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

\+ W.P.(C) 5069/2026

M S SN ENVIRO TECH PRIVATE LIMITED .....Petitioner

Through: Mr. S.D. Singh and Mr. Siddharth Singh, Advs.

versus

THE ASSISTANT COMMISSIONER OF INCOME TAX .....Respondent

Through: Mr. Puneet Rai, SSC

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

<u>O R D E R</u>

% 16.04.2026

1. By way of present writ petition, the petitioner has challenged the order dated 05.01.2026 passed by the Assessing Officer(AO) on petitioner's application/request for stay of demand preferred under Section 220(6) of the Income Tax Act, 1961(*hereinafter referred to as 'the Act of 1961'*).

2. Learned counsel for the petitioner submitted that the assessing officer order has rejected petitioner's stay application simply by relying upon the Central Board of Direct Taxes (CBDT) Circular dated 29.02.2016 and the circular dated 31.07.2017, which requires deposition of 20% of the requisite demand.

3. He argued that the assessment order which was passed against the petitioner was absolutely illegal and unless the merit of the case is taken into

account, the order under Section 220(6) cannot be said to be a valid order.

4. Learned counsel for the petitioner also argued that the demand raised by the AO is *per-se* illegal and contrary to law.

5. Mr. Puneet Rai, learned Senior Standing Counsel on the other hand argued that the CBDT circulars dated 29.02.2016 and 31.07.2017 based on which the petitioner had moved the application for stay, itself provides a remedy of review against decision of the AO which lies before the Pr. CIT/CIT as per the Clause 4(c) of the Circular.

6. He submitted that since an efficacious remedy has been provided the writ petition should not be entertained.

7. In rejoinder, learned counsel for the petitioner invited Court's attention towards judgment in the case of **Clearmedi Healthcare (P.) Ltd. v. Deputy Commissioner of Income-tax, Circle 4(2), Delhi** [2025] 181 taxmann.com 947(Delhi) and submitted that in similar circumstances, the rejection of request of stay has been set aside by the coordinate Bench of this Court.

8. Having heard, learned counsel for the parties and on going through the order passed in the case of **Clearmedi Healthcare (P.) Ltd. (supra),** we find that neither the objection regarding the remedy of review given under Circular 29.02.2016 was brought to the notice of the Division Bench nor has any adjudication been made in this regard.

9. We are, therefore, of the view that the petitioner is required to take its remedy before the Pr.CIT/CIT in terms of Clause 4 (c) of the Circular dated 29.02.2016.

10. In case the petitioner prefers a review within a period of two weeks from today, the concerned Pr.CIT/CIT shall consider the same in accordance

with law. While doing so, the Pr.CIT/CIT shall not be swayed by the rejection of instant writ petition, because we have not examined the merit of petitioner's case.

11. With these observations, the petition stands disposed of.

DINESH MEHTA, J

VINOD KUMAR, J

APRIL 16, 2026/*ss*