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

\+ W.P.(C) 512/2026 CM APPL. 2491/2026 CM APPL. 2492/2026

MATRIX INFO SYSTEMS PVT LTD .....Petitioner

Through: Mr. Kumail Abbas and Ms. Sahar Irfan, Advs.

versus

DEPUTY COMMISSIONER OF INCOME TAX CENTRAL CIRCLE 26 & ORS. .....Respondents

Through: Mr. Gaurav Gupta, SSC, Mr. Shivendra Singh and Mr. Yojit Praeek, JSCs and Mr. Surya Jindal, Adv.

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

O R D E R

% **10.03.2026**

1. Learned counsel for the petitioner invited Court's attention towards the order passed by the Income Tax Appellate Tribunal, Delhi Bench 'G' *(hereinafter referred to as 'the Tribunal')* dated 19.12.2025 passed in the case of petitioner-company and submitted that in terms of the said order, the entire outstanding demand against the petitioner stands stayed.

2. Learned counsel for the petitioner submitted that regardless of this fact, the respondents have seized petitioner's bank accounts (first being overdraft account bearing no. 0901651000003988 and second account bearing no.901102000030825). He argued that the action on the part of the

Assessing Officer (AO) is illegal and arbitrary.

3. Mr. Gaurav Gupta, learned Senior Standing Counsel on the other hand submitted that the cash amount of Rs. 72,34,000/-, which was seized on 09.06.2016 has been adjusted against the outstanding demand of Mr. Sunil Jain, the Director of the company and hence, the said amount cannot be adjusted against the demand of the petitioner-company.

4. He however, did not dispute the position that the demand against Mr. Sunil Jain has been set aside by the Tribunal and the matter has been remanded to the AO.

5. Having considered the overall facts on record, more particularly in view of the fact that the demand against the said Mr. Sunil Jain stands set aside and fresh assessment proceedings are to be undertaken and that no demand as of today exists against Mr. Sunil Jain we are firmly of the view that the amount of Rs.72,34,000/- is lying idle with the Department. The same can neither be taken as advance tax nor there is a provision under the Act of 1961 permitting to keep this amount as advance or security against the likely demand.

6. Further, the Department has not challenged the order dated 19.12.2025 passed by the Tribunal by way of any proceedings or by moving any application before the Tribunal. We are therefore, of the view that the seizure of petitioner's current account will adversely affect the rights of petitioner-company to carry out trade and business enshrined under Article 19(1)(g) and its right to property under Article 300A of the Constitution of India.

7. In any case, the appeal is fixed for hearing before the Tribunal on 30.03.2026. We therefore, allow the petition and set aside the notice under

Section 226(3) of Income Tax Act, 1961 dated 01.12.2025 (Annexure P-3).

8. The petitioner shall not be granted any adjournment in the appeal which is fixed on 30.03.2026, unless compelling circumstances or reasons so warrant.

9. The Assessing Officer shall forthwith issue necessary order of communication and recall/cancel the order of attachment dated 01.12.2025.

10. The petition stands allowed accordingly.

DINESH MEHTA, J

VINOD KUMAR, J

MARCH 10, 2026/*cd*