court earlier in W.P.No.28774 of 2019. The petitioner appears to have purchased the property, which was standing in the name of the third respondent herein respondent namely Sally Thermoplastic India Limited on 02.11.2011.

3. The said company sold the property to the petitioner herein executing a sale deed dated 02.11.2011, despite the said company being in arrears of Income Tax for the Assessment Years 2005-06, 2006-07, 2007-08, 2009-10 and 2010-11.

4. In this background, after the sale was made in favour of the petitioner, the respondent/ Income Tax Department attached the property on 31.03.2013. This attachment was subject matter of challenge before this Court in W.P.No.28774 of 2019 by the petitioner. The Court by its order dated 23.02.2024 dismissed the said Writ Petition with the following observation:-



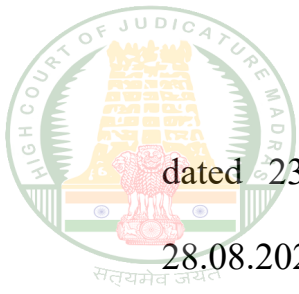
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“7. Admittedly, the fourth respondent is the original owner of the property and there was a complaint against the fourth respondent before the CBI and they have also conducted raid on 16.12.2010 and they have also requested the investigation wing of the third respondent to investigate regarding the evasion of the Income Tax. They have also issued summons on 17.02.2011 under Section 131 of the Income Tax Act and issued scrutiny notice under Section 143 (2) of the Income Tax for the assessment years 2009-10 and 2010-11 on 30.09.2011. Subsequently, the petitioner purchased the land from the fourth respondent only on 02.11.2011. Later, summons were issued by the third respondent and therefore, the transaction made by the fourth respondent is void. Since the sale made by the fourth respondent in favour of the petitioner is not valid one, the petitioner is not entitled to the relief sought for in the Writ Petition.

8. Hence, for the reasons stated above, the Writ Petition is dismissed. There shall be no order as to costs. Consequently, W.M.P is closed.”

5. The petitioner approached the Hon’ble Division Bench of this Court by filing Writ Appeal in W.A.No.1518 of 2024. The Writ Appeal along with Miscellaneous petitions came up for admission and by an order dated 23.07.2025 granted interim stay of Form No.ITCP 13 to commence assessment proceedings. At that stage still the property had not been auctioned. The interim order granted by this Court vide order dated 23.06.2025, was extended by order



dated 23.07.2025 and the case was thereafter directed to be listed on 28.08.2025. Thereafter, the said Writ Appeal filed by the petitioner was dismissed on 10.09.2025.

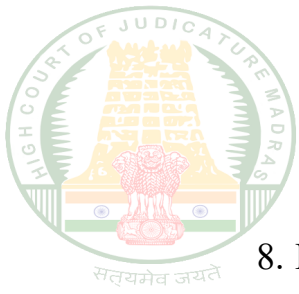
6. However, while dismissing the said Writ Appeal, Court granted liberty to the petitioner, to file a civil suit to establish bonafide in the purchase made on 02.11.2011. The relevant portion of the said order is extracted hereunder:-

“18. Accordingly, this Writ Appeal is liable to be dismissed. Liberty is however given to the Appellant/ Writ Petitioner to file a civil suit to declare that the Appellant / Writ Petitioner was a bonafide purchaser of the said property from the 4th respondent.

19 In view of the above reasoning, this Writ Appeal sands dismissed”

7. Not being satisfied with the said order, the petitioner filed an appeal before the Hon’ble Supreme Court in SLP.No.29761 of 2025. The Hon’ble Supreme Court dismissed SLP.No.29761 of 2025 vide its order dated 27.10.2025. Relevant portion from the said order is extracted below:-

“2. However, this order of dismissal of the special leave petition as well as dismissal of the Writ Petition of the petitioner by the High Court (vide the judgment and order of the Division Bench under challenge) shall not preclude the petitioner to pursue his remedy against the vendor in appropriate proceedings before the appropriate forum, in accordance with law.”



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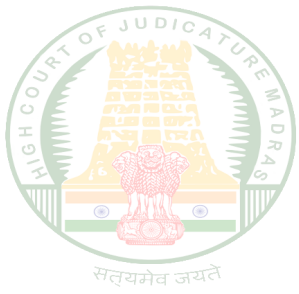
8. Meanwhile, the Income Tax Department had already issued an auction notice on 25.09.2025 after the Division Bench passed its order on 10.09.2025 proposing to auction the property on 28.10.2025 by fixing the reserve price for the property as Rs.4,13,50,000/-.

9. The private respondent herein namely 12th respondent who also owns the neighbouring plot participated in the auction held on 28.10.2025, wherein the 12th respondent was declared as a successful bidder.

