

**IN THE INCOME TAX APPELLATE TRIBUNAL
“C” BENCH: BANGALORE**

**BEFORE SHRI WASEEM AHMED, ACCOUNTANT MEMBER
AND
SHRI KESHAV DUBEY, JUDICIAL MEMBER**

SA No.12/Bang/2026 (Arising out of ITA No.250/Bang/2026) Assessment Year: 2022-23

Homag India Private Limited Plot No.285, Rajadhani Industrial Park Road No.7, KIADB, 4 th Ph., Dabaspeta, Industrial Area, Billenkote Village Bengaluru Rural 562 111 Bengaluru PAN NO : AABCH4923P	Vs.	ITO Ward 3(2)(1) Bengaluru
APPELLANT		RESPONDENT

Appellant by	:	Sri Tata Krishna, A.R.
Respondent by	:	Sri N. Balusamy, D.R.

Date of Hearing	:	13.02.2026
Date of Pronouncement	:	13.02.2026

O R D E R

PER KESHAV DUBEY, JUDICIAL MEMBER:

This stay petition u/s 253(7) of the Income Tax Act, 1961 (in short “The Act”) filed by the assessee seeking stay of disputed demand amounting to Rs.1,58,44,319/- as raised for the assessment year 2022-23.

2. Before us, the ld. A.R. of the assessee vehemently submitted that prima facie, the assessee has a good case, and the balance of convenience are also in favour of the assessee. Further, the ld. A.R. submitted that there is also mistake in the order of the TPO and accordingly, the assessee has filed an application for rectification u/s 92CA(5) r.w.s. 154 of the Act in respect of the following:-

- To correct margins of Nihar Industries in F.Y. 2021-22
- To correct margins of Woodtek Consultants Pvt. Ltd. for FY 2020-21.
- The reflected Arm's length price of comparable companies.
- TP adjustment has to be restricted to AE Transaction
- Notional interest of AE receivable by applying LIBOR+450 basis points.

2.1. It is submitted that the aforementioned mistake are apparent on record and this Tribunal may while granting the stay application also consider the same.

3. The ld. D.R. on the other hand, vehemently submitted that the stay may be granted subject to the condition that the assessee has paid 20% of the outstanding demand as per the provisions contained in the Act.

4. We have heard the rival submissions and perused the materials available on record. A perusal of the provision of section 254(1) of the Act exhibits that the Appellate Tribunal may, after giving both the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit. After analyzing the facts and considering the submissions made by the ld. A.R. and ld. D.R. as well as the material placed on record, we are of the considered opinion that as per section 254(2A) of the Act, the Tribunal may after considering the merit of the application made by the assessee, pass an order of stay in any proceedings relating to an appeal filed u/s 253(1) of the Act for a period not exceeding 180 days from the date of such order subject to the condition that the assessee deposits not less than 20% of the amount of tax, interest, fee, penalty or any other sum payable under the provisions of this Act or furnishes security of equal amount in respect thereof and the Appellate Tribunal shall dispose of the appeal, which the said period of stay specified in that

order. Undisputedly, the disputed demand for the A.Y. 2022-23 is Rs.1,58,44,390/- for the AY 2022-23. The assessee before us requested to consider the application for rectification u/s 92CA(5) r.w.s. 154 of the Act filed on 12.2.2026 while considering the grant of stay.

4.1 We are of the considered opinion that as per the provisions contained in section 254(2A) of the Act, the Tribunal can grant stay only subject to the condition that the assessee deposit not less than 20% of the disputed demand. We are of the opinion that this is not a case where the ld. A.R. of the assessee demonstrate that there exists certain decision in favour of the assessee either by the jurisdictional High Court/other High Courts. By taking into consideration the rectification application u/s 154 pending before the Authority, we are inclined to grant stay of undisputed demand for the AY 2022-23 for a period of 180 days from the date of this order or till the disposal of the appeal, whichever is earlier subject to the condition that the assessee deposits 20% of the outstanding demand i.e. amounting to Rs.31,70,000/- within 15 days from the date of this order and produce the copy of the same before the AO. It is ordered accordingly.

5. In the result, the Stay application filed by the assessee is partly allowed.

Order pronounced in the open court on 13th Feb, 2026

Sd/-
(Waseem Ahmed)
Accountant Member

Sd/-
(Keshav Dubey)
Judicial Member

Bangalore,
Dated 13th Feb, 2026.
VG/SPS

Copy to:

1. The Applicant
2. The Respondent
3. The CIT
4. The DR, ITAT, Bangalore.
5. Guard file

By order

**Asst. Registrar,
ITAT, Bangalore.**