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

\+ W.P.(C) 5484/2026 CM APPL. 26907/2026 CM APPL. 26908/2026

TARUN CHAUHAN .....Petitioner

Through: Mr. Tarun Chauhan (petitioner in person)
Mr. Nitin Gulati, Adv.

versus

INCOME TAX OFFICER, WARD 28(5), DELHI. .....Respondent

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

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

O R D E R

% 22.05.2026

1. By way of present petition, the petitioner has challenged the assessment order dated 27.03.2026, alongwith consequential penalty proceedings. On previous date of hearing (i.e. 23.04.2026), the Court had passed the following order :

> *"1. Learned counsel for the petitioner argued that in spite of the fact that copy of the Builder Buyer Agreement (hereinafter referred to as 'Agreement') duly executed between the petitioner and M/s Max-Digi Infotech Pvt. Ltd. was produced before the Assessing Officer (AO) in which a sum of Rs.46 lakhs was reflected as due to be paid by the assessee, the AO added such amount in petitioner's income, without there being any basis.*
> *2. Mr. Gaurav Gupta, learned Senior Standing Counsel for the respondent prays for and is granted two weeks' time to*

complete instructions.
3. List this case on 22.05.2026.
4. Till then, no coercive action shall be taken against the petitioner for recovery of the amount pursuant to assessment order dated 27.03.2026.
5. Penalty proceedings under Section 271AAC of the Income Tax, 1961 in furtherance of the assessment order dated 27.03.2026 should also remain stayed.”

2. Mr. Gaurav Gupta, learned Senior Standing Counsel for the respondent-Department produced a copy of E-mail dated 14.05.2026 containing instruction sent to him by the Assessing Officer (AO) for perusal of the Court. According to which, the AO has observed thus :

> *“Moreover, another addition of Rs. 46,0000/- was made on the ground that, assesseee has purchased aforesaid property at Rs. 58,25,000/- including other charges. Out of Rs. 58,25,000/-, the payment of Rs. 12,25,000/- was claimed to be adjusted form another property, therefore, the balance amount of Rs. 46,00,000/- (Rs.58,25,000/- minus Rs. 12,25,000), remains to be paid to Bhutani group. In this regard, the assessee has submitted copy of Builder Buyer agreement executed on 15.07.2021 wherein mentioned that assessee has paid of Rs. 12,25,000/- (excl. GST) and remaining amount to be paid in future.”*

3. Mr. Gupta submitted that the assessment order dated 27.03.2026 be set aside and the AO be allowed to pass a fresh assessment order.

4. At this juncture, learned counsel for the petitioner contended that even the remaining addition of Rs.12,95,000/-, which has been made by the AO is also untenable in law, as the petitioner had furnished a certificate from the builder indicating therein that they have not received any cash.

5. Having heard learned counsel for the parties and considering that the AO himself has accepted inadvertent error in making the impugned addition of Rs.46,00,000/-, we set aside the assessment order dated 27.03.2026, alongwith consequential demand notice and notice of penalty, if any issued to the petitioner.

6. The AO shall issue a notice of hearing to the petitioner and give him an opportunity of personal hearing and consider petitioner's all contentions including the certificate given by the builder in accordance with law and that the above referred order whereby the error of adding Rs.46 lacs has been accepted.

7. It is also directed that in case, the AO has relied upon or proposes to rely upon statements of any witness, the petitioner shall be given an opportunity to cross-examine those witnesses. And it is only after compliance of above direction and observance of principles of natural justice, the AO shall pass a fresh assessment order in accordance with law.

8. The petition stands allowed accordingly and pending applications are disposed of.

DINESH MEHTA, J

VINOD KUMAR, J

MAY 22, 2026/*ss*