Sr. No.60

IN THE HIGH COURT OF JAMMU & KASHMIR AND LADAKH AT SRINGAR

WP(C) 2680/2026 CM(7330/2026)

THE JAMMU AND KASHMIR POWER DEVELOPMENT CORPORATION LIMITED …Petitioner(s)/appellant(s)

Through: Mr. Sachin Sharma, Advocate (Through VC)

Vs.

PRINCIPAL COMMISSONER OF INCOME TAX AND ANOTHER ...Respondent(s)

Through: Mr. Umar Rashid Wani, Advocate

CORAM:

HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE YASH PAUL BOURNEY, JUDGE

O R D E R
28.10.2026

1. The petition has been preferred with the following prayers:

I) Writ of certiorari or any other appropriate writ, order, or direction. quashing the impugned Order dated 07-09-2026 passed under Section 220(6) of the Income Tax Act, 1961;

II) writ of mandamus directing the Respondent No. 2 to grant stay of demand of Rs.1425555280/- (Rs.1.42 Cr.) raised in pursuance of order of rectification dated 3l-07-2026 treat the petitioner as not being an "assessee in default" in respect of the demand raised for AY 2023-24 without requiring any cash pre-deposit, until the final disposal of the appeal pending before the CIT(A)

III) writ of mandamus to the Respondent No. 1 to dispose of the application dated 16-09-2017 (filed on 17-09-2ot7) for review of impugned order dated 07-09-2026 and not to treat the petitioner as assessee in default" till the disposal of appeal pending disposal before CIT (A).

2. Learned counsel for the petitioner today makes a limited submission that his stay petition is pending in terms of Annexure XIV which is C.B.D.T.'s Instruction No. 1914 dated 02.12.1993, which deals with the recovery of outstanding tax demand under Section 220 and same may be decided expeditiously. He submits that the said the C.B.D.T., circular itself makes a mandate that the stay petition would be decided by the concerned authority within a period of two weeks from filing the petition.

3. The counsel for the petitioner submits that he had filed the petition on 17.09.2026, whereas no order has been passed as stipulated in the circular.

4. Learned counsel for the respondent fairly submits that they were under a mandate in terms of the CBDT circular to decide the petition within a period of two weeks by applying mind and passing a speaking order. However, he assures the Court that whenever the petitioner approaches them, on that single date itself, the stay petition shall be dealt with, strictly in accordance with law and necessary orders would be passed.

5. Learned counsel for the petitioner submits that the petitioner shall appear before the authority on 20.11.2026, and seek protection against any coercive action proposed.

6. This Court, while not going into the merits of the case and only relying on the circular which prescribes the mode of recovery of outstanding demand where all the propositions of the petitioner would be raised, is disposing of the present petition with a direction that while adhering to the CBDT circular and the law in force, the authority shall decide the matter strictly in accordance with law when the petitioner is represented on 20.11.2026. Only until 21.11.2026, no coercive action can be taken for recovery of the amount.

7. Disposed of.

(YASH PAUL BOURNEY)
JUDGE

(DR. PUSHPENDRA SINGH BHATI)
CHIEF JUSTICE

SRINAGAR
28.10.2026
Aadil