Pavani Structurals Private Limited; Pavani Estates; Pavani Housing & Finance v. Commissioner of Income Tax (Central) & Anr.

Writ Petitions 1360, 1361, 1362 and 1404/2005

W.P. Nos. 1360, 1361, 1362 and 1404/2005 (Andhra Pradesh High Court, 2005-02-03) | 2005-02-03

Bank garnishee notices withdrawn pending reserved ITAT judgments

226(3)

Andhra Pradesh High Court | Division Bench at Hyderabad | M.H.S. Ansari | T.Ch. Surya Rao

Assessment years:

01 FACTS OF THE CASE

The four Pavani petitions challenged recovery notices of 28 January 2005 and related ITAT stay orders. Appeals concerning assessment and revision orders had been heard on 27 August 2004 but judgments were awaited. Earlier proceedings involved restricted stay and instalment arrangements.

Source: PDF pp.4–6

02 DISCUSSION BY THE HON'BLE COURT

The Court declined to resolve disputed responsibility for adjournments. It relied on the completed hearing and the departmental representative's recorded position concerning coercive recovery. As no counter-affidavit was called for, it expressly stated that petitioners' allegations were not deemed admitted and its observations would not prejudice Revenue.

Source: PDF pp.4–6

03 JUDICIAL DECISION

The section 226(3) notices to Union Bank of India/Bharat Overseas Bank were directed to be withdrawn, with no coercive steps until pronouncement of the ITAT judgments. Recovery thereafter could proceed according to law depending on the appeal results. All four writs were disposed of without costs.

Source: PDF pp.4–6

04 OUTCOME / IN WHOSE FAVOUR

Temporary recovery protection through final disposal of the writs; no cancellation of the underlying tax liabilities or decision of the pending appeals.

Source: PDF pp.4–6

05 EXPERT COMMENTS

The endpoint is pronouncement, not an unlimited recovery holiday — Protection was tied to appeals already heard and awaiting judgments. The Court expressly preserved lawful recovery afterwards according to their results. The note therefore distinguishes withdrawal of the identified bank notices from deletion of the tax demand itself.

The order turns on its particular procedural history — Earlier restricted stay, instalment directions and departmental statements before the Tribunal informed the intervention. The Court did not declare that filing any appeal automatically stays collection. Nor did it decide the contested allegation that Revenue had sought adjournments.

Four dockets and the evidentiary reservation both matter — The common order covers Pavani Structurals, Pavani Estates and two Pavani Housing & Finance writs. Keeping all four dockets prevents loss of distinct proceedings. Disposal without a counter-affidavit did not establish every affidavit allegation: the Court expressly protected the respondents against that inference.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

Andhra Pradesh High Court order; verified source copy

Complete 7-page supplied source; all pages read.

All 7 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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