



CWP NO.3121 OF 2026 (O&M)

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

CWP NO.3121 OF 2026 (O&M)

Baddi University of Emerging Sciences & Technology

...Petitioner

Versus

**Commissioner of Income Tax (Exemptions) Chandigarh
and others**

...Respondents

1.	The date when the judgment is reserved	04.02.2026
2.	The date when the judgment is pronounced	12.02.2026
3.	The date when the judgment is uploaded	13.02.2026
4.	Whether only operative part of the judgment is pronounced or whether the full judgment is pronounced	Full
5.	The delay, if any of the pronouncement of full judgment, and reasons thereof	Not applicable

**CORAM : HON'BLE MR. JUSTICE DEEPAK SIBAL
HON'BLE MS. JUSTICE LAPITA BANERJI**

Present : Mr. Sandeep Goyal, Senior Advocate with
Mr. Rishab Singla, Advocate,
for the petitioner.

Ms. Pridhi Jaswinder Sandhu, Senior Standing Counsel
For respondent-revenue department.

LAPITA BANERJI, J.

Prayer in the present petition filed under Articles 226/227 of the Constitution of India, *inter-alia*, is for issuance of a writ in the nature of certiorari for quashing of a letter dated January 14, 2026 (Annexure P-16) issued by respondent No.2-Deputy Commissioner of Income Tax (Exemptions), Chandigarh to respondent No.4-Punjab National Bank through its Chief Branch Manager for attachment of the bank accounts of the petitioner, being illegal and in contravention of provisions of the Income

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Tax Act, 1961 (hereinafter referred to as “the 1961 Act”) since the appeals filed by the petitioner before respondent No.6-Commissioner (Appeals) have been pending for more than three years. The petitioner has also prayed for stay of operation of the letter dated January 14, 2026 during the pendency of the statutory appeal/the writ petition. Further, a prayer has also been made for expeditious disposal of the stay application filed by the petitioner on January 19, 2026 and the main appeals dated October 20, 2022, April 29, 2024 and January 19, 2026.

2. The facts of the case in brief are as follows:

i) The petitioner, an income tax assessee, is a Trust imparting education to the students. The petitioner is registered under Section 12AA of the 1961 Act. It has further obtained registration under Section 12A(1)(ac)(i) of the Act and has obtained exemptions from time to time under Section 80G(5).

ii) For the assessment year 2020-21, the petitioner filed its Income Tax Return (ITR) by declaring ‘NIL’ income claiming exemption under Section 12A of the Act. The said ITR was selected for scrutiny and notices under Section 143(2) and 142(1) of the 1961 Act were issued to the petitioner, calling for information.

iii) The said proceedings culminated into passing of order dated September 23, 2022 (Annexure P-3) under Section 143 (3) read with Section 144B of the 1961 Act, whereby an addition of Rs.1,34,71,225/- was made by disallowing the expenses on account of Amortization, salary/allowances and certain other expenses under Section 13 (3) of the Act.

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- iv) Pursuant thereto, a demand notice dated September 23, 2022 (Annexure P-4) was issued to the petitioner raising a demand of Rs.61,32,372/-.
- v) Feeling aggrieved by the aforesaid demand notice, the petitioner filed an appeal before the Commissioner (Appeals)- respondent No.6 on October 20, 2022 along with an application for stay. Both the appeal and application for stay are pending adjudication as on date.
- vi) For the assessment year 2022-23, the petitioner filed its ITR on November 07, 2022 declaring its income to be 'NIL'. The said ITR was subject to scrutiny proceedings. An assessment order dated March 30, 2024 (Annexure P-7) under Section 143 (3) read with Section 144B of the 1961 Act was passed whereby an addition of Rs.24,29,49,067/- was proposed by disallowing various deductions as claimed by the petitioner.
- vii) Pursuant thereto, a demand notice dated March 30, 2024 (Annexure P-8) was issued raising a demand of Rs.12,84,38,418/-.
- viii) Feeling aggrieved and dissatisfied with the impugned demand notice dated March 30, 2024, the petitioner preferred an appeal before the Commissioner of Income Tax (Appeals) on April 29, 2024. No stay application was filed at the time of filing of the appeal. The said appeal is pending adjudication before respondent No.6.
- ix) Under Section 270A of the 1961 Act, an order dated August 29, 2024 imposing penalty of Rs.5,17,89,691/- was imposed for the assessment year 2022-23. An appeal challenging the penalty order was filed before the Commissioner (Appeals) on January 19, 2026.

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x) The petitioner had filed its written submissions in appeal for the assessment year 2020-21 vide acknowledgment receipts dated February 15, 2023 and January 09, 2025 (Annexure P-10). The written submissions in appeal for the assessment year 2022-23 was filed through acknowledgment receipt dated January 21, 2025 (Annexure P-11).

