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

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*Date of Decision : 27.11.2025*

+ **W.P.(C) 17047/2025**

AMANDEEP SINGH PROPRIETOR,  
GURU KRIPA ENTERPRISES

.....Petitioner

Through: Mr. Karan Singh and  
Mr. Rohit Agarwal, Advocates

versus

OFFICE OF THE ASSISTANT COMMISSIONER OF  
INCOME TAX CIRCLE 10 (1)

.....Respondent

Through: Mr. Abhishek Maratha, SSC,  
Mr. Apoorv Agarwal, Mr. Parth  
Samwal, JSCs and Ms. Nupur  
Sharma, Mr. Gaurav Singh,  
Mr. Bhanukaran Singh Jodha,  
Ms. Muskan Goel, Mr. Himanshu  
Gaur and Mr. Nischay Purohit,  
Advocates

**CORAM:**

**HON'BLE MR. JUSTICE V. KAMESWAR RAO**

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

**VINOD KUMAR, J. (ORAL)**

1. The present writ petition has been filed seeking a writ of  
Certiorari or Mandamus praying for setting aside a notice dated



30.06.2025 issued under Section 148 of the Income Tax Act, 1961 (in short 'the Act'), order dated 30.06.2025 under Section 148A (3) of the Act, notice dated 13.06.2025 under Section 148A(1) of the Act and notice dated 29.03.2025 under Section 148A(1) of the Act issued by the respondent-Revenue for the Assessment Year (in short 'A.Y.') 2021-22.

2. The case of the petitioner is that he had filed Return of Income on 14.03.2022 declaring an income of Rs.8,53,950/- for the A.Y. 2021-22. On 29.03.2025, the respondent issued a notice under Section 148A (1) for the A.Y. 2021-22 to the petitioner stating that income chargeable to tax has escaped assessment "as per risk management strategy" and alleged that various dummy/shell entities/companies and bank accounts were associated with the petitioner. On 07.04.2025, a reply was filed by the petitioner to the aforesaid notices raising objection that 'reason to believe' relied upon by the respondent is a wrong 'reason to believe' and that *prima-facie* no relation of petitioner is established with the transactions carried through bank accounts and dummy/shell entities/companies as mentioned in Table-3 and Table-4 of the confidential report. It was argued that the respondent has wrongly presumed the sales and purchases by the petitioner to be unexplained. Accordingly, in the reply, he prayed for dropping of the proceedings.



3. It is submitted that on 21.05.2025, another notice under Section 129 of the Act was issued by the respondent to the petitioner informing him about change of Assessing Officer whereby final opportunity was afforded to the petitioner to submit reply ignoring the fact that the petitioner has already submitted a reply on 07.04.2025. As per the petitioner, on 23.05.2025 and 24.05.2025, the replies were filed by the petitioner to the comprehensive confidential report and notice dated 29.03.2025 raising objections along with the documents specifically stating that 'reasons to believe' as mentioned in this notice were wrong and unfounded, in as much as the bank certificates dated 16.04.2025 and 23.05.2025 are very clear that the bank account presumed by the respondent to be associated with the petitioner are neither linked nor in any manner associated with the petitioner and that dummy or shell entities were not reflected in any of the petitioner's GST Returns and do not match with the GST Portal data pertaining to the petitioner. Learned Counsel for the petitioner submits that on 13.06.2025, the respondent again issued a notice under Section 148 A(1) of the Act for the A.Y. 2021-22 stating that his income chargeable to tax has escaped assessment without first withdrawing the notice dated 23.03.2025 and that respondent wrongly presumed that various bank accounts were operated by the petitioner. In response to this notice, the petitioner again sent a reply dated 16.06.2025 and a comprehensive reply dated 21.06.2025



specifically stating that this notice under Section 148A of the Act was issued without first withdrawing the notice dated 23.03.2025 under Section 148A of the Act. Thus, it was requested in the reply that the respondent is duty bound to first withdraw the notice dated 23.03.2025 and only after that the respondent can issue fresh notice under Section 148 of the Act.

4. On 30.06.2025, the respondent passed the impugned order under Section 148A (3) of the Act for the A.Y. 2021-22 and issued the impugned notice under Section 148 (1) of the Act. Learned Counsel for the petitioner argues that impugned notice suffers from fundamental infirmity i.e. **two different sets of 'reasons to believe'** have been furnished by way of notice dated 13.06.2025 and 29.03.2025 which violate the very essence of Section 147 and the settled judicial precedent rendering the reassessment proceedings bad in law. It is further submitted that GST is applicable as per GST rate on taxable value of the goods. Therefore, invoice /purchase amount is equal to total sum of taxable value of the goods and GST applicable on the same and that there is no error in purchase amount, taxable value and GST paid as shown in the table drawn in reply dated 21.06.2025.

5. It is further argued that in the order dated 30.06.2025 under Section 148 A(3) for the A.Y. 2021-22, the respondent wrongly held that the aforesaid bank accounts were operated by or associated with the petitioner merely because the aforesaid



bank accounts were active during relevant period and email ID and address of the petitioner is also used in the said bank accounts. It is submitted that the respondent wrongly believed that the petitioner had evaded tax by manipulating invoice values.

6. The submission of learned Counsel for the petitioner is that the respondent failed to consider reply dated 21.06.2025 and appreciate the facts that any person can use petitioner's email ID or address in any bank account without the consent or knowledge of the petitioner. It is submitted that there is direct evidence that the bank account is in name of the petitioner and the bank account is being operated by or associated with the petitioner. Therefore, it is submitted that the petitioner cannot be held liable for any transaction made through such bank accounts. It is submitted that the respondent wrongly presumed that the invoice values have been manipulated to facilitate tax evasion despite observing that the petitioner maintained compliances with GST regulations. Further, it is submitted that jurisdiction qua GST is before GST authorities and not with the Income Tax Authority.

