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

+ W.P.(C) 5921/2026 CM APPL. 29077/2026 CM APPL. 29078/2026
BALESHWAR SHARMAPetitioner

Through: Mr. Vivek Malik and Mr. Tushar
Jarwal, Advs.

versus

DEPUTY COMMISSIONER OF INCOME TAX, CENTRAL
CIRCLE-07Respondent

Through: Mr. Ruchir Bhatia SSC with Mr.
Anant Mann and Mr. P. Gupta, JSCs.

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

ORDER
30.04.2026

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1. By way of the present writ petition, the petitioner has challenged the assessment order dated 31.03.2026 passed under Section 143(3) of the Income Tax Act, 1961 (*hereinafter referred to as 'the Act of 1961'*), whereby the respondent no.1 has raised a demand against the petitioner essentially based on a slip (Kachchi Parchi) recovered from one Mr. Pradeep Kumar Sehgal in which a sum of Rs.10,000/- (-10,000/-) was written.

2. Learned counsel contended that only on the basis of such slip, which does not even correctly record the petitioner's name, the Assessing Officer (AO) has presumed that the amount of Rs.10,000/- written on Kachchi Parchi meant Rs.1,00,00,000/- (Rs.1 crore) as three zeroes were omitted. He argued that the AO has added the entire amount in petitioner's hands even



though in his reply and during the assessment proceedings, the petitioner denied not only the knowledge of or acquaintance with such person, but has also pleaded ignorance about the belongingness of the said amount.

3. It is further submitted that said Mr. Pradeep Kumar Sehgal, in his statement has allegedly stated that he had given the said amount to the petitioner for construction of a farm house, whereas the petitioner is not at all in construction business.

4. Learned counsel for submitted that the petitioner was issued a notice dated 30.03.2026 under Section 131 of the Act of 1961 through email, requiring him to appear at 10:30 am on 31.03.2026 to produce evidence and cross examine said Pradeep Kumar Sehgal but this opportunity was just an eyewash inasmuch as within such short time, neither the petitioner nor his authorized representative could have mentally prepared themselves for the cross examination. He submitted that without the cross examination, the respondent has passed assessment order and inflicted a huge demand of tax which is otherwise not substantiated.

5. Mr. Anant Mann, learned Junior Standing Counsel for the respondent, on the other hand argued that petitioner has rushed to this Court against an assessment order in spite of the fact that the statute provides efficacious statutory remedy in the form of appeal before the Commissioner of Income Tax (Appeals). He further submitted that the arguments which have been advanced by learned counsel for the petitioner are in the realm of appreciation of evidence, which this Court in its extraordinary jurisdiction cannot indulge.

6. Having heard learned counsel for the parties, we are of the view that out of all the other arguments, which learned counsel for the petitioner has



advanced, the argument in relation to infraction of principles of natural justice calls for our attention and intervention in petitioner's favour.

7. Since the edifice of the entire addition made in petitioner's hands is, the slip, which was recovered during the search of Mr. Pradeep Kumar Sehgal, the petitioner ought to have been provided an opportunity of cross examination. On perusal of the proceedings, we find that such opportunity was only a farce or eyewash. An assessee or his representative cannot be expected to come on the very next day at 10:30 am to cross examine a person, who is not a formal witness for obvious reasons, the petitioner could not cross examine said Pradeep Kumar Sehgal and resultantly the AO has taken the slip and his statement to be a gospel truth, which is to the detriment of petitioner's right.

8. We, therefore, set aside the assessment order dated 31.03.2026, which essentially hinges upon the seized document (Kachchi Parchi) and the statement of the said Mr. Pradeep Kumar Sehgal for want of opportunity of cross examination. Because, since the entire addition is edified on the statement and slip recovered from Pradeep Kumar Sehgal.

9. The AO shall fix any date of hearing between 18.05.2026 to 20.05.2026 and inform the petitioner at least 7 days in advance and provide an opportunity to cross-examine Pradeep Kumar Sehgal. It shall be incumbent upon the AO to ensure that said Pradeep Kumar is available for cross-examination at the time of hearing so fixed and after the cross-examination being so done, the AO shall pass a fresh assessment order in accordance with law, giving due regard to the cross-examination.

10. Apart from the principles of natural justice, we have not dilated upon any of the arguments advances by the petitioner and therefore, the petitioner



shall be free to raise all other arguments before the Appellate Authority in accordance with law, if he is required to file an appeal.

11. The writ petition along with the pending application is disposed of.

DINESH MEHTA, J

VINOD KUMAR, J

APRIL 30, 2026/ddd