Kawaljit Enterprises v. Commissioner of Income Tax & Ors.

Writ Petition 11268/2004

W.P. No. 11268/2004 (Andhra Pradesh High Court, 2004-07-27) | 2004-07-27

Interest-waiver refusal set aside for inconsistent cooperation findings

220(2A) | 226(5)

Andhra Pradesh High Court | Division Bench at Hyderabad | Bilal Nazki | S. Ananda Reddy

Assessment years:

01 FACTS OF THE CASE

Kawaljit Enterprises challenged refusal to waive Rs.3,91,090 interest under section 220(2A). The Commissioner accepted genuine hardship and circumstances beyond the assessee's control, but rejected the cooperation condition, citing missed hearings and coercive recovery followed by a request to adjust a sister concern's refund.

Source: PDF pp.2–4

02 DISCUSSION BY THE HON'BLE COURT

The Court found the recovery-based reasoning inconsistent with the accepted inability to pay for reasons beyond control. Non-appearance on particular dates did not itself establish non-cooperation. The assessing authority had expressly recorded that the assessee and representative cooperated in finalising the case; an adjournment request did not negate that record.

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03 JUDICIAL DECISION

The Commissioner's order was set aside and the matter remanded for fresh orders keeping the Court's observations in view. The writ was allowed without costs.

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04 OUTCOME / IN WHOSE FAVOUR

The assessee obtained reconsideration of the waiver request. The High Court did not itself waive Rs.3,91,090 or order a refund.

Source: PDF pp.2–4

05 EXPERT COMMENTS

All three conditions remain part of the statutory enquiry — The judgment expressly treats hardship, circumstances beyond control and cooperation as required conditions. It does not erase the third condition merely because the first two are met. Its criticism targets the inconsistent reasons used on this record to deny that condition.

Cooperation must be assessed against the whole assessment record — The officer's positive statement about cooperation mattered alongside individual non-appearances. The Court rejected an automatic equation between adjournments and non-cooperation. This is a record-sensitive conclusion, not permission to ignore notices or a general rule that recovery conduct is irrelevant.

Remand is the actual financial outcome — The rejection was removed and a fresh decision required in light of the judicial reasoning. A waiver or repayment would depend on the subsequent order, which is not in this source. The requested interest amount is therefore retained as the claim under consideration, not described as relief already paid or granted.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

Andhra Pradesh High Court order; verified source copy

Complete 5-page supplied source; all pages read.

All 5 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

Only source-supported provisions are indexed; no Income-tax Act, 2025 equivalence is asserted.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not 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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