**_THE HON'BLE SRI JUSTICE RAMESH RANGANATHAN_**
**_AND_**
**_THE HON'BLE SRI JUSTICE M.SATYANARAYANA MURTHY_**

**Writ Petition No.6557 of 2016**

**ORDER**: (per Hon'ble Sri Justice Ramesh Ranganathan)

Heard both Sri S.Ravi, learned Senior Counsel appearing on behalf of the petitioner, and Sri J.V.Prasad, learned Senior Standing Counsel for Income Tax, and, with their consent, the writ petition is disposed of at the stage of admission. The notice, under Section 226(3) of the Income Tax Act, 1961 (for short "the Act") dated 22.02.2016 calling upon the 3rd respondent to make payment, due from them to the petitioner of Rs.47,67,86,033/-, is under challenge in this writ petition.

While ordering notice before admission on 29.02.2016, this Court directed the petitioner to maintain a minimum balance of Rs.48 crores in their bank account for a period of one week, the 3rd respondent-Bank to ensure that withdrawals by the petitioner would not result in the minimum balance in their account being reduced below Rs.48 crores, and the other respondents not to enforce the garnishee notice for one week.

Sri S.Ravi, learned Senior Counsel appearing on behalf of the petitioner, would submit that the appeals, preferred against the orders of assessment passed by the 1st respondent, are pending before the 2nd respondent; the applications filed by the petitioner before the 1st respondent, under Section 220(6) of the Act, are yet to be considered; and, in view of the CBDT Office Memorandum dated 29.02.2016, the 1st respondent cannot resort to coercive measures, for recovery of the tax due under the assessment orders, till the stay petitions filed by the petitioner are disposed of.

Sri J.V.Prasad, learned Senior Standing Counsel for Income Tax, while fairly stating that the stay applications filed by the petitioner, under Section 220(6) of the Act, are still pending before the 1st respondent, would request that the interim order passed earlier on 29.02.2016 be continued till the stay applications are disposed of by the 1st respondent.

Notwithstanding the submission of Sri S.Ravi, learned Senior Counsel, that continuance of the earlier interim order would be not justified, and as we propose to direct the 1st respondent to dispose of the stay applications at the earliest, the interests of both the parties would be secured if the earlier interim order were to continue till then.

The writ petition is disposed of directing the 1st respondent to dispose of the stay applications pending before him, after giving the petitioner an opportunity of a personal hearing, within three weeks from today. While the petitioner and the 3rd respondent shall both ensure that a minimum balance of Rs.48 crores remains in the petitioner's bank account with the 3rd respondent, the impugned garnishee notices, issued even before the stay applications under Section 220(6) of the Act could be disposed of, are set aside. It is made clear that this order shall not preclude the 1st respondent from deciding the stay applications and, thereafter, taking action, if need be, in accordance with law.

The miscellaneous petitions pending, if any, shall also stand disposed of. There shall be no order as to costs.

**RAMESH RANGANATHAN, J**

**M. SATYANARAYANA MURTHY, J**

Date: 04.03.2016
**Note: Issue C.C. by 08.03.2016**
JSU

***THE HON'BLE SRI JUSTICE RAMESH RANGANATHAN***

***AND***

***THE HON'BLE SRI JUSTICE M.SATYANARAYANA MURTHY***

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**Date: 04.03.2016**

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