M/s Gajapati Nagaram PACS Limited v. The Principal Commissioner of Income Tax, Visakhapatnam & Ors.

Writ Petition No. 9429 of 2025

APHC010183182025 | Writ Petition No. 9429 of 2025 (AP HC, decided 16.04.2025) | 2025-04-16

Collection of disputed demand suspended pending appeal; six-month appellate disposal directed following challenge to 15% payment condition.

Income-tax Act, 1961: section 148A (in the pleaded relief) | Constitution of India: Articles 14, 19(1)(g) and 265 (in the pleaded relief)

High Court of Andhra Pradesh | 2-judge bench (Division Bench) | Justice Ninala Jayasurya | Justice Tarlada Rajasekhar Rao

Assessment years: 2019-20

01 FACTS OF THE CASE

The society challenged the Principal Commissioner's order dated 22 August 2024 requiring payment of 15% of the disputed AY 2019-20 demand pending its appeal. Counsel explained delayed return filing and alleged financial constraints prevented payment even of instalments. The Department contested the asserted inability and objected to the writ after the appeal remedy had been invoked.

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02 DISCUSSION BY THE HON'BLE COURT

The Court followed the similar disposal in W.P.27342/2024 dated 31 December 2024. Although several legal grounds had been raised, it resolved the immediate collection issue by directing a timely appellate hearing rather than deciding the validity of the assessment or the payment percentage.

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03 JUDICIAL DECISION

The Appellate Authority must dispose of the appeal within six months from receipt of a copy of the order. Pending disposal, no action to collect the outstanding demand or instalments may be initiated. Liability remains subject to the appellate merits decision. Additional material may be filed and the petitioner must receive a hearing. The writ was disposed of without costs.

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04 OUTCOME / IN WHOSE FAVOUR

Collection is protected pending the appeal, while the disputed liability remains undecided. The Court directed a hearing and permitted additional material; it did not grant a substantive tax exemption or cancel the assessment.

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05 EXPERT COMMENTS

AKHB EXPERT COMMENTS — editorial analysis, distinct from the Court's findings.

Relief addresses collection rather than the final tax result — The 15% condition brought the society to Court, but the operative relief suspends collection pending appellate disposal. The judgment does not hold that this percentage is unlawful generally or that the society has proved its substantive tax claim. Liability is expressly tied to the appeal's merits.

Two distinct time conditions govern implementation — The six-month disposal period starts on receipt of a copy, not simply on the judgment date. The collection restraint is worded to last pending disposal of the appeal. Recording service of the order is therefore important to the disposal timetable; the source does not state that collection automatically resumes merely because six months expire.

The appeal remains the place to establish the society's case — Liberty to produce additional material and the required hearing give practical content to the appellate route. The financial-hardship account was contested, not conclusively established. The society must still support its grounds before the appellate authority; the earlier similar writ supplied the procedural approach, not an automatic merits answer.

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SOURCE & VERIFICATION

High Court of Andhra Pradesh official judgment PDF - AKHB Repository (20250415_APHC010183182025.pdf)

3-page official High Court of Andhra Pradesh judgment PDF (20250415_APHC010183182025.pdf, 110,516 bytes).

All 3 original pages read and visually inspected; all five panels audited.

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STATUTORY SCOPE

Section 148A and constitutional provisions appear in the pleaded relief. The Court did not determine those grounds; it directed appellate disposal and protected against collection.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment has not been independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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