7. It is further submitted that the respondent has failed to conduct inquiry under Clause (a) of Section 148 A of the Act and the respondent could not establish live nexus between the **'Information'** and **'Escapement of Income'**. Hence, it is submitted that the aforesaid notices and orders are invalid and the same may be quashed.



8. Learned Counsel for the petitioner has relied upon ***Rajnish Puri v. Assistant Commissioner of Income Tax, Circle 43(1), Delhi & Ors. W.P.(C) 11482/2022 dated 05.08.2022***, in which the Division Bench of this court held that allegations in notice issued under Section 148A (b) of the Act have to be precise so that the assessee has a fair and reasonable opportunity to put forward its defense. It was further observed by the Division Bench that if the allegations in the notice under Section 148A(b) of the Act are incorrect or vague, the assessee would be deprived of an opportunity of putting forward his defense and Section 148A(b) of the Act would be rendered nugatory.

9. Learned Counsel for the respondent has argued that the order under Section 148 (A) (3) of the Act is very clear. This order deals with the reply of the petitioner in detail. It also deals fully the facts that establish connection between the assessee i.e. the petitioner and the disputed entities. The GST data analysis and discrepancies have also been discussed as suggesting a pattern where invoice values were manipulated to facilitate tax evasion while maintaining **apparent** compliance with GST regulations. The petitioner's contention that two different sets of 'reasons to believe' were furnished was also held to be both factually incorrect and legally misconceived. Learned Counsel for the respondent submits that the original 'reasons to believe' were passed on the intelligence received from DDIT (investigation) regarding transactions with dummy entities



amounting to Rs.24806728/-. This formed the core foundation for the proposed reassessment proceedings and the subsequent verification through bank records and GST data analysis did not introduce new grounds, rather the same corroborated and strengthened the initial intelligence. Learned Counsel for the respondent pointed out that in the order under Section 148A (3), various judgments including *CIT v. Trend Electronic*, *CIT v. Jet Speed Audio Pvt. Ltd.* and *Hindustan Limited v. R.B. Wadker* were considered, in which it was held that the validity of reassessment must be judged solely on the originally recorded reasons. It was observed by the Assessing Officer that in the present case there was no change or substitution of recorded reasons rather it mentions the facts with which corroboration original reasons in response to the objections raised by assessee and that subsequent communication was purely explanatory and did not introduce any fresh ground for reopening.

10. We have considered the contentions of the learned Counsels for parties and have also considered the judgment in *Rajnish Puri* (Supra) cited by learned Counsel for the petitioner. Perusal of this judgment reveals that in the said case, notice under Section 148A(b) of the Act and the dissemination of Information Note supplied to the petitioner, the allegation was of a '**fictitious Note**' and not of '**fictitious long term capital gain**' as claimed by Revenue. In view of this contradiction, learned Counsel for Revenue himself stated that they had no objection if



the impugned order and notice under section 148 of the Act are set aside and matter is remanded back to the Assessing Officer for fresh consideration. However, these facts are not appearing in the present case. The facts have been clearly stated in the notice and there is no ambiguity causing any prejudice to the petitioner to put forward his defense. In our opinion it is not a case of change of opinion. Further, nothing has been shown by the petitioner to show that the Assessing Officer has no jurisdiction to issue notice under Section 148(1) of the Act or the notice suffers from any inherent defect.

11. So far as the contention of learned Counsel for the petitioner with regard to holding prior inquiry, if required, under Section 148A(a) of the Act is concerned, the requirement of conducting an inquiry prior to issuing any notice was envisaged in pre amendment provision. Relevant portion of which is reproduced as under:

***“148A. Conducting inquiry, providing opportunity before issue of notice under section 148. – The Assessing Officer shall, before issuing any notice under section 148.-***

***(a) Conduct any enquiry, if required, with the prior approval of specified authority, with respect to the information which suggests that the income chargeable to tax has escaped assessment;”***

12. However, this provision was amended by the Finance Act, 2022 with effect from 01.04.2022 and now the new Section 148A dispenses with the requirement of prior inquiry before issuing a





notice under Section 148. The new Section is reproduced as under:

***“Procedure before issuance of notice under section 148.***

***148A. (1) Where the Assessing Officer has information which suggests that assessee for the relevant assessment year, he shall, before issuing any notice under section 148 provide an opportunity of being heard to such assessee by serving upon him a notice to show cause as to why a notice under section 148 should not be issued in his case and such notice to show cause shall be accompanied by the information which suggests that income chargeable to tax has escaped assessment in his case for the relevant assessment year.”***

13. Perusal of both the sections show that Section 148A (a) does not exist anymore and is not applicable to the present case.

14. We also do not find any substance in the argument that first the Revenue should have withdrawn the notice dated 29.03.2025 and only thereafter the notice dated 13.06.2025 could have been issued. Perusal of the record shows that the notice dated 13.06.2025 was issued under Section 148 A(1) of the Act requiring the petitioner to show cause as to why a notice under Section 148 of the Act should not be issued. Through this notice, the respondent was also requested to submit his reply along with supporting documents.

15. The prior notice dated 29.03.2029 was also issued under Section 148 A (1) of the Act with the same contents. However, as



the fresh notice dated 13.06.2025 was issued with the same contents, the previous notice automatically becomes infructuous.

16. Thus, no jurisdictional issue arises in the present writ petition. Consequently, there is no merit in the petition, the same is dismissed.

**VINOD KUMAR, J**

**V. KAMESWAR RAO, J**

**November 27, 2025**

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