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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\# **CNR No. DLHC010087492025**

\+ W.P.(C) 2301/2025, CM APPL. 10916/2025 & CM APPL. 10917/2025

ABHIJEET CHEEMA .....Petitioner

Through: Mr. Ved Jain and Mr. Nischay Kantoor, Advs.

versus

INCOME TAX OFFICER WARD 70(1) DELHI & ORS. .....Respondents

Through: Mr. Siddhartha Sinha, SSC and Ms. Easha Gurung, JSC.

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MR. JUSTICE RAJNEESH KUMAR GUPTA

O R D E R

% **24.08.2026**

1. By way of present writ petition, the petitioner has challenged the action of the Assessing Officer (AO)/CPC, who has raised a demand against the petitioner for difference of the amount which according to him was payable by the petitioner under Section 200A of the Income Tax Act, 1961 (*hereinafter referred to as 'the Act of 1961'*).

2. Mr. Nischay Kantoor, learned counsel for the petitioner argued that the demand raised *vide* orders dated 19.12.2024 and 17.01.2025 (under Section 154 of the Act of 1961) are illegal and contrary to the provisions of the Act of

1961, as the petitioner-assessee had correctly deducted tax at the rate of 1% as per provisions of under Section 194-IA of the Act of 1961, whereas the respondents have taken a stance that it should have been 20%, because payee’s Permanent Account Number (PAN) was not linked with Aadhaar.

3. Mr. Siddhartha Sinha, learned Senior Standing Counsel for the Department, on the other hand, submitted that since payee’s PAN was not linked with the Aadhaar, the petitioner was supposed to deduct tax at higher rate, i.e. 20%, and, therefore, the demand has been rightly raised.

4. Mr. Nischay Kantoor, learned counsel for the petitioner, in rejoinder, pointed out that after filing of the present petition, the Central Board of Direct Tax (CBDT) has issued a Circular no. 9/2025 dated 21.07.2025, wherein it has been stipulated that in case the Aadhaar of the seller/payee is linked subsequently, then also, in such cases, the demands raised against the concerned assessee shall be dropped.

5. We have heard rival counsel and perused the Circular dated 21.07.2025.

6. The petitioner is directed to make a representation before the AO/CPC, alongwith a copy of the Circular dated 21.07.2025, within a period of four weeks from today. The concerned Officer shall consider petitioner’s representation in accordance with law, including the CBDT Circular no. 9/2025, and pass a speaking order within a period of eight weeks of receipt of the representation and communicate such decision to the petitioner.

7. In case, the petitioner is aggrieved by such decision, he shall be free to avail his legal remedies in accordance with law.

8. Until the petitioner’s representation is disposed of, no coercive action shall be taken for recovery of the demand raised *vide* orders dated 19.12.2024

and 17.01.2025.

DINESH MEHTA, J.

RAJNEESH KUMAR GUPTA, J.

AUGUST 24, 2026/*sds*