10. Meanwhile, the petitioner instituted a suit before the II Additional District Judge, Judge Court, Kanchipuram in O.S.No.42 of 2026. On 19.12.2025 in terms of liberty given by the Hon'ble Division Bench.

11. However, the suit could not be numbered in view of the boycott by the bar against implementation of the online filing/ E-filing pleadings.

12. In this background, the petitioner had approached this Court for the second time in W.P.No.41739 of 2025. Taking notice of the ground reality prevailing in the District Courts, in Tamil Nadu on account of the online /E-filing of pleadings, this Court passed an order in the said Writ Petition on 03.11.2025. The Court observed as under:-



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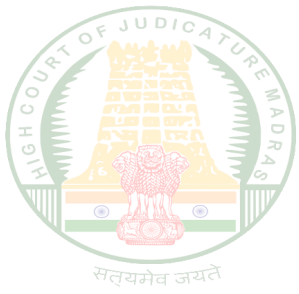


“10. A reading of the order dated 10.09.2025 of Division Bench indicates that no time line was prescribed for the Petitioner to approach the Court. In any event, the fact remains that the petitioner’s attempt to approach the Hon’ble Supreme Court did not yield any benefit to the Petitioner as the Special Leave Petition was dismissed on 27.10.2025 by the Hon’ble Supreme Court. Since the auction has already taken place on 28.10.2025, the Respondent shall keep all further proceedings pursuant to the said auction in abeyance for a period of 60 days alone from today.

11. Meanwhile, it is open for the petitioner approach the Civil Court within such time to obtain any interim relief against the confirmation of sale and issuance of sale certificates. In case the Petitioner secures such order from the Civil Court, sale through the said auction need not be confirmed and shall await for further orders of the Civil Court. In case the Petitioner fails to secure any interim relief from the Civil Court, the Respondents may proceed to confirm the auction and issue sale certificate in favour of the highest bidder.”

13. After the order was uploaded on 03.11.2025, the case was listed under the caption “for being mentioned” at the instance of learned counsel for the petitioner. On 05.01.2026, following orders were passed:-

“16. Therefore, to balance the interests of all parties, the following directions are issued:



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“i. The Income Tax Department is permitted to encash the Demand Draft furnished by the higher bidder, namely M/s.V.V. Automotive Components Private Limited and confirm the sale and issue a Sale Certificate in favour of the said highest bidder namely M/s.V.V.Automotive Components Private Limited without prejudice to the rights of the petitioner to assail such a sale in favour of the highest bidder.

ii Therefore, the petitioner is granted liberty to have the suit numbered before the Principal District and Sessions Court, Kanchipuram, as expeditiously as possible and shall endeavour to establish that the petitioner is a “bona fide purchaser” and is entitled to protection under the Proviso to Section 281(1) of the Income Tax Act, 1961.

iii. In the aforesaid proceedings, not only the Income Tax Department represented by the Tax Recovery Officer, but also the highest bidder, namely M/s. V.V.Automotive Components Private Limited, the Directors of M/s.Sally Thermoplastic India Limited, and the said company itself shall be made parties.

17. It is open for the petitioner to establish their rights in the manner known to law. The sale confirmed pursuant to the directions of this Court shall be subject to any Order, Judgment, or Decree that may be passed by the Competent Civil Court in the proposed suit filed by the petitioner. All contentions are left open to be canvassed by all parties before the Civil Court.”

14. When these orders were passed on 03.11.2025 and on 05.01.2026, the 12th respondent was not a party to the proceedings in the said Writ Petition. However, the learned counsel for the 12th respondent, who appears today, was present in the Court when the order was passed on 05.01.2026, permitting the Income Tax Department to encash the amount paid by the 12th respondent,



specifically emphasising that the petitioner was entitled to establish that petitioner was a bonafide purchaser and entitled to protection under proviso under Section 281(1) of the Income Tax Act.

15. The order also specifically stated that in the said suit, the petitioner shall implead not only the Tax Recovery Officer but also the 12th respondent, who is the highest bidder.

16. In this background, the Writ Petition was disposed of by this Court vide order dated 05.01.2026.

17. The impugned order dated 02.03.2026 has been now passed by the first respondent herein wherein it has been recorded as if the possession of the property was handed over to the 12th respondent. When the case was taken up for hearing on 10.03.2026, the first respondent was directed to be present to answer as to why the first respondent had taken the assistance of the local police to hand over the possession of the property to the 12th respondent/highest bidder, particularly when the suit was pending to establish that petitioner was a bonafide purchaser, of the property on 02.11.2021 and after the Court passed order on 05.01.2026. The learned counsel for the respondent would submit that the petitioner was not a bonafide purchaser as purchase was made despite the fact that the third respondent was in arrears of tax for the years mentioned above

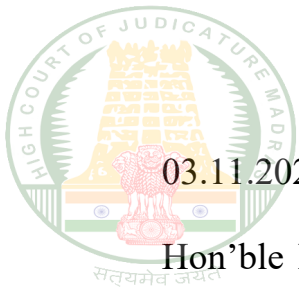


and that the property had been auctioned as early as on 28.10.2025. It is submitted that none of the orders precluded the Income Tax Department taking assistance of the local police for handing over the possession of the property to the 12th respondent/highest bidder who has paid the amount.