(xi) During the pendency of the aforesaid appeals, the petitioner received several recovery notices dated November 12, 2024 (Annexure P-12), February 25, 2025 (Annexure P-13), July 02, 2025 (Annexure P-14) and August 19, 2025 (Annexure P-15) issued by respondent No.2. Admittedly, replies were not filed on behalf of the petitioner to the aforesaid notices.

xii) Vide impugned letter dated January 14, 2026 (Annexure P-16) issued by respondent No.3-National Faceless Assessment Centre (NFAC) to respondent No.4-Punjab National Bank (PNB), the bank accounts of the petitioner maintained with respondent No.4-bank were attached to recover a demand of Rs.18,63,57,371/- pertaining to the assessment years 2020-21 and 2022-23.

xiii) After the letter of attachment dated January 14, 2026 was sent to the respondent No.4-Bank immediately the petitioner filed an application under Section 220(6) of the 1961 Act on January 19, 2026 for stay of outstanding demands for the assessment years 2020-21 and 2022-23 and for release of bank accounts.

SUBMISSIONS

3. Mr. Goyal, learned senior advocate appearing on behalf of the petitioner submits that despite the appeals being pending since long, the

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respondent No.6 failed to adjudicate the same. Illegally and arbitrarily the recovery notices dated November 12, 2024, February 25, 2025, July 02, 2025 and August 19, 2025 had been issued by the authorities which could not be responded to by the petitioner-trust as the Accountant who used to oversee its tax related issues had left his job. All the recovery notices were sent to the e-mail id of the accountant who did not transmit the same to the petitioner. Due to illegal and arbitrary attachment of petitioner's bank accounts, the petitioner is unable to meet the daily expenses of running the institute. The fixed monthly expenditure of Rs.1,38,46,316/- which includes salary, statutory liabilities and expenses of mess etc., cannot be paid by the petitioner unless it can operate its bank accounts.

4. Mr. Goyal further submits that the respondents should have decided petitioner's appeal expeditiously, first of which is pending since 2022. At least, application for stay of the recovery notices should have been decided expeditiously and the bank accounts of the petitioner should have been de-attached.

5. Ms. Sandhu, learned Standing counsel for the revenue appears on advance notice to assist the Court and submits that the attachment was done in accordance with law as replies were not filed by the petitioner despite several recovery notices/reminders being sent to it. Moreover, no application for stay was filed along with the appeal preferred on April 29, 2024. It is only when the accounts of the petitioner-trust were attached by the revenue authorities, the petitioner filed application for stay on January 19, 2026 and prayed for expeditious disposal of its appeals. The intention of

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the petitioner was not *bona fide* in nature and rather indicated the contrary thereto. Therefore, the present writ petition should not be entertained.

DISCUSSION AND FINDINGS

6. This Court has heard learned counsel for the parties and perused the material on record.

7. It appears that first appeal for the assessment year 2020-21 filed by the petitioner has been pending since October 20, 2022 and the second appeal for the assessment year 2022-23 has been pending since April 29, 2024 and the third appeal challenging imposition of penalty under Section 270A of the 1961 Act for the assessment year 2022-23 has been pending since January 19, 2026, along with an application of stay which has been filed on January 19, 2026 for stay of recovery notices. Even though there may be no procedural infirmity in passing of recovery notices dated November 12, 2024, February 25, 2025, July 02, 2025, August 19, 2025 and penalty order dated August 29, 2024, still the Court cannot lose sight of the fact that the petitioner-trust is an educational institute that is imparting education to several students which is a beneficial cause for the society. The expenses of the institute are required to be met for its day to day running for the benefit of the students. Unless the petitioner is able to access its bank accounts the institution would stop running causing severe detriment to the interest of the students. It is also true that a considerable time has elapsed since filing of the first two appeals by the petitioner before respondent No.6-Commissioner (Appeals) and the same are still pending adjudication.

8. Therefore, this Court directs the Commissioner (Appeals)-respondent No.6 to decide all the three pending appeals of the petitioner

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filed vide acknowledgments dated October 20, 2022, April 29, 2024 and January 19, 2026 or atleast the application dated January 19, 2026 for stay of recovery notices, within a period of one month from the date of receipt of certified copy of this order.

9. In the meantime, to balance the equities between the parties, this Court directs that upon furnishing of bank guarantee/s to the tune of Rs.1 crore in favour of the competent authority, the petitioner-trust will be allowed to withdraw a sum upto Rs.1 crore only, for meeting its daily expenses.

10. With the aforesaid directions, CWP No.3121 of 2026 is **disposed of.**

11. Connected application(s), if any, shall also stand disposed of accordingly.

(DEEPAK SIBAL)
JUDGE

(LAPITA BANERJI)
JUDGE

FEBRUARY 12, 2026

Shalini

Whether speaking/reasoned:

Yes/No

Whether reportable:

Yes/No