$~96

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

\+ W.P.(C) 2727/2026, CM APPL. 13249/2026 & CM APPL. 13250/2026

JAG MOHAN GUPTA .....Petitioner

Through: Mr. Ruchesh Sinha, Adv. along with the petitioner in person.

versus

DEPUTY COMMISSIONER OF INCOME TAX, CENTRAL CIRCLE-20 & ANR. .....Respondents

Through: Mr. Vipul Agarwal, SSC with Ms.Sakshi Shainwal, JSC, Mr. Gaoraang Ranjan & Ms.Harshita Kotnu, Advs.

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MR. JUSTICE VINOD KUMAR

ORDER

% **16.04.2026**

1. On 07.04.2026, we had passed the following order:

> *"1. Learned counsel for the petitioner submitted that the total outstanding demand against the petitioner as created by order dated 19.07.2023 passed under Section 245D(4) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act of 1961') read with notice of demand dated 21.07.2023 issued under Section 156 of the Act of 1961 for Assessment Year 2002-03 is Rs.15,18,781/-, whereas Kisan Vikas Patras (KVPs) and Fixed Deposit Receipts (FDRs) which are lying seized with the Income Tax Department, are of a value much more than the demand raised by the Department.*
>
> *2. He further submitted that he has made a representation and requested the respondents either to return the same so that the petitioner can satisfy the*

> *demand or asked them to encash the same, but nothing has been done so far.*
>
> *3. The request made by the petitioner-assessee appears to be reasonable. Because on the one hand, the respondents are not able to recover a valid demand and on the other hand the interest clock is incessantly clicking due to which the due amount against the petitioner is soaring.*
>
> *4. We propose to direct the respondents to hand over the FDRs and KVPs as mentioned in para No.4 of the writ petition, upon the petitioner furnishing the particulars of the bank account and a post-dated cheque equal to the up-to-date demand and an undertaking stating that he shall deposit the entire proceeds of the said FDRs and KVPs in the said bank account. In case of default, the respondents may be allowed to take any proceedings in accordance with the law including initiating proceedings under Contempt of Court Act, 1971.*
>
> *5. Mr. Vipul Agrawal, learned Senior Standing Counsel to complete instructions regarding the same within two weeks."*

2. Pursuant to the observations made by this Court, Mr. Vipul Agarwal, learned senior standing counsel for the respondent has produced a note-sheet dated 10.04.2026 whereby the Assessing Officer (*hereinafter referred to as 'AO'*), Income Tax, Ward-36(1) has calculated the total demand including principal amount due along with interest up to 30.06.2026 (Rs.20,35,166/-).

3. He further submitted that the respondents have no objection if the petition is disposed of as proposed on 07.04.2026.

4. We, therefore, direct the petitioner to appear before the AO on 30.04.2026 at 11:00 am and hand over a postdated cheque (of 01.07.2026) of Rs.20,35,166/- from his account no. 50100028212070 of HDFC Bank.

5. The petitioner shall also furnish an undertaking before the AO to the effect that the entire proceeds of Kisan Vikas Patras (*hereinafter referred to as 'KVP'*) and Fixed Deposit Receipts (*hereinafter referred to as 'FDR'*) after being released from the Department shall be deposited in the petitioner's bank account bearing no. 50100028212070 maintained at HDFC Bank, Shalimar Bagh Branch. The undertaking shall also record that the cheque given shall be honored as and when presented for payment.

6. It shall be required of the AO to release all the FDRs and KVPs as mentioned in the seizure memos and *panchnama*, as soon as an undertaking and a cheque is furnished before him.

7. In case, the petitioner faces any difficulty in getting the amount of proceeds credited, he shall be free to move to the High Court for seeking directions.

8. In case the cheque of Rs.20,35,166/- given by the petitioner is not honored, the respondents shall be free to take up not only the recovery proceedings but also other appropriate proceedings, including filing of complaint under Section 138 of the Negotiable Instruments Act, 1881 and petition seeking initiation of proceedings against the petitioner under the Contempt of Courts Act, 1971.

9. The writ petition is disposed of. All pending applications are also disposed of.

DINESH MEHTA, J

VINOD KUMAR, J

APRIL 16, 2026/kk