

Demand stayed until disposal of condonation application with direction to deposit of 10% of tax demand: HC

Summary – The High Court of Kerala in a recent case of Hi Care Gloves (P.) Ltd., (the Assessee) held that demand should be stayed until disposal of condonation application with direction to deposit of 10% of tax demand

Facts

- The petitioner filed writ and sought to stay all further proceedings pursuant to freezing of bank accounts. The petitioner also submitted that substantial prayers and grounds were pending consideration in appeals. To prove *bona fide* of the petitioner, the petitioner offered to deposit 10 percent of the tax demanded in assessment orders.
- The respondent authority opposed the instant writ petitions.

Held

- The HC held that the appeals are pending and would eventually be disposed. Since the bank accounts of the petitioner are frozen and the petitioner has offered to deposit 10 per cent of the amount determined, the petitioner should deposit 10 per cent of the tax amount demanded within one week.
- The second respondent should consider and dispose of the delay condonation petitions within two weeks from the date of appearance. Further, the respondents are directed not to recover or realise the amount from the frozen bank accounts for a period of three weeks.