18. The learned counsel for the 12th respondent would submit that the petitioner has no right over the property in the light of the conclusion of sale by an auction dated 28.10.2025 and pursuant to the payment of the amount by the 12th respondent.

19. Secondly, it is submitted that this Court had earlier by its order dated 23.02.2024 in WP.No.28774 of 2019 has given a categorical finding that transaction made by the third respondent (fourth respondent therein) was void and the sale made by the third respondent herein in favour of the petitioner was not a valid one and the petitioner was not entitled to any relief.

20. That apart, it is submitted that the Hon'ble Supreme Court while dismissing the SLP filed by the petitioner has clearly given the right to the petitioner to work out the remedy against the third respondent herein and not against the Income Tax Department and therefore the Income Tax Department was justified in handing over the possession of the property with the help of the local police. On a specific query as to whether the order passed by this Court on



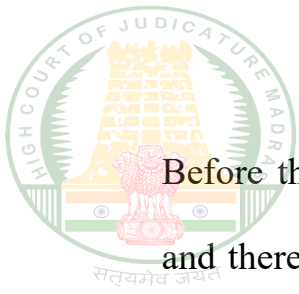
03.11.2025 and 05.01.2026 has been appealed against the judgment of the Hon'ble Division Bench or not, the learned counsel for the respondent would submit that the appeal is yet to be filed.

21. I have considered the arguments advanced by the learned Senior counsel for the petitioner, the learned counsel for the Income Tax Department and the learned counsel for the R12.

22. The legal position settled by the Division Bench of this Court in WA.No.41739 of 2025 is categorical. It is for the petitioner to establish that the petitioner is a bonafide purchaser of the property. Admittedly petitioner was in possession of the property from 02.11.2011.

23. Even if the sale had taken place pursuant to the auction held on 28.10.2025, the petitioner cannot be dispossessed, except in the manner known to law. The Court while passing orders on 03.11.2025 and thereafter on 05.01.2026 in W.P.No.41739 of 2025 was conscious of this ground realty in the lower Court.

24. The facts on record also reveals that the petitioner had filed the suit in O.S.No.42 of 2026 on 19.12.2025, along with IA.No. 10 of 2026 to advance the hearing in the suit, along with I.A.Nos. 7 and & 8 of 2026 seeking Injunction.



Before the Civil Court, the Income Tax Department took time to file counter and thereafter proceeded to take assistance of the local police to hand over the possession.

25. The undue alacrity shown by the officer in handing over the possession of the property to the 12 respondent with the help of local police was unwarranted and invites a frown from the Court. Further the 12th respondent was also aware of the fact that the property involved was a litigated property.

26. Therefore, 12th respondent ought not to have pressurised the Income Tax Officer to hand over the possession pending disposal of the Injunction Application filed in I.A.Nos.7 and 8 of 2026.

27. The applications filed for interim injunction cannot be rendered invalid or infructuous by taking steps to hand over the possession of the property.

28. Therefore, the 12th respondent is directed to stay clear of the property till orders are passed by the Civil Court in I.A.Nos.7 and 8 of 2026 in O.S.No.42 of 2026.



29. With the above direction, this Writ Petition is disposed of. No costs.

Consequently, connected Miscellaneous Petitions stands closed.

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30. List the matter next week under the caption “for reporting compliance.”

16-03-2026

Index: Yes/No

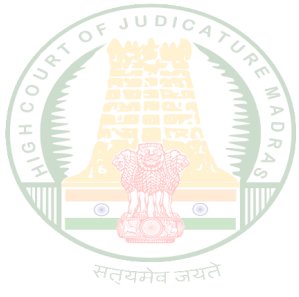
Speaking/Non-speaking order

Neutral Citation: Yes/No

JAI

To

1. The Tax Recovery Officer 3
Uthamar Gandhi salai
No.121, Nungambakkam High Road
Nungambakkam, Chennai-600 034.
2. The Principal Commissioner of Income Tax Chennai 3
Income Tax Department No.121,
.Nungambakkam High Road, Chennai 600 034.
3. The Sub Registrar
Sriperumbudur, SH 57, Ramanujar Nagar, Sriperumbudur, Tamil Nadu 602
105.
4. The Superintendent of police
Kancheepuram
Kancheepuram District.



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C.SARAVANAN, J.

JAI

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