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* **IN THEHIGH COURTOF DELHIAT NEW DELHI**

\+ **W.P.(C) 4100/2025 & CM No.19052/2025**

NATIONAL SALES CORPORATION .....Petitioner
Through: Mr V.K. Sabharwal, Mr R.B. Gupta and Mr Rajiv Kumar, Advocates.

versus

PRINCIPAL CHIEF COMMISSIONER INCOME TAX DELHI 3 & ORS. .....Respondents
Through: Mr Vipul Agrawal, senior standing counsel with Ms Sakshi Sehrawat, Mr Akshat Singh and Mr Gaorang Ranjan, Advocates.

CORAM:
HON'BLE MR. JUSTICE VIBHU BAKHRU
HON'BLE MR. JUSTICE TEJAS KARIA

O R D E R

% 30.04.2025

1. The petitioner has filed the present petition, *inter alia*, impugning a notice dated 25.08.2024 issued under Section 148 of the Income Tax Act, 1961 [**the Act**] and further proceedings initiated pursuant to the said notice in respect of assessment year [**AY**] 2018-19.

2. The said notice was issued pursuant to a search that was initiated under Section 132 of the Act at the business premises of M/s Potalia Enterprises Pvt. Ltd., M/s Taran Tex Ltd. and Sh. Moola Ram Potalia on 26.02.2024.

3. During the course of the said search, certain documents were found, which pertained to certain transactions with the petitioner regarding purchase

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and sale of goods. It is also stated that on examination of tally data of the group concerns and other material, it appears that the transactions of purchase and sales was bogus and the same were booked on the basis of bills and invoices, which are not supported by any real transaction.

4. In view of the above, it was alleged that there was substantial loss of revenue on account of bogus transactions and therefore, the same required verification.

5. The learned counsel appearing for the petitioner contends that the approval granted by the concerned authority is premised on an order passed under Section 148A(d) of the Act, however, no such order had been passed. On the aforesaid basis, he contends that the approval granted under Section 151 the Act is invalid and therefore, the impugned notice is liable to be set aside. To make good the said contention, the learned counsel referred to the entries made in Row 12 of the approval form, which reads as under:

12.	I. Details of the information which suggests that income chargeable to tax has escaped assessment.	Refer Order u/s 148A(d) for details/refer proposal details as per annexure 1

6. It is apparent from the plain reading of the aforesaid entry that the contention advanced on behalf of the petitioner, is unmerited. The entry refers to an order under Section 148A(d) or a proposal, which is detailed as per Annexure-1 to the Form. Mark ‘/’ denotes ‘or’. The Form has an Annexure, which indicates the reasons for issuance of the impugned notice.

7. The petitioner also submits that, in fact, there were no bogus transactions entered into by the petitioner, but its KYC and other details had been misused. Clearly, the impugned notice cannot be set aside on the said

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ground. The question whether, in fact, the petitioner's KYC details had been misused is required to be examined in the re-assessment proceedings.

8. In view of the above, we find no grounds to interfere with the impugned notice. Accordingly, the petition is dismissed.

9. The pending application stands disposed of.

VIBHU BAKHRU, J

TEJAS KARIA, J

APRIL 30, 2025
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Click here to check corrigendum, if any

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