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

% *Date of decision: 3<sup>rd</sup> February, 2026.*

+ W.P.(C) 880/2026 CM APPL. 4297/2026, CM APPL. 6774/2026

M/S MHJ METALTECHS PVT LTD .....Petitioner

Through: Mr. Abhinav Sharma, Adv.

versus

INCOME TAX OFFICER, WARD 16(1), DELHI .....Respondent

Through: Mr. Gaurav Gupta, SSC, Mr. Shivendra Singh, JSC, Mr. Yojit Pareek, JSC, Mr. Surya Jindal, Adv.

**CORAM:**

**HON'BLE MR. JUSTICE DINESH MEHTA**

**HON'BLE MR. JUSTICE VINOD KUMAR**

**JUDGMENT**

**DINESH MEHTA, J. (Oral)**

1. By way of present writ petition, petitioner has challenged the proceedings that have been initiated by the respondent-Assessing Officer (*hereinafter referred to as 'AO'*) vide notice dated 20.03.2024 under Section 148A(b) of the Income Tax Act, 1961 (*hereinafter referred to as the 'Act of 1961'*) so also the subsequent letter/notice dated 17.04.2025, which the respondent has issued.

2. While inviting Court's attention towards the notice dated 20.03.2024 and the reasons recorded therein, learned counsel for the petitioner argued that a passing reference has been made to transactions of Rs.46,00,460/- and Rs.89,86,36,597/- as bogus sales and purchases and no details or information was given by the respondent about the aforesaid transactions.



He submitted that when the subsequent letter dated 17.04.2025 (Annexure P-2) was issued, the AO did not provide any further details about the allegations and suddenly, name of the supplier *qua* the purchase transaction of Rs.46,00,460/- has been changed to Reema Polychem Pvt. Ltd., which earlier was shown as M/s Johnson Watch Group and M/s Kapoor Watch Group & others.

3. Learned counsel for the petitioner argued that while initiating the proceedings afresh and issuing notice, the AO has not only changed the name of the party involved in the transaction of Rs.46,00,460/- but has also ignored the binding directions passed by this Court in petitioner's earlier writ petition being W.P.(C) 1931/2025 (**M/s MHJ Metaltechs Pvt. Ltd. v. Income Tax Officer**), which came to be disposed of vide order dated 21.03.2025, that too in view of the concession given by the **respondent-department**.

4. Learned counsel argued that if the scheme of the provision contained in Section 148 of the Act of 1961 is taken into consideration, it is apparent that it speaks of providing the information to the assessee and unless the details or information in relation to the transaction is provided to the noticee or the assessee, it cannot be expected of the assessee to give a reply and satisfy the Assessing Officer that no income has escaped assessment.

5. Learned counsel argued that the proceedings are based on no material and the inquiry being conducted by the respondent is a fishing and roving inquiry, which is impermissible in law within the parameters laid down under Section 148 of the Act of 1961.

6. Mr. Gaurav Gupta, learned senior standing counsel appearing for the respondent-department, at the outset submitted that true it is, that in view of



the concession given by the department, earlier order dated 30.03.2024 passed under Section 148A(d) of the Act of 1961 was quashed by this Court vide order dated 21.03.2025, but the basic notice dated 20.03.2024 issued under Section 148A(b) was not touched by the Court, rather it remained as it was. He submitted that the High Court on earlier occasion consciously affirmed the invocation of powers of re-assessment.

7. He argued that the argument, which the petitioner is seeking to advance today, that the notice is without jurisdiction, was very much available to the petitioner and was in fact, the premise for filing the writ petition, but no interference was made by the Court and, therefore, this Court should not this time, grant any indulgence to the petitioner. So far as the validity of initiation of proceedings under Section 148 of the Act of 1961 is concerned, he further submitted that notice under Section 148A(b) of the Act of 1961 is a pre-cursor to the proceedings under Section 148 of the Act of 1961 and that the basic requirement of providing information has been complied with by the AO and that the copy of the document or material cannot be claimed at this juncture.

8. It was also argued by Mr. Gupta that no jurisdictional issue has been raised by the petitioner warranting interference by this Court.

9. In rejoinder, Mr. Abhinav Sharma, learned counsel appearing for the petitioner placed reliance upon the judgment rendered in the case of **Best Buildwell Pvt. Ltd. v. Income Tax Officer, Circle-IV(2), Delhi & Anr.** Reported in 2022 SCC OnLine Del 2313 and argued that in almost similar circumstances, this Court has quashed the notice, however, while giving liberty to the respondent to proceed after providing copy of the report and the relevant material to the petitioner therein.



10. Heard learned counsel for the parties and perused the record.
11. So far as the petitioner's basic contention that while issuing notice, the AO had not provided relevant information to the petitioner is concerned, a perusal of the Annexure appended with the notice dated 20.03.2024 reveals that reference to two figures i.e. Rs.46,00,460/- on the ground of bogus purchases so also the amount of Rs.89,86,36,597/- as fictitious sale has been made. Simply because names of M/s Johnson Watch Group and M/s Kapoor Watch Group & others have been mentioned without specifically mentioning about the concern or entity with whom the petitioner had allegedly dealt with, it cannot be said that the reasons recorded or the information provided are not sufficient. A perusal of sub-section (1) of Section 148A of the Act of 1961 (as it stood before the amendment vide Finance Act, 2021) reveals that it simply provides for information suggesting income chargeable to tax has escaped assessment is to be supplied along with the notice.
12. Information according to this Court means a concise narration or detail about the conclusion or inference, which the AO has drawn from the material available with him. Such views of ours is fortified, if we look at the provision contained in sub-section (3) of Section 148A of the Act of 1961, where the legislation has used the expression "on the basis of material available on record".
13. On a careful reading of sub-section (3) of Section 148 of the Act of 1961, it is apparent that the framers of law have carved out a clear distinction between the material available on record and the information to be supplied. We are, therefore, of the considered view that supply of information does not necessarily mean that copies of the entire material



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available on record have to be supplied to the petitioner or assessee along with notice under Section 148A(1) or 148A(b), as the case may be.

14. If the argument of the petitioner as advanced is accepted and it is held that every material has to be supplied to the assessee along with the notice under Section 148A(1) or Section 148A(b) (as applicable from time to time), it will result in protraction of the proceeding and giving assessee unwarranted opportunity to defend the transactions, which he had withheld while filing the return of income by way of getting the relevant material or defence manufactured.

15. Needless to observe that the burden is always on the AO to prove that the assessee has indulged into some transactions out of books, by way of cogent evidence and material.

16. In view of the discussion foregoing, we do not find any jurisdictional error in the impugned notice dated 20.03.2024 and the proceedings undertaken by the respondent. The petition is, therefore, dismissed.

17. All pending applications also stand disposed in the aforesaid terms.

**DINESH MEHTA  
(JUDGE)**

**VINOD KUMAR  
(JUDGE)**

**FEBRUARY 3, 2026/ck**