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

W.P. Nos. 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Bank garnishee notices ordered withdrawn while reserved Tribunal judgments were awaited.

Income-tax Act,1961: sections 226(3)

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

Assessment years: Not specified in order text

01 FACTS OF THE CASE

The four Pavani group writs challenged demand and bank notices dated 28 January 2005. The Tribunal appeals had already been heard on 27 August 2004 and judgments were awaited. Earlier proceedings involved conditional instalments, restricted stay and disputed responsibility for adjournments.

Source: PDF pp.1–5

02 DISCUSSION BY THE HON'BLE COURT

The Court declined to resolve the adjournment dispute. It considered the completed Tribunal hearing and the Departmental Representative's recorded assurance against coercive measures material. Disposal at admission did not mean that Revenue admitted the petitioners' affidavit allegations.

Source: PDF pp.4–5

03 JUDICIAL DECISION

The authorities were directed to withdraw the section 226(3) notices to the identified banks and take no coercive steps until pronouncement of the Tribunal judgments. Thereafter recovery could proceed according to law and the appeal results.

Source: PDF pp.5–6

04 OUTCOME / IN WHOSE FAVOUR

All four writs were disposed of without costs. The protection ended with pronouncement, not with exhaustion of every possible later appeal. No underlying assessment or disputed affidavit fact was adjudicated.

Source: PDF pp.4–6

05 EXPERT COMMENTS

AKHB Expert Comments — editorial analysis, distinct from the Court's findings.

The timing of the appeal distinguished this recovery dispute: The Tribunal had already heard the appeals and reserved judgment. That circumstance, together with the recorded assurance, supported protection against collection in the intervening period. The order should not be recast as an automatic stay whenever an appeal is filed. (PDF pp.4–5)

Withdrawal of notices did not extinguish the demand: The Court removed the immediate bank-recovery mechanism and imposed a defined restraint. It expressly permitted later lawful recovery depending on the appeal result, preserving the distinction between temporary collection protection and substantive tax relief. (PDF pp.5–6)

Unresolved allegations remain unresolved: The Bench expressly protected Revenue from treating affidavit statements as admitted and declined to decide who caused adjournments. A case account should therefore rely on the undisputed reserved-judgment position, not assign procedural fault as an established finding. (PDF pp.4–5)

Source: PDF pp.4–5

SOURCE & VERIFICATION

Original High Court judgment PDF — AKHB source repository

Complete 7-page original reviewed; source bytes verified.

Full original and all five panels re-reviewed on 21 October 2026.

Open cited source rendition

Complete original source and all five note panels checked; original docket identities preserved.

STATUTORY SCOPE

Current law and subsequent treatment not independently verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent proceedings and current judicial treatment have 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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