M/s MHJ Metaltechs Pvt. Ltd. v. Income Tax Officer, Ward 16(1), Delhi

W.P.(C) 880/2026

2026:DHC:872-DB; W.P.(C) 880/2026, decided 03.02.2026 | 2026-02-03

Dismissal of writ petition challenging Section 148A(b) notice dated 20.03.2024 and follow-up notice dated 17.04.2025 regarding alleged bogus purchases/sales of Rs. 46,00,460/- and Rs. 89,86,36,597/-; the AO is required to supply the gist of information under Section 148A(b) but not copies of the entire investigation dossier at the show-cause stage.

Income-tax Act, 1961: sections 148, 148A(b), 148A(d)

High Court of Delhi | 2-judge bench (Division Bench) | Justice Dinesh Mehta | Justice Vinod Kumar

Assessment years: Not specified in supplied order

Adverse ruling on premature writ challenges to Section 148A(b) notices demanding full investigation files

The Court held that Section 148A(b) does not mandate supplying every piece of investigation material at the threshold show-cause stage, while clarifying that during assessment the burden remains on the AO to prove out-of-books transactions by cogent evidence.

01 FACTS OF THE CASE

The petitioner filed W.P.(C) 880/2026 challenging a notice dated 20.03.2024 under Section 148A(b) and a subsequent notice/letter dated 17.04.2025 alleging bogus sales and purchases of Rs. 46,00,460/- and Rs. 89,86,36,597/-, contending that copies of the entire underlying material were not furnished and that the supplier name for the Rs. 46,00,460/- transaction was corrected from Johnson Watch Group / Kapoor Watch Group to Reema Polychem Pvt. Ltd.

Source: PDF pp. 1-3, paras 1-6

02 DISCUSSION BY THE HON'BLE COURT

The Court held the notice annexure sufficiently identified alleged bogus purchases of Rs.46,00,460 and fictitious sales of Rs.89,86,36,597. It distinguished information summarising an inference from copies of every underlying item of material. Supply of the entire record was not required with the preliminary notice. It expressly retained the AO's burden to prove off-book transactions with cogent evidence. The changed supplier name was the petitioner's argument; the Court did not expressly find that this change itself provided greater clarity.

Source: PDF p.4

03 JUDICIAL DECISION

Finding no jurisdictional error in the notice dated 20.03.2024 and the subsequent proceedings, the High Court dismissed the writ petition.

Source: PDF p. 5, paras 16-17

04 OUTCOME / IN WHOSE FAVOUR

Revenue - Writ petition challenging Section 148A(b) proceedings dismissed.

Source: PDF p. 5, para 16

05 EXPERT COMMENTS

Sufficient information is still required — The Court accepted the specified amounts and descriptions in this annexure. Its distinction between information and the entire record does not mean an empty or unintelligible allegation must always suffice.

Threshold survival is not proof of the addition — Dismissal allows the proceedings to continue. Paragraph 15 expressly keeps the evidential burden on the AO; neither bogus purchases nor fictitious sales were finally proved by this notice-stage ruling.

Separate the supplier argument from the holding — The petitioner complained that the supplier changed to Reema Polychem. The judgment does not expressly reason that the change improved clarity; that earlier editorial assertion was unsupported.

Check the printed statutory references — The source mixes section numbers and historical formulations in paragraphs 11–13. Preserve its reasoning but independently verify the applicable text before using those references in a pleading.

Source: PDF p.4

SOURCE & VERIFICATION

High Court of Delhi official judgment PDF - AKHB Repository (DLHC011090332025_1_2026-02-03.pdf)

5-page official High Court of Delhi judgment PDF (DLHC011090332025_1_2026-02-03.pdf, 86,242 bytes).

Complete source text and every original page visually reviewed; identity and SHA-256 checked. AI-assisted source analysis.

Open cited source rendition

All 5 physical pages of DLHC011090332025_1_2026-02-03.pdf (86,242 bytes) extracted and verified page-by-page. SHA-256: dfc9dcfbf16728dbd9da462a312c2f13c04fe45212ee50bbffe2f2d344bf97de | Google Drive File ID: 18StpN3p7ZpwK984WJY5qnhfQAClts2i3.

STATUTORY SCOPE

The source refers to different section 148A formulations; paragraph 11 also prints a pre-Finance Act 2021 description, and paragraph 13 refers to section 148(3). These printed references require separate statutory-version checking before reliance.

LATER TREATMENT

Source checked 2026-10-21. Subsequent judicial treatment has not been independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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